MATERIAL GAP OR RABBIT HOLE?

Companion to "Hidden Assets or Costly Rabbit Holes? How Much Financial Discovery Is Enough?" Hosted by Karen Chellew and Catherine Shanahan

One missing document can change the outcome of a divorce — but so can spending thousands tracing an account that never mattered. Start with what you know. Organize what you have. Build the marital estate first, then decide which missing documents are actually worth pursuing.

TWO KINDS OF DOCUMENTS

Key Documents
Build the marital balance sheet.

- [ ] Bank & investment statements
- [ ] Retirement account statements
- [ ] Mortgage & loan records
- [ ] Real estate deeds & valuations
- [ ] Tax returns
- [ ] Pay & income records

Supporting Documents
Answer specific questions.

- [ ] Historical & transaction histories
- [ ] Purchase & sale records
- [ ] Tax basis & appraisals
- [ ] Business financial statements
- [ ] Stock award & vesting schedules
- [ ] Source & use of funds records

THE ONE RULE THAT KEEPS COSTS PROPORTIONAL

Every document request should answer a specific financial question.

WORTH PURSUING — OR WORTH A PAUSE?

The question is never simply whether a document is missing. It's whether the missing information could reasonably affect value, income, taxes, liquidity, ownership, or the terms of a settlement. Use the signals on the next page before you commit time — and legal fees — to the chase.

SIGNALS TO WATCH

PURSUE IT — LIKELY A MATERIAL GAP

- A significant account missing from disclosures
- A business with real income but no valuation
- Compensation on a pay stub but not the asset summary
- A sizable account closed right before separation
- Separate property that must be traced for a claim
- Small transactions that together show a pattern

PAUSE FIRST — LIKELY A RABBIT HOLE

- A small, old balance with no meaningful transfers
- No tax document pointing to income behind it
- Tracing cost that exceeds any realistic recovery
- Seeking justice or proof more than dollars
- A court unlikely to recognize it, per your attorney
- An answer that wouldn't change the estate either way

FOUR QUESTIONS BEFORE YOU GO FURTHER BACK

1

WHAT AM I TRYING TO PROVE?

A pattern and a dollar amount are two different goals — name yours.

2

HOW COULD THE ANSWER CHANGE THE MARITAL ESTATE?

If the honest answer is "it wouldn't," that's your answer.

3

IS A COURT LIKELY TO PERMIT THE DISCOVERY?

Ask your attorney for the odds, not just "it depends."

4

COULD THE COST EXCEED THE LIKELY BENEFIT?

Weigh legal fees, expert fees, taxes, timing — and emotional cost.

BEFORE MEDIATION: A FOUNDATION, NOT PERFECTION

- [ ] I have the key documents supporting the marital estate.
- [ ] I know which missing records could materially change the picture.
- [ ] Where records can't be obtained, I know the legal path — and the timeline.
- [ ] Remaining uncertainty can be settled another way: a conservative value, an offset, a true-up, or protections drafted by counsel.

CLARITY IS POWER.