



Blockchain meets family law with a digital twist

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As a lawyer who is a cusp of Gen X and Millennial, I struggled with how blockchain technology is supposed to improve our lives. I cannot visualize how we transition from a system based on paper and electronic documents to one where contracts are permanently embedded in code and automatically executed.

It doesn't seem like a big leap from an electronically signed document to a contract written in code and stored on a blockchain. After all, digital records, such as text messages, could be recovered even if deleted. But blockchain offers something fundamentally different: a digital record that is not just recoverable, but truly immutable and tamper-proof, ensuring authenticity and integrity.

So, when the world inevitably shifts toward blockchain for the sheer efficiency of business transactions, how will family law in California adapt? Many lawyers already recognize that AI may replace certain legal tasks. But blockchain technology offers a different kind of disruption - not

just as a secure escrow system, but as a tool that could streamline how prenuptial agreements, marital settlement agreements, and other family law contracts are drafted, stored, enforced and modified. Blockchain could significantly reduce disputes over compliance, modification history and enforcement.

Let's discuss how blockchain technology could be used: child support automation, smart contract prenups, and marital settlement agreements, focusing on tokenization. Keep in mind that the only way I can currently see this type of technology being used is if mechanisms are put in place to account for modification of orders, privacy concerns, and existing property laws.

CHILD SUPPORT AUTOMATION: DCSS IN THE DIGITAL AGE

After a wage garnishment order is served on an employer, there is often a lag between when a paycheck is garnished and when the supported party receives funds. Tracking down missing payments or delinquencies can be frustrating. Smart contracts

could allow support enforcement agencies to trigger payments automatically. When payment is made and clears, it is in real-time. Payments could be directly withdrawn and deposited, reminders and notices issued upon nonpayment, alerts sent enforcement actions to initiate, and/or withholding of tax refunds, all without human intervention.

Not only is this a potential cost savings to the agency and judiciary, it may serve as a time and cost savings to the support recipient in that the normal process, client calls lawyer, lawyer files action, court makes orders, is reduced by preprogrammed smart contracts. Moreover, with cross-state and international cases, a blockchain system could integrate with multiple jurisdictions, ensuring payments are seamlessly transferred without delays caused by bureaucratic processes and banking/money transfers.

I use child support enforcement as an example. The same concept could apply to any court-ordered payment that requires automatic execution - such as

spousal support, structured settlements, restitution payments, or even attorney's fees.

The court would retain the authority to modify orders, but any changes would require human intervention in the smart contract to accommodate those adjustments. Additionally, the smart contract would need to be designed to safeguard privacy and protect minors and victims of domestic violence. A blockchain-based system assumes that all parties have stable, linked financial accounts. If someone is unbanked or works informal jobs,



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smart contracts won't be able to track or enforce payments any better than the current system.

SMART CONTRACT PRENUPTIAL AGREEMENTS: TECH MEETS MATRIMONY

Prenuptial agreements could become self-executing. It could automatically enforce itself based on agreed-upon conditions. Functionally and for now, attorneys would still need to participate in the drafting process. They would continue to have the ability to meet statutory requirements for the preparation, exchange of information, and waiting time for signatures. The primary difference is that the prenup cannot be lost over time, parties will be notified if there are events that will be triggered after certain conditions occur, the parties could amend or modify their agreement and a clear and precise record would be maintained,

and there would be no issue as to service and authenticity.

A court would still have the power to void provisions that are unconscionable or signed under duress - but a process would need to be implemented to override automatic mechanisms within the agreement.

MARITAL SETTLEMENT AGREEMENTS (MSAs) & TOKENIZATION

Tokenization is the process of digitally representing a real-world asset (e.g., real estate, stocks, collectibles) as tokens on a blockchain. Each token reflects a fraction of the asset's ownership. By transferring tokens, you effectively transfer ownership or a beneficial interest in that underlying asset.

As a lawyer, the concept of tokenization drives me bananas. Think about it like this: at least

as to real property, in most cases, title would be taken by a corporation or LLC. The ownership interest in that LLC is made digital. By making it digital, it gets rid of the need for math at least in terms of sharing profits. It also allows for infinitesimal interests to be sold or exchanged. For example, you could sell a .013% tokenized interest in something. Meanwhile, out here in the real world, titles never change unless steps are taken in the real world to change it. Basically, money and ownership interest could fly everywhere, quickly, and if the wheels of justice move slowly, then imagine the tracing and injunction issues.

So, in relation to Marital Settlement Agreements, they would not only be self-enforcing regarding the exchange of monies, but beneficial interests could

also be immediately shared. In the age of cryptocurrencies and other digital assets, the exchange or sale of wealth could be immediate.

In sum, blockchain technology and smart contracts have the potential to transform a few areas of family law by introducing automation, transparency, and efficiency into processes. But practical implementation remains a challenge, as legal oversight, privacy protections, and the realities of financial accessibility must be considered. While this technology is not yet ready to replace traditional legal mechanisms, it is worth watching as the legal profession adapts to the digital age. In the meantime, attorneys can see that even if technology changes, family law will still need lawyers.