



Financial specialist builds niche in divorces

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Financial fallout can be the most devastating aspect of a divorce, especially when there's a business involved.

Ann Arbor financial specialist Martin Cobb recently launched Divorce Financial Associates LLC to address this issue. He's built his reputation as an outsourced chief financial officer and controller through the consulting company he founded in 2003, Financial Management Consulting LLC.

"In my established business, I've had a few instances where I've helped business owners going through divorce," Cobb said. "They always want to know how they can structure the settlement so they don't have to sell the business."

After successfully assisting some established clients, Cobb decided to launch a second business with a more diverse clientele in Washtenaw, Oakland and Wayne counties. With about 50 percent of marriages ending in divorce, the market is client-rich.

"I think it's interesting from a human interest point of view," Cobb said. "You can actually help people. I'm using similar skills and techniques to divide assets."

"At the end of the day, it's just numbers and a business decision."

Michigan is a no-fault, equitable distribution state which means that courts can divide marital assets any way they feel is fair.

Cobb is one of 3,500 professionals in the country certified by the Institute for Divorce Financial Analysts headquartered in Southfield. As a divorce specialist, he assesses all combined assets and presents an equitable, long-term settlement proposal by various means, which can include calculating present value of assets, lump-sum payments or future income streams and confirming asset and liability balances.

For example, \$50,000 in a money market account and \$50,000 in an IRA are not the same because one has been fully taxed and the other has not. Cobb presents clients with personalized reports and graphs illustrating financial status, cash flow and graphic net worth of both parties.

"CPAs don't do this all the time," Cobb said. "Financial planners are focused on investing the assets and most lawyers aren't experts in finances."

Attorney Lori Buiteweg admits that is the case. She's a divorce lawyer with the firm Nichols, Sacks, Slank, Sendelbach & Buiteweg, PC in Ann Arbor. The firm has a second office in Brighton.

"It's natural for a client to suspect their lawyer is trying to reach a settlement," she said. "No matter how much they trust you, I think maybe in the back of their mind they're wondering if you're not trying to promote a settlement versus helping them accomplish what they want. It helps to have someone not involved in the adversarial component - just a guy off the street who knows numbers."

She's working with Cobb for the first time with a client who hired him to determine if she should try to keep her house or sell it and split the equity.

"I have to make sure all aspects of divorce are covered and that they are fair and reasonable to my client," Buiteweg said. "That's why I need a financial expert to amortize mortgages and look at college education costs weighed against alimony and other costs."

Cobb said his typical client is a business owner who's been married more than 10 years with more than \$250,000 in assets. He can be retained by one or both spouses or by the attorney.

He prefers to work as part of a collaborative team in which parties sign an agreement to negotiate a viable solution before they present it to the court. Collaboration is the future, he said, because parties don't waste assets fighting.

The financial expert is searching for about 4,000 square feet of office space in downtown Ann Arbor or on State Street to house his two businesses. Today Financial Management Consulting has about 35 clients and five employees with annual revenues of \$700,000.

If Divorce Financial Associates follows a similar path, Cobb will consider it a success.

For more information, go to www.divorcefinancialassociates.com.