

## Rebuilding a New Life after Divorce

Our #1 priority is to understand what's most important to you and to help you focus on what matters in life. Perhaps no greater example illustrates this point better than working with someone who has gone through a divorce. Divorce is a challenging experience triggering many emotions that come with suddenly being on your own after years in a shared relationship. It also brings to the surface the anxiety & uncertainty of being solely responsible for your financial future.



Planning and advice to help you focus on what matters in life.

We met Linda shortly after her divorce was finalized. While relieved to have her ordeal behind her, she was overwhelmed with questions concerning what kind of lifestyle she could afford and how to manage her assets going forward to provide income, preserve principal and still have potential for growth.

In addition to investment-related questions, she also had a host of other concerns relating to getting individual health care insurance and changing beneficiary and executor designations in her will and trust. She was 43 at the time with three children ages 15, 13 and 11.

As part of her divorce settlement, Linda received roughly \$10 million in taxable and tax-exempt assets including stock and options in her ex-spouse's company and several low basis positions. Recognizing the considerable difference between pre- and post-tax values of her settlement, we arranged a meeting with Linda and her accountant to discuss potential tax consequences associated with exercising options as well as her unrealized capital gains exposure. It was clear from our discussion that any changes to Linda's portfolio would have to be executed with great care concerning tax liabilities.

In addition to potential tax consequences, we also questioned the suitability of Linda's portfolio relative to her new investment objectives and tolerance to risk. Since her ex-spouse's salary and bonus had covered most of the family's income needs, most of her investments were in growth stocks which provided minimal income benefits. Recognizing Linda's more conservative nature, we gradually transitioned her portfolio over several years to a moderate growth and income strategy.

Next, we helped Linda develop a process for tracking monthly expenses and modeling what kind of life she could afford. Based on her assumptions for when and how much children's college, weddings, new cars, major travel excursions, etc. might cost, we modeled how well her assets were aligned to her long-term spending priorities. Finally, we introduced Linda to an independent insurance specialist to secure new health and life insurance.

Helping people like Linda rediscover an independent life with purpose and meaning while instilling a sense of confidence and ability to make smart decisions underscores why our business is both challenging and rewarding.

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