

The Irving Law Firm

**10505 Judicial Drive, Suite 300
Fairfax, VA 22030**

(571) 474-1990

Divorce & Family Law | Fairfax, Virginia

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Divorce and Business Ownership Fairfax VA The Irving Law Firm Virginia Business ownership is one of the most complex elements of marital estate division in Fairfax County divorce proceedings, and The Irving Law Firm - Fairfax Divorce Lawyers has the experience to handle the legal and financial dimensions of business valuation and division with the thoroughness these matters require. Northern Virginia's strong professional and entrepreneurial community means that closely held businesses, professional practices, consulting firms, and government contracting operations are frequently among the most significant marital assets in Fairfax divorce cases. The threshold question in divorces involving a business is classification: is the business marital property, separate property, or a combination? A business owned entirely before the marriage that has not increased in value through marital efforts or resources may retain its separate character, but businesses that were founded or significantly developed during the marriage using marital income, marital effort, or marital resources are generally marital property or at least have a significant marital component. The classification analysis requires tracing the history of the business's development and financing. Once the marital component of a business is established, it must be valued. Business valuation in divorce is both a financial and a legal exercise, and valuations can vary significantly depending on the methodology used. Income-based approaches that capitalize the business's earning stream may produce different results from asset-based approaches that tally the fair market value of the business's assets, and the appropriate methodology depends on the type of business. The Irving Law Firm works with qualified business valuation professionals to develop credible valuations that support the client's position.

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After classification and valuation, the allocation of the business interest must be addressed. Dividing ownership of an operating business between divorcing spouses is rarely practical, so the allocation typically involves a buyout by one spouse, a structured payment plan, or https://numberfields.asu.edu/NumberFields/show_user.php?userid=6837945 an offset against other marital assets. Call The Irving Law Firm - Fairfax Divorce Lawyers at (571) 474-1990 for business valuation divorce representation. Located at 10505 Judicial Drive, Suite 300, Fairfax, VA 22030.