Knowledge Center Guide

# High-Net-Worth Divorce in North and South Carolina

**Quick Summary**

- High-net-worth divorce involves the same legal framework as any divorce in NC and SC, but the complexity of identifying, valuing, and dividing significant assets — businesses, investment portfolios, retirement accounts, real estate, and executive compensation — requires a specialized approach
- Forensic accountants, business valuation experts, real estate appraisers, and other financial professionals play a central role in contested high-asset cases
- North Carolina and South Carolina differ in important ways that directly affect high-asset divorces: NC's date-of-separation valuation and divisible property concept versus SC's date-of-filing valuation; and SC's use of fault as a property division factor
- Privacy, confidentiality, and the risk of financial disclosure are significant concerns in high-net-worth divorce that require careful strategic planning from the outset

High-net-worth individuals and families in North Carolina and South Carolina face divorce proceedings that are meaningfully more complex than the typical case. The financial stakes are higher, the assets more varied and harder to value, and the range of legal issues broader — from the treatment of closely held businesses and investment portfolios to executive compensation, trust assets, and real estate holdings in multiple states.

Individuals in North Carolina and South Carolina with significant assets often begin planning early when divorce becomes likely in order to understand how courts will evaluate complex financial holdings.

> **How Is Property Divided in a High-Net-Worth Divorce?** Courts divide assets in high-net-worth divorces using the same equitable distribution principles that apply to other divorces, but complex assets such as businesses, investment portfolios, executive compensation, and trust interests require specialized valuation and financial analysis.

Individuals with significant assets often begin consulting attorneys early in the separation process, before formal proceedings are initiated, to understand how their financial picture will be analyzed and what strategic steps can protect their interests.

A high-net-worth divorce involves the division of a marital estate with significant or complex assets that require specialized financial analysis, valuation, and legal strategy.

## Who This Guide Is For

This guide is designed for individuals who:

- Own significant investment or business assets
- Receive executive compensation such as stock options or RSUs
- Have real estate holdings or trust interests
- Are concerned about financial privacy in divorce proceedings

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> **What Is High-Net-Worth Divorce?** A high-net-worth divorce involves a marital estate with significant assets that require specialized valuation, legal strategy, and financial analysis. There is no fixed dollar threshold — the term typically applies to divorces involving closely held businesses, large investment portfolios, executive compensation, multiple real estate holdings, trust assets, or other complex financial arrangements that go well beyond standard property division.

## What Makes High-Net-Worth Divorce Different?

The legal framework governing divorce in NC and SC applies equally to all divorces — but the complexity of high-asset cases creates challenges that are significantly more complex from those in simpler proceedings. Key distinctions include:

- Asset identification: High-net-worth estates often include assets that are not immediately visible or easily documented — deferred compensation, unvested stock options, ownership interests in private businesses, offshore accounts, and beneficial interests in trusts may all need to be investigated.
- Valuation complexity: Many high-value assets do not have readily determinable market values. Closely held businesses, professional practices, real estate portfolios, and pension plans all require expert valuation, and the parties' experts frequently reach significantly different conclusions.
- Classification disputes: The larger an estate, the more likely it is that significant assets have complex histories — premarital assets that were partially commingled, inheritances that were invested alongside marital funds, or businesses that existed before the marriage but grew significantly during it.
- Liquidity and structure: High-net-worth estates often include illiquid assets — real estate, business interests, retirement accounts — that cannot simply be split in half. Structuring a division that is equitable without forcing a distress sale or triggering unnecessary tax consequences requires careful planning.
- Discovery and disclosure: In contested high-asset cases, the discovery process — obtaining and analyzing financial records, business documents, tax returns, and related information — is often extensive and can itself become a source of dispute.

### Who This Guide Is For

- Individuals with significant assets who are considering or facing divorce in NC or SC
- Business owners, executives, and professionals whose divorce will involve a business interest or complex compensation arrangements
- Spouses who suspect the marital estate may be larger than disclosed — or who are concerned about hidden assets
- Anyone navigating a divorce involving real estate in multiple locations, trust assets, investment portfolios, or retirement accounts with significant balances

*A guide for individuals and families with significant assets navigating divorce in North Carolina and South Carolina.*

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### What This Guide Covers

- How high-value assets are identified, valued, and divided in NC and SC
- Business interests, executive compensation, and investment portfolios in divorce
- Real estate, trust assets, and retirement accounts
- The role of forensic accountants and other financial experts
- Hidden assets and financial investigation
- Privacy and confidentiality in high-net-worth proceedings
- Key differences between NC and SC law that affect high-asset divorces

Family law attorneys experienced in high-net-worth divorce in North Carolina and South Carolina work alongside forensic accountants, business valuation experts, and financial advisors to build a complete picture of the marital estate and advocate for outcomes that genuinely reflect the full value of what was accumulated during the marriage.

