

# What We Know

## ARTICLES & INSIGHTS

### ABOUT THE AUTHOR



Emily is an associate in the firm's family law group. As a family law attorney, she represents individuals in matters involving separation, divorce, child custody, child support, alimony, and equitable distribution.

## An Amazonian Divorce

January 9, 2019 | by

Although many in the Raleigh area were disappointed to hear that Amazon's much-anticipated [HQ2 wouldn't be landing in Wake County](#), Jeff Bezos is making headlines once again but for a very different reason. On January 9, 2019, the billionaire e-commerce executive [announced via Twitter](#) that he and his wife of twenty-five years were divorcing.

The first question that many folks had after the announcement was how the enormous Amazon fortune can and will be divided between Bezos and his wife, MacKenzie. Although Washington is a community property state, unlike North Carolina, Amazon was still founded during the Bezos's marriage. That could mean that MacKenzie is entitled to half of the company's worth, as well as half of Bezos's personal wealth. The case only gets more complex from there, as things like stock options, retirement accounts, and real and personal property will all have to come into the picture and be divided in some way. Because Amazon is a publicly-traded company, any sale or transfer of Bezos's shares in the company as part of a settlement will dilute his control and ownership of the company that he founded in his garage in 1996. He currently owns 80 million shares – about 16% of Amazon. Sources say, however, that because MacKenzie still has an interest in making sure the company – and thus, her own personal wealth, as well as the wealth of her family – succeeds, it is unlikely that any settlement will require Bezos to make any significant transfers that would jeopardize his stake. After all, what's Amazon without Jeff Bezos?

The couple also created a charitable fund in late 2018 called the [Day One Fund](#), which helps homeless families and creates preschools in impoverished areas. It started with a \$2 billion commitment from the Bezos's, and its first recipients were announced on November 20, 2018. It's unclear how this fund will be impacted by the split, but it appears that they will both still collaborate towards its efforts and goals.

Another critical question is whether or not a prenuptial agreement was signed before their marriage in 1993. Such an agreement could significantly impact MacKenzie's claim to Bezos's \$137 billion net worth. If a prenuptial agreement exists, it's likely that it outlines how all property and wealth is to be divided in the event that the couple ever separated. Prenuptial agreements are frequently used by individuals or couples with high net worth or unique property interests to circumvent certain aspects of family law

that may be detrimental to them upon separation and divorce. Prenuptial agreements – sometimes called premarital agreements – typically allow soon-to-be spouses to contract around property and spousal support requirements that may come into play if the relationship is to ever end. There are many requirements for a prenuptial agreement to be considered a valid contract that’s enforceable when parties divorce, and the laws can vary from state to state. North Carolina is a signatory to the Uniform Premarital Agreement Act, but Washington, where the Bezos’s live, is not. Although it’s still unclear whether or not a prenuptial agreement was ever entered, both were working at New York City hedge funds at the time they were married, and MacKenzie is a successful novelist. It’s certainly possible that each felt they had property rights to protect at the time, but the explosive success of Amazon would hardly have been anticipated in the early nineties. If there was no agreement, any division of property and wealth could unseat Bezos from his title of richest person in the world and cause MacKenzie to be the world’s richest woman.

Also of note – Amazon’s stocks dipped slightly upon the announcement of the divorce before eventually rebounding the same day. Shareholders may want to keep a curious eye on stocks in the coming months to see if there are any collateral impacts of further proceedings. However, it’s highly unlikely that any settlements will be made public, and both Jeff and MacKenzie appear to be handling this all in an amicable fashion.

There’s no question that this case will be incredibly complex from a financial perspective without considering the other issues that will also arise, like child custody and support. The couple has four children together. We wish the Bezos family the best of luck during this transition.

For more information, check out the following links:

- <https://www.cnn.com/2019/01/09/jeff-bezos-and-wife-mackenzie-are-divorcing.html>
- <https://www.cnn.com/2019/01/09/how-much-could-mackenzie-bezos-get-in-a-divorce.html>
- <https://www.vox.com/the-goods/2019/1/9/18175439/jeff-bezos-mackenzie-divorce-settlement-amazon>

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