
Pre-divorce considerations

Posted by Samantha - 2007/02/07 03:03

If you are contemplating divorce, can you start retitling your assets to hide them from your spouse? I'm sure its done all the time, but is it legal?

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Re:Pre-divorce considerations

Posted by Jacob - 2007/02/13 20:56

My sister's ex-husband re-titled all their marital assets into his family's name (to avoid giving her any assets) and her attorney discovered the transfers and showed the court. The court then reclassified them as marital assets. Also, I believe that a spouse that tries to remove assets from the marital estate can also be guilty of a fraudulent transfer, which is a crime.

Pre-divorce transfers are done all the time. However, in many cases, its often difficult to uncover the movement of assets.

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Re:Pre-divorce considerations

Posted by Samantha - 2007/02/17 19:16

Thanks for the reply. I know the law requires full disclosure of assets as a preliminary matter and upon settlement. It also is no surprise that someone may lie on the settlement reports and not declare all their assets.

So, the issue becomes whether you can uncover the hidden assets during a divorce proceeding. If hidden assets are uncovered, then you could always seek judicial adjustments or criminal sanctions.

The problem is that it is very hard to police transfers of property. People could simply just retitle assets in another person's name or transfer the asset overseas.

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Re:Pre-divorce considerations

Posted by Jackie - 2007/02/28 01:19

Samantha, why did you ask the question if you already knew the answer?

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Re:Pre-divorce considerations

Posted by Jim C. - 2007/03/23 23:43

It may be illegal, but some assests are easily hidden, others are impossible. Rule of thumb, if its reported on your yearly tax return, or has been over the last 5 years or so, no real way to hide it. If not, almost impossible to find. Cash in a non-interest bearing checking, hard to find. A house purchased a few years prior to divorce in another's name hard to find. You also have to remember the fruadelent transfers act has a time limitation, its either one or two years and then its no longer subject to the law. Just my thoughts.

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