### Quick Comparison: High-Net-Worth Divorce in NC vs. SC

| Feature | North Carolina | South Carolina |
|---|---|---|
| Property division standard | Equitable distribution; 50/50 presumption | Equitable apportionment; no 50/50 presumption |
| Fault affects property division? | No | Yes — statutory factor |
| Fault affects alimony? | Yes — adultery can make alimony mandatory or bar it depending on which spouse committed the misconduct | Yes — adultery bars or supports alimony |
| Valuation date | Date of separation | Date of filing |
| Divisible property concept? | Yes — post-separation changes tracked separately | No — folded into marital estate |
| Business valuation timing | Date of separation | Date of filing (generally) |
| Court handling financial claims | District Court (separate from divorce) | Family Court (unified proceeding) |
| Must financial claims be filed before divorce? | Yes — or permanently waived | No — part of same proceeding |
| Expert witnesses common? | Yes — forensic accountants, appraisers, actuaries | Yes — forensic accountants, appraisers, actuaries |
| Discovery scope | Full financial discovery available | Full financial discovery available |
| Privacy in proceedings? | Court filings are public | Court filings are public |

## Key Issues in High-Net-Worth Divorce

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## Identifying All Marital Assets

The first challenge in any high-net-worth divorce is ensuring that the complete marital estate is identified. In complex financial situations, assets that are easy to overlook include:

- Unvested stock options and restricted stock units that will vest in the future — these have present value even if not yet exercisable
- Deferred compensation arrangements and non-qualified retirement plans not subject to QDRO rules
- Ownership interests in closely held businesses, LLCs, partnerships, and professional practices
- Beneficial interests in trusts established by a spouse or a third party (such as a parent)
- Real estate held in the name of a business entity rather than directly by the spouse
- Accounts and assets held offshore or in another state
- Cryptocurrency and digital assets
- Collectibles, art, jewelry, and other high-value personal property
- Intellectual property rights and royalty streams

A thorough financial investigation at the outset of the case — using tax returns, financial statements, business records, loan applications, and other documents — is essential for ensuring that the estate presented for division is complete and accurate.

## Valuing Complex Assets

Valuation is often the central battleground in a high-net-worth divorce. The parties' respective experts frequently disagree, sometimes significantly, about the value of the same asset. Common valuation disputes involve:

### Closely Held Business Interests

Valuing a closely held business or professional practice for divorce purposes is one of the most complex and contested issues in high-net-worth cases. Key issues include the choice of valuation methodology (income approach, market approach, or asset-based approach), the treatment of goodwill (particularly the distinction between enterprise goodwill, which is a marital asset, and personal goodwill attributable to the individual spouse's skills and relationships, which is often treated as separate from the marital estate), the appropriate discount for lack of marketability and minority interest, and the normalization of owner compensation.

In both NC and SC, the parties are generally entitled to present competing expert opinions, and the court evaluates the methodologies and reasoning of each. Retaining a highly qualified and experienced business valuation expert is one of the most important decisions in any high-asset divorce involving a business.

### Executive Compensation and Equity

Stock options, restricted stock units (RSUs), performance shares, and other equity-based compensation present classification challenges in addition to valuation challenges. The threshold question is how much of the award is marital property (earned during the marriage) versus separate property (attributable to post-separation performance or pre-marital service). Various allocation formulas are applied by courts in different jurisdictions, and the appropriate formula is frequently disputed.

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Unvested awards present additional complexity: they have current economic value, but that value is contingent on continued employment and future performance. Courts in both NC and SC must address how to treat unvested equity at the time of divorce.

### Real Estate

Investment real estate, commercial properties, vacation homes, and real estate held in LLCs or trusts require professional appraisal to establish value for divorce purposes. In addition to current market value, the tax basis of real estate holdings is critically important — two properties with the same fair market value may have very different after-tax values depending on their acquisition cost and any depreciation taken. For income-producing real estate, the income stream itself may also have value beyond the underlying property.

