

How will 'brangelina'
divide their millions?
and who gets the
winery?



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The end of a great love is never easy. But there are still material issues to resolve.

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Yes, we're going there: *Brad Pitt and Angelina Jolie*: As the whole world gawks at the dissolution of perhaps this most iconic of Hollywood marriages, we are once more reminded of the complexity of divorce between entrepreneurial individuals with multiple complex assets.

Naturally, the existence of a prenup to that marriage would alleviate some of the intricacies of the financial divorce. But, as there was no mention of one in Jolie's divorce filing, it is possible (albeit unlikely) that the couple never signed one.

Because Jolie and Pitt are two of the most famous people on the planet and own a variety of complex assets, their case presents all the complexities of a high-profile, . Aside from the sensationalist lure of the story, there is much wisdom that entrepreneurs with their own marital woes can extract from the multiple possible scenarios in the Jolie-Pitt split. Here are those lessons:

1. Get a prenup.

Jolie and Pitt married after many years of living together, sharing humanitarian work and raising several children. Who would have thought that after a decade-long relationship, their marriage would last only two years?

My experience with celebrity and high net worth divorce has taught me that no matter how in love you are and how much you trust your future spouse, <https://assignbuster.com/how-will-brangelina-divide-their-millions-and-who-gets-the-winery/>

even if you have lived together 10 years, you still need a prenup. Though this may not be apparent at first glance, discussing a prenup requires an openness and level of trust that can greatly strengthen the marital bond.

When the couple married two years ago, Pitt had a higher net worth than Jolie, due mainly to such successes of his production company Plan B as *Eat, Pray, Love*; *12 Years a Slave*; and *Selma*. Now, I do not personally practice in California, but I am informed that, without a prenup, will prompt a 50-50 split of Jolie's and Pitt's earnings. Because Jolie has been in fewer blockbusters since she married Pitt, and Plan B has been doing extremely well of late, absent a prenup, Jolie will be entitled to a share of Pitt's earnings.

2. Keep your passion project as separate property.

In 2012, Pitt and Jolie purchased an established wine-producing chateau in France. Unlike other stars who put their names on wine labels prompted by an oversized ego rather than an entrepreneurial spirit, these two actor-entrepreneurs saw their investment in turn out to be a success.

The chateau's signature rosé was the only rosé to make *Wine Spectator*'s Top 100 Wines list in 2013. Pitt and Jolie paid \$60 million for the estate, adding some extra Hollywood-glamour value to the property by having their wedding celebration there on the grounds.

According to media reports, the winery means much more to Pitt than to Jolie. But the truth is that unless the chateau was listed in a prenup as Pitt's separate property, the couple might potentially have to liquidate it in order

to split their money; or else each spouse might have to come up with the funds to buy out the other party's interest.

On the other hand, it seems that Jolie is much more invested in the Maddox Jolie-Pitt Foundation than her husband. If things get ugly, Jolie might find herself having to listen to Pitt's ideas for the foundation and be unable to have full control over one of her most cherished projects.

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3. Do not take business appraisals lightly.

Plan B is an excellent business, as are the separate Brad Pitt and Angelina Jolie brands. The Chateau Miraval winery is also a profitable business. At this point, however, either Jolie or Pitt may be tempted to present low business valuations, in order to have to shell out less, in the divorce, for the other spouse.

I have seen this happen countless times. A monied spouse shows up with a business appraisal that is convenient for the divorce: "The business is not doing very well, and it is not worth much." And this may be difficult for the other spouse to refute, because business valuations are very subjective, and it is very hard to argue against them; so, such unrealistic appraisals are commonly accepted.

Now, if that same, first monied spouse wants to sell the business some time after the divorce, what will he or she do when potential buyers request to see all previous business appraisals? This person cannot very well say, "

Here is the appraisal, but my business is worth much more; I was just trying to screw over my spouse.”

That's hardly a good starting point for a sound business transaction, of course. Therefore, when it comes to business appraisals, long-term thinking is the way to go.

4. Settle out of court whenever possible.

For entrepreneurs like Jolie and Pitt, discussing personal finances in the public eye never does any good. Strategically, there are certain details about your business that you do not want on the cover of *People* magazine.

If you are a partner in a company, for instance, the suspicion that your former spouse might soon have a stake in it might weaken the business. This is especially true if your spouse has no prior connection with the business and no experience.

In that case, it can be devastating for board members to learn that they will soon need approval from a complete outsider for every subsequent business decision. Such fears can have a domino effect, and your business can suffer as a result.

Then there is the fact that litigation is expensive. While people like Jolie and Pitt can certainly afford it, it is emotionally draining, especially when children are involved. The majority of high net worth divorces settle, and there is good reason for that. The prospect of going to court is simply too risky on many levels, because there is little guidance from the law in the

high net worth divorce space, and a great deal is left to the judge's discretion.

For busy actor-entrepreneurs like Jolie and Pitt to be at the mercy of a court can be extremely problematic, as a judge will not care if they are on location in the Sahara shooting a \$200 million movie. Court dates will have to be honored. Settling a case is the only way to control the schedule, which can be a critical point for high-earning individuals.

5. Keep finances and emotions separate.

Since Jolie has not asked for spousal support and neither spouse is currently trashing the other one for the benefit of the tabloids, their divorce may well turn out to be a “ clean” one. After all, if you are just dividing up money, divorce turns into a somewhat of a business negotiation. But there is a threat looming over Hollywood's most beloved power couple, and it has to do with child custody.

Should Jolie maintain her current position of requesting sole custody of the parties' six children -- and assuming that Pitt will not agree -- the two may be facing a custody fight. Once children, not money, are the issue, the mind shifts and emotions run high. When the business mind no longer dictates the discussion, emotions run the gamut, and custodial issues often blur with financial ones.

However, if the parties understand that it is in their best interest to deal with finances and child custody separately, and not let their emotions get the best of their good judgment, everyone will benefit.

If Jolie and Pitt agree on custody, as she does not want spousal support, and her \$275 million net worth is not that far below Pitt's \$350 million, the division of the assets may run smoothly. Both Jolie and Pitt will be able to maintain their current lifestyle, and so will the children.

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