

# ALBUQUERQUE DIVORCE LAWYER BLOG

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## Valuation of the Marital Estate in New Mexico: The Importance of Full Disclosure

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New Mexico is a [community property state](#), which means that upon [divorce](#) both parties are responsible for payment of one-half of the debts incurred during the marriage and are entitled to one-half of the property purchased or received during the marriage.

Thus, a key component to reaching a [marital settlement agreement](#) is valuing the marital estate, which consists of all assets (what is owned) and liabilities (what is owed) of a married couple. The courts use this formula: Assets - Liabilities = Net Marital Estate. As simple as that sounds, there are a number of important steps that must be taken in order to insure the accurate valuation of the marital estate.

First, and perhaps foremost, there must be full disclosure of all assets and liabilities. There are several ways to obtain complete disclosure. Initially, the parties would be wise to begin collecting information informally. This will help the attorneys narrow the scope of [discovery](#). It will also point to possible problems and challenges to be expected in the formal discovery process. Anticipating and avoiding these problems where possible will hold down attorney time and fees.

Even beyond the initial informal collection phase, there are opportunities for cooperation. The formal process will begin with a Request for Discovery. Often times, this is a cooperative process with mutual agreement of the parties. On other occasions, the discovery process can be very contentious involving significant attorney time and expense. In these cases, it may be necessary to get the Court to issue an Order compelling discovery through the filing and hearing on a Motion to Compel.

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For purposes of discovery and disclosure, initial evaluations such as whether or not the estate is marital, who gets what, and how much the estate is worth are really immaterial. What really matters at the beginning of this process is that there is full and complete disclosure of all assets and liabilities, no matter what their source, value or classification. This is important because:

- In some localities, parties will be penalized for failing to completely disclose all assets and liabilities. For example, if any hidden assets are discovered after the divorce, those assets might be given, in their entirety, to the other party.
- Each party needs to establish credibility and trust with the other party. This will facilitate negotiated settlement. However, if one party finds out later on that the other party hid or failed to disclose assets during the divorce proceeding, the chances of reaching a peaceful resolution will be greatly diminished.
- Of equal concern to most parties, a highly contested discovery process can result in significant unnecessary attorney fees.

As with most issues in divorce, discovery issues should be addressed in a civil and cooperative manner. This will reduce the stress and costs of the divorce. Unfortunately, discovery conflict cannot always be avoided but it can often be minimized. Due to the complexities of discovery and the valuation of the marital estate, it is generally advisable to work an experienced [divorce and family law attorney](#).

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