

LEGAL BEAT

For the Rich, Child Support Means Living in Style

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Rich kids from broken homes are getting richer.

Throughout the country, support awards for the children of a rich parent have soared in recent years, as courts have begun redistributing wealth in the name of children's rights. While divorced or separated parents in all economic groups are paying more in child support, the very rich are shelling out as much as 20 times what they were a decade ago. Albuquerque, N.M., lawyer Sandra Little, for instance, says she has several clients paying or receiving \$20,000 to \$30,000 a month in child support.

In Haverford, Pa., Michael Karp, who earns more than \$5 million a year from real estate and telecommunications investments, is paying \$23,266 a month in child support to his estranged wife, Amy, for their four children. Mrs. Karp, who has custody slightly more than half the time, contends she needs that much so the children, who range from nine to 13 years old, won't feel "second class" when they are with her.

"The ability to go places and do things

A Hefty Allowance

Amy Karp receives \$23,266 a month in child support for her four children, ages nine, 10, 12 and 13. A sampling of the monthly expenditures:

HOUSING	CLOTHING	FOOD	HOUSEHOLD HELP	BOOKS/MAGAZINES	VACATIONS	FLOWERS	FURNITURE
							
\$5,608	\$958	\$1,068	\$2,768	\$120	\$1,758	\$88	\$1,601

Source: Court records

Van R. Gresham

is an important power for a parent," Mrs. Karp explains. Several courts have agreed with her, despite Mr. Karp's efforts to convince them that the award is unwarranted. His latest appeal was heard on Monday by the Pennsylvania Supreme Court, and a decision is expected in the next few months.

The idea behind the ballooning awards

is to prevent children from favoring the wealthier parent—typically the father—or losing social and financial advantages they would have had if their parents had stayed together. In the Karp case, an appeals court quoted a decision in another Pennsylvania divorce case that noted that rich kids are entitled to "good restaurants, good hotels, good shows and good

camps." Judges say it is irrelevant that the poorer parent also benefits.

"Courts have gone from what's needed to keep kids off the welfare rolls to thinking that they should fully share in their parent's good fortune," says Martha Finegan, a law professor at New York's Columbia University. "This is part of the revolution. Please Turn to Page B6, Column 3."

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tion in family law that no longer assumes that money stays with the man."

The result is that once-routine inquiries into children's basic needs and a father's ability to pay have been transformed into examinations of what it takes to be the "best-dressed, best-educated two-year-old," says Los Angeles attorney Stacy Phillips, who won court approval for a \$27,000-a-month award for actor Jean-Claude Van Damme's toddler. Ms. Phillips adds: "If Dad has a wine cellar, the court may try to fashion an equivalent video collection for his child."

Both sides often introduce expert witnesses. Mom typically brings in forensic accountants, economists and real-estate appraisers to show Dad's affluent lifestyle. Fathers frequently rely on psychiatrists and others to tame the awards. In Los Angeles, artist Hiromichi Yamagata's monthly child-support payments were cut to \$11,500 from \$24,554 after he brought in the manager of an upscale Baby Guess boutique to testify that what the child's mother suggested as a monthly cost for clothing, including tuxedos, would actually be more appropriate for a whole year.

The growing awards, unlike alimony, aren't taxable. They have led a few judges to question the trend. "There is a limit to the degree to which a five-year-old needs to live in a manner suitable for profile . . . on 'Lifestyles of the Rich and Famous,'" wrote one appellate-court judge in California, dissenting from the majority in a case involving the young daughter of Times Mirror Co. director Bruce Chandler.

Mr. Chandler's ex-wife, Lana, had contended that little Ashley, three years old when the couple separated in 1990, needed monthly support in excess of \$9,000—the

amount suggested by guidelines adopted by the state legislature—to live in the same style with her as on occasional visits with Dad. But Mr. Chandler, who earned more than \$1.3 million at the time of his separation, argued that \$1,900 a month was an appropriate figure. It cost less than \$1,900 to support his college-age son from a previous marriage, he said.

The trial court awarded \$7,000 a month. But the judge, attempting to address Mr. Chandler's concern that much of the money would be spent by his ex-wife for her own purposes, directed that part of the award be put in a trust for Ashley to pay for college and other expenses. Such "good fortune" trusts have been upheld by courts in other states as a way of assuring that part of the money would be saved for the future.

Mrs. Chandler appealed. In December, the appellate panel voted 2-1 to uphold the \$7,000-a-month award but also ruled that the entire sum should be paid to Mrs. Chandler. The figure suggested by Mr. Chandler, the appeals court said, "would not even come close to providing Ashley with the amenities provided by the lifestyle she was used to before her parents' separation."

Mr. Chandler didn't appeal. "I still think I'm paying too much, but I got tired of fighting," he says today. "I wouldn't mind my daughter getting it, but I want control over it—not just given to Mommy to spend as she wants on Rolls-Royces." Gerald Phillips, Mrs. Chandler's trial counsel, declines to comment.

Some courts are making grand awards to children whose parents were never married and who had no history of lavish living. In January, the Florida Supreme Court upheld a \$5,000 monthly award to the daughter of Dennis Scott, who plays for the Phoenix Suns basketball team. The daughter, Crystal, was four years old at the time

and living with her mother, Mr. Scott's former girlfriend. The court rejected Mr. Scott's argument that the award would also benefit Crystal's mother and her two other children, but it upheld the creation of a trust.

Palm Beach lawyer Martin Haines says many fathers faced with a large child-support award resent their loss of control over child-rearing. "What if junior doesn't deserve a Corvette at 16?" he asks. "If he is getting \$10,000 a month in child support, no parent is going to be able to stop him."

Mr. Karp's lawyer, Theodore Mann of Philadelphia, says: "It doesn't follow that the reasonable needs of the kids of a man who makes \$1 million a year are four times those of a man who makes \$250,000 a year."

Mrs. Karp has tried to buttress her claims with evidence of Mr. Karp's quirky and often lavish spending habits, such as buying antique carousel horses for each of the children at what she says was a cost of \$1,500 each and renting an entire Amtrak car for a family trip to Florida. That tab was \$18,000.

At six days of hearings in 1995, there was lots of bickering about the cost of clothing, limousines and country-club memberships. Mrs. Karp added that she needed a lot of money because, among other things, she wanted to make political contributions of the same magnitude as her husband, who had been able to introduce the children to several politicians. "It comes down to parity," she says.

Mr. Karp has argued before Pennsylvania's highest court that the \$23,266 award in his case flies in the face of his attempts to instill in his children principles of thrift and public service. Though he resides in an 11-bedroom mansion on 10 acres on Philadelphia's Main Line, he says he lives frugally, cooking for the children when they stay with him. By contrast, he says,

Mrs. Karp cooked only three meals during their seven-year marriage.

But Mr. Karp's arguments have sometimes backfired. After hearing from him, one judge raised his child-support payment to its current level from the roughly \$16,500 set by a family-court officer. More recently, an appellate panel was skeptical. "It occurs to us to wonder what 'values' the children derive from [Mr. Karp's] constant litigation over money," the court wrote. "What he can afford is the question, not what he is willing to pay for."

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