

FOCUS ON PERSONAL FINANCE

Frank McCourt, center, leaves Los Angeles County Superior Court with his legal team in August. The Los Angeles Dodgers owner has been at the center of a prenuptial challenge as he attempts to settle his divorce.

Getty Images



Separation anxiety

Attorneys reluctant to address prenuptial agreements

By Kevin Smith Staff Writer

PASADENA — Statistics show that about half of the marriages in America end in divorce.

But while the number of couples entering into prenuptial and postnuptial agreements continues to rise, fewer and fewer attorneys are handling them because of increasing liability issues.

Mark Baer, a family law attorney with a practice in Pasadena, explains it this way:

"Whether an attorney is drafting, reviewing, or negotiating prenuptial agreements, they can be called into court as witnesses when one of the parties challenges the agreement," he said. "Not surprisingly, the spouse who would be better off financially without the prenuptial or post-marital agreement tends to initiate the challenge."

When that happens, the attorney who drafted the agreement may well find himself/herself a witness in the divorce proceeding — a role for which they receive no compensation.

"I just had someone come into my office yesterday whose prenuptial agreement was being challenged," Baer said. "The attorneys who were involved on both sides are now potential witnesses."

If the attorney who crafted the prenuptial or postnuptial agreement is called into court to testify, he or she will often have to give a deposition beforehand.

That takes time. And when you add in the time required to be on hand for the court proceeding, it can cut heavily into an attorney's schedule.

"How does he get back all of that time he spent as a witness?" Baer said.

Some attorneys who do do post-and-pre-nuptial agreements now include a clause in their retainer that says they will be paid for their time as a witness in the event the agreement is challenged and they have to appear in court. But there's no guarantee they'll be paid, according to Baer. The client might refuse to pay the fee, he said, but an attorney could still be subpoenaed to appear in court.

"Many attorneys are just charging more up front to offset the risk," he said. "Any attorney who charges less than \$10,000 to handle such matters is foolish. While that may seem like a lot of money for each party to spend, it is one of the consequences of the fact that people blame others, rather than take responsibility for their own actions."

Prenuptial and postnuptial agree-

ments might seem inherently unromantic to many. But Baer said there are numerous scenarios where they make sense.

A couple might decide that the wife should give up her job to stay at home with the children, for example.

By the time the marriage fails, she may have been out of the work force for years, making it tougher to return to her previous earning level.

That means she may require more child support.

"I had a case where the husband was trying to claim she should have been earning the same amount she earned before," Baer said. "But I prevailed in that argument."

In other case, a spouse might want a prenuptial agreement in place to protect a family-owned business in the event a marriage dissolves.

The American Academy of Matrimonial Lawyers has noted that over the past five years more than 70 percent of divorce attorneys have seen an increase in the use of prenuptial agreements.

But Baer says having a prenuptial or postnuptial agreement doesn't rule out the possibility of challenges and lawsuits.

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Oil price rise

Egypt unrest creates co

By Jonathan Fahey
 The Associated Press

NEW YORK — Oil price contracts per barrel on Monday hit their first time since 2008 as Egypt and unrest there disrupted the flow of oil from the East.

While Egypt is an oil-producing country, it is a major transit point for oil passing through the Suez Canal and an adjacent pipeline, both of which are vital to the world's oil supply. The Suez Canal and shipping routes were interrupted.

"Those watching the market do not believe it is temporary and will happen soon or will minimize the possibility of a price spike," energy consultant IHS Erosi Hanover said.

The larger concern is the unrest in Egypt, which has led to a price spike in Tunisia, could spark an important oil price rise in regions like Saudi Arabia. Egypt is by far the world's most populous nation in the Middle East.

"Given how important Egypt plays in the global oil market and in the Middle East, unrest adds a new element to the oil market," said James Burkhardt, IHS Erosi Director for Global Energy Analysis.

The price of Brent crude rose \$1.59 to settle at \$119.14 a barrel on the London exchange in London.

Brent is used as a benchmark for Asia, where demand is strong, and in Europe, where cold winter is leading to a demand for heat.

The price of West Texas Intermediate rose \$2.85 to settle at \$92.14 on the New York Exchange. The two-session gain sent Brent crude trading far above West Texas Intermediate. Oil supplies at Cushing, Okla., have been rising since the price below Brent.

Chrysler reports \$199M loss for fourth quarter

The Associated Press

DETROIT — Chrysler, the smallest of Detroit's automakers, said Monday it lost \$199 million in the fourth quarter but pledged to return to profitability this year on the strength of new products.

Chrysler has trailed its larger U.S. rivals, General Motors and Ford, in rebuilding its operations and balance sheet after industry sales slumped badly in 2008 and 2009. The loss in the quarter a year ago was \$2.7 billion.

But the company, which is 25 percent owned and controlled by its Italian partner, Fiat, said Monday that it had turned a corner and expected a small profit this year. The company lost \$652 million on revenue of \$41.9 billion for all of 2010, but had an operating profit of

\$763 million. Its overall results swung to a loss primarily because of interest expense on its loans from the U.S. and Canadian governments.

Chrysler ended the year with \$7.3 billion in cash, down from \$8.3 billion at the end of the third quarter.

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Change (%)
 2.50 (1.81%)
 2.10 (0.229%)
 1.09 (0.822%)
 1.39 (7.25%)
 0.70 (1.69%)
 0.50 (2.31%)
 0.40 (1.19%)
 0.15 (0.70%)
 1.03 (0.08%)
 .00 (0.00%)
 0.05 (0.93%)
 1.42 (2.84%)
 2.14 (4.76%)
 2.14 (4.76%)
 0.02 (0.06%)
 0.81 (0.222%)