### Retirement and Pension Accounts

Large defined benefit pension plans require actuarial analysis to determine present value and the marital portion. The analysis depends on the employee spouse's years of service, the applicable benefit formula, retirement age assumptions, and applicable discount rates. Defined contribution accounts (401(k)s, 403(b)s) require tracing to determine what portion of the balance accrued during the marriage, particularly when the account was opened before the marriage.

## The Role of Forensic Accountants

In high-net-worth divorce cases, a forensic accountant is often as important as the attorney. Forensic accountants provide services including:

- Business valuation and review of the opposing expert's valuation
- Analysis of personal and business tax returns to identify income, assets, and discrepancies
- Tracing separate property contributions and commingled assets
- Analysis of cash flow and lifestyle to identify undisclosed income or assets
- Reconstruction of income for a self-employed spouse whose reported income may not reflect actual economic benefit
- Investigation of financial records for evidence of dissipation, asset transfer, or concealment

The forensic accountant's work product — expert reports, financial analyses, and deposition and trial testimony — is frequently determinative in contested high-asset cases. Selecting an experienced forensic accountant with expertise in the specific types of assets at issue (closely held businesses, real estate, executive compensation) is essential.

## Hidden Assets and Financial Investigation

In high-net-worth divorces, one spouse may attempt to conceal assets, underreport income, or artificially depress the value of a business in anticipation of divorce. Common tactics include:

- Deferring the recognition of income, bonuses, or business revenue until after the divorce is finalized
- Overstating business expenses or recording fictitious expenses to reduce reported income
- Transferring assets to friends, family members, or business associates with the expectation of recovery after the divorce

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- Creating artificial loans or liabilities on business books to reduce apparent equity
- Undervaluing inventory, real estate, or business assets in disclosed financial statements

Discovery tools available in both NC and SC — including interrogatories, requests for production of documents, subpoenas to financial institutions and business entities, and depositions — can be used to investigate and expose financial misconduct. Courts in both states have authority to sanction a spouse who conceals or dissipates marital assets, and the crediting of dissipated value back to the offending spouse's share of the distribution can be a significant remedy.

> **Important:** If you suspect your spouse is concealing income or assets, do not wait. Early engagement with a forensic accountant and an attorney who handles complex financial discovery can make the difference between uncovering concealed assets before they disappear and being unable to recover their value after the fact.

## Dividing Illiquid Assets

High-net-worth estates frequently include assets that cannot be simply split in half — a closely held business, a real estate portfolio, a concentrated stock position, or a pension with no cash value until retirement. Strategies for dividing illiquid assets include:

- Offsetting: One spouse receives the illiquid asset (e.g., the business) in exchange for the other spouse receiving a larger share of liquid assets of equivalent value
- Deferred distribution: The asset is retained jointly until a liquidity event — such as the sale of the business or maturation of equity awards — at which point the proceeds are divided
- Installment buyout: One spouse buys out the other's interest over time through a series of payments, often structured to minimize tax consequences
- Forced sale: In cases where no other resolution is possible, the court may order the sale of an asset and division of the proceeds, though courts are generally reluctant to force the sale of an operating business

Each approach has different risk, tax, and financial planning implications that must be evaluated carefully with both legal and financial counsel.

## Privacy and Confidentiality

For high-profile individuals, business owners, and executives, the public nature of court proceedings is a significant concern. In both NC and SC, divorce filings, financial disclosures, and court orders become part of the public court record unless the court takes specific steps to protect confidentiality.

Strategies to protect privacy in a high-net-worth divorce include:

- Negotiating a settlement that avoids litigation entirely — settlement agreements typically disclose less detail in public filings than contested proceedings
- Seeking a court order sealing specific financial documents or portions of the record that contain sensitive business or financial information
- Incorporating confidentiality provisions directly into the settlement agreement
- Using private mediation or collaborative divorce processes, which keep proceedings out of the public court record

Confidentiality considerations should be part of the strategic planning for a high-net-worth divorce from the very beginning — not an afterthought when sensitive information has already been filed publicly.

