

How the ultrarich avoid messy public divorce battles by keeping their disputes out of court



Separation agreements, like the one between Bill and Melinda Gates, is one way to keep details of a divorce out of public courts. [REUTERS/Kamil Zihnioglu/Pool](#)

- **When it comes to divorces among wealthy couples, privacy and asset complexity are key challenges.**
- **Separation agreements and private mediation are ways to keep information out of the public eye.**
- **Six divorce lawyers and experts explain how such couples can keep disputes out of the courts.**

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Bill and Melinda Gates' announcement on Monday that they were separating shocked many.

And though the power couple's news came out of the blue, their divorce filing was likely the product of months of private negotiations in an effort to keep things under wraps, said Jennifer Brandt, the chair of Cozen O'Connor's law firm, which has represented people with high net worth in divorces.

Court battles have led to embarrassing reveals. The contentious divorce of Bill Gross, the founder of asset-manager Pimco, and his wife, Susan, made headlines with hostile text messages, a fake Picasso, and accusations of stalking.

Privacy and complexity of assets are the two biggest challenges for high-profile pairs seeking a divorce, according to Richard Adago, a cochair of the Phillips Nizer law firm. To stay out of the limelight and disentangle and divvy up assets, these couples tend to try to settle as much as they can privately before publicly filing for divorce.

"If you want to keep out of the public eye, then don't go to court," Adago said.

Insider spoke with six lawyers and divorce experts to lay out how the ultrarich and famous avoid messy public divorce battles.

To keep things out of court, get a team of lawyers

While most people hire just one divorce lawyer, wealthy couples usually assemble a team of three to five lawyers. In addition to divorce experts, they need corporate, tax, and trust and estate lawyers to help negotiate the apportionment of their assets.

Having teams of lawyers who can work collaboratively is especially crucial for high-profile people who want to keep their lives private, family lawyers told Insider.

"People with high net worths generally have the same goal of not wanting to expose their private lives and private wealth to the public," Frederic Siegel, a matrimonial lawyer at Siegel & Kaufman, said. "The most important component is that you have lawyers that work well together and that only litigate if necessary."

The average rate for a divorce lawyer is \$250 an hour, which clocks in at \$13,000 for a divorce, according to a study by the legal publisher Nolo. But for wealthy couples with numerous assets, that figure can multiply quickly.

Lawyers can also play mediating roles, especially in divorces where emotions often run high.

The Gateses have tapped a bevy of superstar lawyers for their nearly \$150 billion divorce. Bill Gates is represented by a team of three partners at Munger, Tolles & Olson; Wendy Goffe, a trusts and estates partner at Stoel Rives; and Ted Billbe, a divorce lawyer in Washington state.

On the other side of the aisle, Melinda Gates has hired Sherri Anderson, a lawyer in Washington who represented Mackenzie Scott in her \$38 billion divorce from Jeff Bezos. (Billbe was Bezos' attorney.) Melinda Gates' team also includes divorce lawyer Robert Cohen of Cohen Clair Lans Greifer Thorpe & Rottenstreich, whose celebrity clients have included Michael Bloomberg, Uma Thurman, and Ivana Trump, as well as the litigator Bruce Birenboim and trust and estates lawyer Loretta Ippolito, both from Paul Weiss.

With such "amazing" wealth "it really takes a village," Siegel said.

Separation contracts, prenups, and mediation as alternatives to court

Because there's no privacy when you go to court — where documents are usually visible to the public — high-profile couples usually opt to hash things out beforehand.

"The key thing is to keep it out of court, sit down with your lawyers, and work out a deal," Adago said.

There are a few approaches that can allow couples to keep their divorce out of the public eye. A separation agreement is a private legal document that stipulates how people will split their property and custody when they separate. This contract is signed without involving a judge, and does not have to be filed in court to be legally binding.

A prenuptial agreement is similar, but is signed before marriage.

In their petition for divorce, Bill and Melinda Gates said they had a separation contract but no prenup. All the matrimonial lawyers Insider spoke with said the agreement was probably in the works for months and involved the battalion of lawyers the couple hired.

"It's a done deal that's never going to go public," said Peter Walzer, a celebrity divorce lawyer and founding partner of Walzer Melcher. "It's a fabulous way to do it."

Mediation is another choice for couples seeking a private divorce, where a third-party mediator like a lawyer or retired judge steps in and helps the two parties confidentially negotiate the terms of their separation. Walzer said that about 95% of couples — celebrities or not — mediate their divorces.

It's likely the Gateses' separation agreement will never be made public, at least in a court filing. But if there is an appeal, all bets are off.

"Appeals can't be handled privately, so sometimes details get revealed even if the original settlement wasn't," said divorce financial analyst Kara Duckworth, a managing director at the wealth-management firm Mercer Advisors. "But if the details get leaked later, it's usually by a friend or family member who has knowledge of the situation."

Another alternative is binding arbitration. Unlike in mediation, the decision made by the third-party arbitrator cannot be appealed or overturned, barring accusations of inappropriate actions from the arbitrator, such as fraud or bias.

Winding up in court, and in the public eye

Divorces turn ugly when even arbitration and mediation fail to resolve issues and the couple has to go to court, the least desirable outcome for couples who want to avoid the spotlight.

"You get messy divorces when couples have no other choice to let a third party such as a judge decide. Because they're public figures, the media hears about it," Cozen O'Connor's Brandt said.

If a divorce does escalate to court, the way the superrich manage their assets through trusts can obscure details.

"If you have a marital agreement in place and you've utilized some trust structures where your assets don't have your name or are protected through another entity, there are ways you can layer some privacy," said Jeff Carson, a former estate lawyer in private practice and current senior fiduciary officer at the wealth-management firm Diversified Trust.

That said, it's difficult to keep matters private — financial and personal — once a divorce is part of the public record, Carson added.