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**Business Planning in an Uncertain World**

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October 2012

Admittedly, “divorce-proofing” your business while planning your wedding may not feel romantic. Unfortunately, in a social backdrop where statistically half of all marriages end in divorce, planning for the potential divorce of a business owner might need to be part of your business’ strategic planning. There are three legal tools that can protect a business in the event of a divorce:

**The Buy/Sell Agreement:** A well-drafted buy/sell agreement should include a provision dealing with divorce. The buy/sell must protect the business from ending up with an unexpected new owner, i.e., an ex-spouse. A simple way to avoid such an unwelcome possibility is to include a provision in the buy sell which provides that the company or other co-owners must purchase the divorcing co-owner’s interests at a particular price if such interests are subject to division by the divorce court.

**The Prenuptial Agreement:** Prenuptial Agreements are enforceable in Michigan and are the proverbial silver bullet to divorce-proof one’s business. The prenuptial agreement should specify that the business is the owner’s separate property and that the business, including all equity in the business, shall not be considered part of the marital estate subject to division in a divorce. A modern take on the prenuptial agreement is the “Limited Prenuptial Agreement” which deals with only the business and no other assets.

**The Postnuptial Agreement:** A married business owner seeking to retroactively protect his or her business can utilize a “postnuptial” agreement. Like a prenuptial agreement, a postnuptial agreement shields a business from equitable division in the event of a divorce. Post-nuptial agreements must be drafted very carefully as they are rife with legal minefields, but they are enforceable in Michigan.

Again, no one wants to be thinking about the possibility of a divorce when they haven’t even said, “I do.” However, it is analogous to buying a new building and purchasing fire insurance. After all, “living happily ever after” also means having the peace of mind of knowing that just in case “the ever after isn’t so happy,” the business will be protected.