# High-Net-Worth Divorce in North Carolina

## The NC Framework for High-Asset Cases

North Carolina's Equitable Distribution Act governs the division of marital property in all divorces, including high-net-worth cases. The Act establishes a presumption of equal (50/50) division of marital and divisible property, subject to rebuttal based on a list of statutory factors. For high-asset cases, the most frequently contested factors include the contributions of each spouse to the acquisition of marital property, the liquid or non-liquid character of the assets, the difficulty of evaluating a particular asset (such as a business interest), and the tax consequences of the proposed distribution.

A critical procedural point that carries particular weight in high-asset cases: the equitable distribution claim must be filed in NC District Court before the divorce is granted, or the right is permanently waived. Given the financial stakes in a high-net-worth divorce, failing to preserve this claim is catastrophic. No high-asset divorce in North Carolina should proceed to final judgment without careful coordination of the property division claim.

## The Date of Separation and Divisible Property in NC

North Carolina's date-of-separation rule and the divisible property concept have significant practical implications in high-asset cases. Marital property is classified and valued as of the date of separation, but post-separation changes in value are tracked separately as "divisible property." This means:

- A stock portfolio that increases in value by $500,000 after the separation date is divisible property, not simply the property of whoever holds the account
- A business interest that appreciates significantly after separation because of the owner-spouse's post-separation efforts may generate contested arguments about how much of the appreciation is divisible versus separate property
- Passive investment gains and dividends received from marital assets after separation are divisible property and must be accounted for in the distribution

For long-running cases involving volatile assets — concentrated equity positions, investment portfolios in an active market, growing businesses — the divisible property accounting can be enormously complex and consequential.

## Business Valuation in NC

Business interests are valued as of the date of separation in North Carolina. The valuation must address whether the business has both enterprise goodwill (the value attributable to the business itself, its name, systems, and customer relationships) and personal goodwill (the value attributable to the individual owner's unique skills, reputation, and relationships). Enterprise goodwill is a marital asset. Personal goodwill — the value that would not transfer to a buyer because it is tied to the individual — is generally not a marital asset in NC.

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The distinction between enterprise and personal goodwill is heavily litigated in NC high-asset divorce cases, particularly for professional practices (medical, dental, legal, accounting) where personal relationships and reputation are central to the business's value. Selecting a business valuation expert with experience in North Carolina's specific treatment of goodwill is essential.

## Alimony in NC High-Asset Divorces

Alimony is often a major financial issue in high-net-worth NC divorces. NC courts may award alimony when one spouse is financially dependent on the other, and the amounts involved in high-asset cases can be substantial. Key NC alimony rules with particular relevance in high-asset cases include:

- Adultery: If the supporting spouse committed adultery, alimony is generally mandatory. If the dependent spouse committed adultery, they are barred from alimony. This rule operates regardless of the size of the marital estate.
- Standard of living: NC courts consider the standard of living established during the marriage when determining alimony amounts. In high-net-worth cases, this can support significant alimony awards.
- Duration: NC alimony may be permanent, rehabilitative, or limited in duration depending on the circumstances. Long marriages with significant income disparities frequently result in permanent alimony orders.
- Tax considerations: Under current federal law (post-2018 agreements), alimony is neither deductible to the payor nor taxable to the recipient. Structuring the overall settlement to account for this — and to consider property transfers in lieu of alimony where appropriate — requires careful planning.

## Tax Planning in NC High-Asset Divorces

In high-net-worth NC divorces, tax planning is an integral part of structuring the overall settlement. Key considerations include:

- Capital gains exposure: Transferring highly appreciated assets in divorce is generally tax-free between the spouses, but the recipient spouse inherits the original cost basis and will owe capital gains tax on sale. Assets with the same fair market value can have dramatically different after-tax values.
- Retirement account division: Employer-sponsored plans are divided by QDRO. IRAs are divided by transfer incident to divorce. Large retirement account balances require careful analysis of the pre-tax versus after-tax value, particularly when one spouse is receiving a Roth account and the other a traditional account.
- Real estate and the primary residence exclusion: The availability of the $250,000 capital gains exclusion (per person) for the sale of the marital home can be affected by the divorce. Structuring the timing of the home sale or the transfer of the home to one spouse requires analysis to preserve available exclusions.
- Business transaction planning: If the sale of a business is contemplated in connection with the divorce, the structure of the sale — asset sale versus stock sale, installment sale, earnout arrangements — can have significant tax consequences that affect the net value available for distribution.

