

From the desk of Jeanne M. Kerkstra, Esq., CPA

Viewpoint
How Not to be the Subject of a Kiss and Tell

Forbes Magazine recently ranked the top 20 richest women in entertainment. Everyone knows who hit the top spot. But, look at the others: (10) Jennifer Aniston; (9) Jennifer Lopez; (8) Julia Roberts; (7) Janet Jackson; (6) Mariah Carey; (5) Celine Dion; (4) Madonna; (3) Martha Stewart; (2) J.K. Rohling. It's interesting to note who's married and more interesting, as a tax attorney, where they were domiciled when they got married. Generally speaking, in community property states, each spouse is entitled to one-half of all of the property acquired during the marriage. It's fun to note that the community property states include Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin. The remaining states are separate property states where, generally, the separate property of each spouse is not included in the property division.

For our discussion, it's interesting to note that Brittany Spears missed the top 10 by two spots, coming in with an estimated net worth of \$100 million. Jennifer Aniston who took the 10th spot, came in with an estimated value of \$110 million. The two are also like a tale of two cities. You may recall from recent headlines that first Jennifer Aniston was not dating Vince Vaughn, which was good buzz for promoting their mutual movie. Next, they were not breaking up. Now, the rumor mill is reporting that the two are getting married, but that she is not requiring a prenup. As noted above, Forbes is reporting that she is worth an estimated \$110 million. (I wonder if the IRS keeps copies of these lists). If she really is not going to require a prenup (that is presuming that she and Vince Vaughn *really* are getting married), then I wonder if it is because she has actually done solid asset protection and has no assets in her name alone.

As an aside, it's interesting to note that the founder of Ikea, from Sweden, is listed as being worth \$28 billion by Forbes Magazine as well. However, it was my understanding that the Ikea founder, Ingvar Kamprad, doesn't have a penny to his name and that his entire wealth had been shifted to a foundation several years ago.

Back to Jennifer, if she is indeed going to get married, this would be her second marriage because we all know to whom she was married before. However, there was no major fallout from her first marriage. Why? Primarily, it had to do with the fact that her ex was, and is, a pretty top draw in Hollywood. And, equally important, there were no children involved.

Contrast Jennifer Aniston's situation with Brittany Spears. She was a former Mouseketeer from the new Mickey Mouse Club who ascended to pop princess stardom. Things seem to have started to go bad when she had her 55-hour marriage to her childhood friend annulled. Things got bleaker when she married a former backup dancer, Kevin Federline. However, it seemed to start well, at least in the eyes of a tax attorney, because there was talk that there was a 7-day delay before the ceremony. That was read to mean that there was a prenup signed and the groom-to-be had to be given sufficient time in order to decide if he wanted to change his mind. As we know, the marriage is over. Brittany says there are no problems because there is a prenup. However, is this true? Remember, Kevin's claim to fame before Brittany was that he was a backup dancer and, equally important, they have two very young children. There has been a lot of harsh talk, and it appears that the kids are

being used as the bargaining chip for getting more money than what it provided for in the prenup.

Generally speaking, when both spouses have significant assets and there are no children during the marriage, it seems that prenups hold up pretty well, especially for the spouse with the bigger size assets. See *Viewpoint: Going, Going, Gone - The Toll of Wedding Vows*.

Also, how things turn out also hinges on whether the marriage ends because of death or divorce. In the case of the late James Brown, his wife was locked out of their home after his death because his attorneys said that the home was an asset of Mr. Brown's Trust. Further, it was reported that his wife and their 5-year old son were not listed in the Will. I always remember the five basic building blocks of estate planning: The pour-over Will, the Revocable Trust (which is a confidential document that avoids probate improperly funded), the durable Powers of Attorney for Health Care and Property and the Living Will.

The bottom line is that before any major financial step, talk to your attorney about strategy.

P.S. It is a far shorter list of what is not a major financial step than what is.

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