

Richard P Hendry, Financial Advisor

Financial Services in Support of  
Divorcing Parties and Their Advisors

*5755 Northpoint Pkwy, Suite 1, Alpharetta, GA 30022, 678-578-2430, Securities offered through Raymond James Financial Services, Inc. Member FINRA, SIPC*

# Richard P Hendry, CDFA

- Financial Planning Services
- Income Planning
- Fee based Investment Management approach
- Asset Analysis
- Mediation Support
- Cash Flow Analysis
- Budgeting
- Life Insurance Review

# Divorce Checklist

- 401k spousal transfer to your IRA account
- Investment account re-titling of taxable accounts
- Transfer of company pension benefits to your own account
- Re-finance of current mortgage to your single name only
- Set up of new Term Life Insurance to protect divorce decree
- Set up of children's educational accounts
- Post-divorce investment portfolio allocations
- Beneficiary updates & changes for Wills, Trusts & IRA's
- Set up of new health & dental coverage
- Set up of new homeowners, renters, or car insurance
- Set up of disability & Long Term Care coverage

# Getting Started Again- Client Advice

1. Expect your income to drop after the divorce is final.

# Getting Started Again- Client Advice

## 2. Consider whether you can afford to keep the house.

Lenders generally use two different ratios to analyze credit worthiness. Here's how they work:

- (1) Housing Ratio = Total Monthly Housing Payments divided by Total Gross Income.  
This ratio must be 28% or less.
- 2) Total Debt Ratio = Total Housing + Other Debt divided by Total Gross Income.  
This ratio must 36% or less.

# Getting Started Again- Client Advice

## 3. Know what you have

- Retirement Assets
- Liquid Assets
- Real Estate
- Personal Property
- Cash Value Life Insurance
- Business Interests

# Getting Started Again- Client Advice

4. Consider the after-tax values of your assets.

*Having \$100,000 in an IRA or 401(k) is not the same as having a \$100,000 in a checking account.*

5. Understand your financial needs.

*Prepare a Budget – go through it more than once.*

*Have a financial plan prepared.*

*Understand Insurance Programs*

# Insurance Considerations

- As with everything else in your life, divorce will mean changes to your insurance needs, too.
- Health
- House/Renters Coverage
- Auto
- Life

# Getting Started Again

## 6. Don't overlook the value of a future pension.

Pensions can be handled in three different ways:

- The non-employee spouse can receive his or her share of a future benefit;
- The pension can be present valued and offset;
- A combination of 1 and 2.

# Getting Started Again

## 7. Hire a good team.

- Attorney
- CPA
- Financial Advisor
- Banker
- Valuation Expert

# STRATEGIC RESOURCE

**Client**

**Richard  
P  
Hendry**

- Our group will:
  - Review your current situation, goals and feelings
  - Analyze the interrelationships between your current securities, funds and managers
  - Provide an asset allocation & investment strategy
  - Rebalance your portfolio & monitor your investments
  - Cover each of the 13 wealth management issues
  - Keep abreast of any significant changes and make recommendations regarding those changes

- Continuing Education
  - IRAs / Roth IRAs
  - Small Business Retirement Plans
  - Net Unrealized Appreciation on company stock
  - College Funding
  - Concentrated Equity
  - Alternative Investment Strategies
- Information Service
- Asset Valuation
  - Estates and structured settlements

**RJFS  
Banking**

**Attorney  
CPA, Accountant**

**RJFS Trust**

# QUESTIONS FOR YOUR FIRM

- What is important to you?
  - As an individual/professional advisor?
  - As a trusted advisor for your clients?
- What have we not touched on?
- Which service and/or product offerings would you like to know more about?
- Have your clients expressed needs for which you are seeking an external solution?

# 13 Financial Mistakes to Avoid in Divorce Planning

- Believing that spending retirement assets before age 59 ½ will always result in a 10% IRS penalty.
- Failing to consider creative financial solutions.
- Failing to ask, *"How do I know that I will be financially ready after my divorce?"* before signing the divorce papers.

# 13 Financial Mistakes to Avoid in Divorce Planning

- Failing to include the present value of a pension among marital assets.
- Failing to include transaction costs in the settlement when those costs may be years in the future.
- Using unrealistic assumptions about inflation and investment returns.