> **NC Planning Tip:** In high-net-worth NC divorces, the interaction between the equitable distribution claim, alimony, and tax planning creates a complex set of interdependencies. A seemingly favorable asset distribution can be undermined by overlooked tax

> consequences, and an alimony award that appears generous may have different present value depending on how it is structured. Coordinating legal and financial counsel from the outset is essential.

### Discovery in NC High-Asset Divorces

North Carolina's civil discovery rules, applicable to equitable distribution cases in District Court, permit broad financial discovery including interrogatories, requests for production of documents, depositions, and subpoenas to third parties such as banks, brokerage firms, accountants, and business partners. In high-asset cases, the discovery process is often extensive and may include:

- Comprehensive production of personal and business tax returns for multiple years
- Bank, brokerage, and retirement account statements
- Business financial statements, general ledgers, and payroll records
- Loan applications, which often contain accurate asset and income disclosures not replicated in other documents
- Corporate formation documents, buy-sell agreements, and shareholder agreements
- Deferred compensation plan documents and executive compensation agreements
- Depositions of the spouse and key business associates or financial advisors

The organization and analysis of the financial discovery produced in a high-asset NC case is typically the work of a forensic accountant working closely with the attorney. A thorough discovery process is the foundation of a well-prepared case at trial or a well-informed position in settlement negotiations.

## High-Net-Worth Divorce in South Carolina

### The SC Framework for High-Asset Cases

South Carolina's property division framework — equitable apportionment of marital property under the Family Court's broad authority — applies to all divorces, including high-net-worth cases. Unlike North Carolina, SC does not start with a presumption of equal division; the court seeks a fair result based on all relevant statutory factors. For high-asset cases, this gives the SC court broader discretion, which can work in either party's favor depending on the circumstances.

All property division, alimony, custody, and support issues are handled in a single Family Court proceeding in South Carolina — there is no risk of losing financial claims by finalizing the divorce prematurely, as there is in NC. However, the unified nature of SC proceedings means that high-asset financial issues are addressed alongside custody and support in the same case, which can add complexity to an already demanding proceeding.

### Fault and Property Division in SC High-Asset Divorces

South Carolina's explicit use of marital fault as a factor in property division — a meaningful distinction from NC — has particular relevance in high-net-worth cases. When adultery, physical cruelty, or other marital misconduct is established, the SC court may award a greater share of

the marital estate to the injured spouse. In cases involving a large marital estate, even a modest percentage adjustment in the division can represent a significant dollar amount.

The practical implication is that in SC high-asset divorce cases, the conduct of the parties — not just their financial circumstances — may directly affect the financial outcome. Gathering and presenting evidence of fault, or defending against fault allegations, is an important strategic consideration that does not arise in the same way in North Carolina.

## The Date of Filing and Business Valuation in SC

South Carolina generally values marital assets as of the date of filing of the divorce action, which is typically later than the date of separation. For high-asset cases, this valuation date difference from NC can be significant:

- In rising markets, assets that have appreciated between separation and filing will be valued at the higher amount, increasing the marital estate subject to division
- In declining markets, the reverse is true: a business or portfolio that has declined in value after separation but before filing will be valued at the lower amount
- A business that the owner-spouse has been building during the post-separation period may be valued as of a date that includes substantial post-separation growth — a result that some would argue unfairly credits marital efforts after the marriage effectively ended

The interaction between the valuation date and post-separation business growth or investment returns is one of the most important strategic issues in SC high-asset divorces, and one that often generates competing expert testimony.

## Business Goodwill in SC

South Carolina's treatment of business goodwill in divorce generally follows a similar framework to NC — enterprise goodwill is marital property, while personal goodwill may not be. However, SC case law on the goodwill distinction is still developing in some respects, and the application of the distinction to professional practices and closely held businesses requires careful expert analysis in each case.

In SC high-asset divorce cases involving professional practices, closely held businesses, or owner-operated companies, the goodwill analysis is often the most contested aspect of the business valuation. Retaining an expert with specific experience in SC goodwill cases — and who can effectively present the relevant case law and methodology to a Family Court judge — is essential.

## Alimony in SC High-Asset Divorces

South Carolina recognizes multiple forms of alimony — periodic, rehabilitative, lump-sum, and reimbursement — and in high-net-worth cases, alimony can be a major financial obligation. Key SC alimony considerations in high-asset cases include:

- Adultery bars alimony: A spouse who committed adultery before the formal separation is generally barred from receiving alimony in SC, regardless of the size of the marital estate.
- Standard of living: SC courts consider the standard of living during the marriage when setting alimony, which in high-net-worth cases can support significant periodic alimony awards.

- Cohabitation and remarriage: Periodic alimony in SC terminates on remarriage and may be reduced or terminated on cohabitation in a romantic relationship, provisions that affect long-term financial planning.
- Lump-sum alimony: In high-asset cases, structuring alimony as a lump-sum payment (which is non-modifiable) rather than periodic payments (which can be modified) may be preferable for one or both parties depending on their financial circumstances and risk tolerance.

### Discovery in SC High-Asset Divorces

South Carolina's Family Court rules permit comprehensive financial discovery in contested divorce proceedings. The discovery available in SC high-asset cases is substantially similar to that available in NC: interrogatories, document requests, depositions, and third-party subpoenas. SC courts also have authority to order forensic accounting examinations and to appoint experts in appropriate cases.

Because SC's Family Court handles all divorce-related issues in one proceeding, the discovery process in a high-asset SC case encompasses financial issues alongside custody and support — which can make the overall discovery process broader and more complex than in NC, where financial claims may be litigated in a more focused manner.

> **SC Planning Tip:** South Carolina's consideration of fault in property division means that financial and conduct-based strategy are linked in ways they are not in NC. In high-asset SC cases, evidence of adultery or financial misconduct — dissipation, hidden assets, covert transfers — can affect both the alimony outcome and the property division. Coordinating the development of this evidence with your attorney from the outset is important.

## Strategic Considerations in High-Net-Worth Divorce

### Engage Experts Early

The complexity of a high-net-worth divorce requires a team, not just an attorney. A forensic accountant, a business valuation expert, a real estate appraiser, and a financial planner each play important roles in building a complete picture of the marital estate and structuring a settlement that is financially sound. Engaging these professionals early — before significant financial decisions are made or positions are locked in through litigation — provides the best foundation for a well-informed case.

### Understand the Tax Consequences Before Agreeing

In high-net-worth divorces, the tax consequences of proposed asset transfers can dwarf the legal fees. A proposed settlement that appears balanced in terms of gross asset values may be significantly imbalanced after accounting for built-in capital gains, deferred income taxes on retirement accounts, and the treatment of alimony. Every significant asset transfer should be analyzed for its after-tax value before a settlement is finalized.

### Consider Settlement vs. Litigation Carefully

High-net-worth divorces that proceed to trial are expensive, time-consuming, unpredictable, and public. For most high-net-worth individuals, reaching a negotiated settlement is strongly preferable to litigation on every issue. Settlement gives both parties more control over the outcome, allows for creative structuring that a court cannot impose, and keeps sensitive financial information out of the public record. At the same time, settlement requires both parties to negotiate in good faith with full financial disclosure — if one spouse is concealing assets or acting in bad faith, litigation may be necessary to force disclosure and obtain a fair result.

### Plan for Post-Divorce Financial Structure

The division of a large marital estate does not just resolve the divorce — it creates the foundation of each party's post-divorce financial life. How assets are titled post-divorce, how estate plans are updated, how insurance and beneficiary designations are revised, and how business interests are restructured all require attention immediately after the divorce is finalized. Coordinating with estate planning counsel, a financial advisor, and a tax advisor as part of the divorce process — not as a separate step afterward — avoids gaps and ensures that the post-divorce financial structure is sound.

#### What Sets High-Net-Worth Divorce Cases Apart

- Asset identification requires investigation, not just disclosure — forensic accounting is often essential
- Valuation of businesses, real estate, equity compensation, and pension plans requires specialized experts
- Classification disputes — marital vs. separate property, enterprise vs. personal goodwill — are often the central contested issues
- Tax consequences can be as financially significant as the division itself
- Privacy and confidentiality require proactive planning from the outset
- The cost and unpredictability of trial make early investment in expert analysis and negotiated resolution especially valuable

High-net-worth divorce requires the same foundational legal work as any divorce — but with greater complexity, higher stakes, and a broader team of professionals working together to ensure that the marital estate is fully identified, fairly valued, and thoughtfully divided. The quality of the legal and financial team assembled at the outset is often an important factor in the outcome.