# 13 Financial Mistakes to Avoid in Divorce Planning

- Believing that a 50 - 50 division of property is the same thing as a fair division of property.
- Keeping the house when you can't afford to.
- Deciding financial issues one at a time instead of understanding how they affect each other.
- Failing to guarantee alimony and child support payments with life insurance on the party who is supposed to pay.

# 13 Financial Mistakes to Avoid in Divorce Planning

- Failing to make the spouse who receives alimony or child support payments the owner of the life insurance.
- Believing that your settlement must conform to what a judge would order if your case went to court.
- Seeking financial advice from someone whose expertise is the law.

# Tips: Avoiding Financial Disaster

- **Negotiate a reasonable settlement.** Get some professional advice from a financial advisor to help determine if you'll be able to live with the financial terms of the settlement -- now and into the future.
- **Don't live beyond your income.** Reduce your expenses - - or increase your income -- so that you are always saving something for a rainy day. Ask your financial advisor for help creating a budget if necessary.
- **Think twice about keeping the family home.** Ask your financial advisor whether you can truly afford it, and ask them to show you what cash you'd have available for investment if you moved to a smaller home.

# Tips: Avoiding Financial Disaster

- **Realize that you won't get everything you want in the property division.** Don't spend months and thousands of dollars fighting over furniture, appliances, or other personal items. Make a short list of "Must-Haves" and be prepared to compromise on everything else. Look at the big picture; is this asset best for your situation?
- **Protect your Retirement Assets.** Have a QDRO and allow your attorney to have the pension valued by a qualified professional.
- **Use debt sparingly.** Get a copy of your credit report and close all joint accounts and all credit you do not use. Avoid maintaining balances on credit cards.

# Raymond James Financial Services

- Founded in 1962 in St Petersburg, Florida
- Full service investment banking and securities brokerage firm
- Brokerage assets of \$18 billion
- Serving the diverse financial needs of individual investors in the U.S. and abroad
- 2100 offices across the country
- 3700 Financial Advisors
- Member FINRA, SIPC

*Information provided above valid as of December 31, 2007*

# PRODUCT AND SERVICE OFFERINGS

## Raymond James Financial Services, Inc.

- Brokerage accounts
- Annuities
- Education Savings Plans
- Revocable / Living Trusts
- IRAs AND Qualified Plans
- Insurance
  - Life
  - Disability
  - Long Term Care
- Safekeeping of certificates

## Trust

- Estate Administration
- Irrevocable and revocable Life Insurance Trusts
- Charitable Remainder / Lead Trusts
- Revocable (over \$500,000)
- IRAs (over \$500,000)

## Other services offered by Raymond James Financial Services, Inc.

- Investment Management Account / Agent
- Retirement Services
- Financial Planning
- Business Succession
- Option Analysis
- Public Finance / Mergers and Acquisitions
- Concentrated Equity Strategies
- **Variable Annuities**
- Account Aggregation
- Performance Reporting

# Principal

## **Richard P Hendry, CDFA**

### **Registered Principal, RJFS**

Registered Principal, Raymond James Financial Services (1999 - Present)

Asst. Vice President, AG Edwards (1998 - 1999)

Financial Consultant, Merrill Lynch (1994 - 1998)

Captain, Financial Management Officer, United States Marine Corps (1990-2000)

B.S. in Management, Auburn University

M.B.A., Webster University

Certified Divorce Financial Analyst (CDFA); Institute for Divorce Financial Analysts

Collaborative Law certified as Financial Consultant

Licensed in the securities industry as Series 7, 63, 65, 24, 51, Life & Health, Variable Life & Annuity

### **Professional & Personal Background**

Having gone through a divorce personally, I appreciate the challenges and personal issues that face individuals going through this event in their life. With more than 15 years of experience in the financial services industry, I understand how sound financial planning can help make a difference. with individuals going through the divorce process.

As a native of Atlanta, I live in Roswell with my daughter, Amber, where she attends Blessed Trinity High School. I am active in all of Amber's activities as well as attend Roswell United Methodist Church

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