Many individuals begin researching high-asset divorce issues well before formal proceedings begin. Understanding how complex assets will be valued and divided early can help individuals make more informed decisions about financial strategy and timing.

## Questions About High-Net-Worth Divorce in North Carolina or South Carolina?

Whether your divorce involves a closely held business, significant investment assets, executive compensation, real estate in multiple locations, or other complex financial arrangements, consulting experienced family law counsel with high-asset divorce experience early can help

clarify your rights, protect your financial interests, and ensure the full value of the marital estate is identified and addressed.

If you have questions about high-net-worth divorce, property division, or related financial issues in North Carolina or South Carolina, our attorneys are available to help you understand your options and develop a strategy tailored to your situation.

**► Schedule a Consultation**

## Related Knowledge Center Guides

- Property Division in Divorce in NC and SC
- Equitable Distribution Explained
- Dividing Retirement Accounts
- Business Ownership and Divorce
- Stock Options and Executive Compensation in Divorce
- Real Estate Holdings in Divorce
- Divorce Involving Trust Assets
- Dividing Investment Portfolios
- Spousal Support / Alimony
- Forensic Accounting in Divorce
- Hidden Assets and Financial Investigations
- Discovery in Divorce Cases
- Privacy and Confidential Settlements
- How Divorce Works in North and South Carolina

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# Frequently Asked Questions About High-Net-Worth Divorce in NC and SC

### What makes a divorce “high-net-worth” and does it change the legal rules?

There is no legal definition of a high-net-worth divorce — the same equitable distribution laws that apply to all divorces in NC and SC apply to high-asset cases. What changes is the complexity of applying those rules: identifying and valuing significant assets, tracing separate property through years of financial activity, addressing business interests, and managing the tax consequences of large asset transfers all require specialized expertise that is not necessary in simpler cases.

### How is a closely held business valued in a divorce?

Business valuation in divorce typically involves retaining a forensic accountant or business appraiser who applies recognized valuation methodologies — most commonly the income

approach (capitalizing or discounting future earnings), the market approach (comparing the business to similar transactions), or the asset-based approach. In NC, business interests are valued as of the date of separation; in SC, generally as of the date of filing. One of the most contested issues is the treatment of goodwill — enterprise goodwill is marital property in both states, while personal goodwill (tied to the individual owner's skills and relationships) may not be.

### What if my spouse controls the business and I have no access to financial records?

Discovery tools available in both NC and SC allow your attorney to compel production of business financial records, tax returns, bank statements, and other documents even if your spouse controls the business. Subpoenas can be issued to the business itself, to its accountants and financial advisors, and to banks and other financial institutions. A forensic accountant can analyze the documents produced and identify discrepancies between reported income and actual cash flow, or between disclosed assets and what the financial records suggest.

### Can we keep our divorce settlement private?

Court filings in both NC and SC are generally public records. However, there are several ways to protect confidentiality: reaching a negotiated settlement that minimizes the detail included in public filings, seeking court orders to seal sensitive financial documents, incorporating confidentiality provisions into the settlement agreement, and using private mediation or collaborative divorce processes that keep financial details out of the courtroom entirely. Privacy planning should begin at the outset of the case, not after sensitive information has already been filed publicly.

### How does adultery affect property division and alimony in a high-asset divorce?

The answer differs significantly between the two states. In North Carolina, adultery has no effect on property division but is outcome-determinative in alimony — if the supporting spouse committed adultery, alimony is mandatory; if the dependent spouse committed adultery, they are barred from alimony entirely. In South Carolina, adultery affects both alimony (a spouse who committed adultery is generally barred from receiving it) and property division (marital fault is an explicit statutory factor that the court may consider in dividing the estate). In high-asset cases, these distinctions can have very large financial consequences.

### How long does a high-net-worth divorce typically take?

A high-net-worth divorce is almost always longer than a routine divorce, because the complexity of asset identification, valuation, and discovery adds time at every stage. In NC, the mandatory one-year separation period applies to all divorces, and high-asset cases often take an additional one to three years to reach final resolution after separation. In SC, where there is no separation period for fault-based grounds, the case timeline depends on the complexity of the financial issues and whether the parties can reach agreement through negotiation or mediation. Cases that proceed to trial on contested financial issues are typically the longest and most expensive.

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