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You've Won Your Judgment— Here's How To Collect

Congratulations! You've taken your defendant to court and the judge has awarded you a judgment. This means the defendant can no longer contest that he owes you the money. It also means that you can get the court to help you to enforce the judgment.

Solvent and law-abiding debtors will pay you soon after you have been awarded the judgment. However, about 70% of court awarded judgments never get paid. If you want your money, YOU still have to find a way to collect it.

The good news is that in the state of Missouri you have 10 years to enforce the payment of your judgment. Additionally, your judgment accrues interest at a rate of 9% per year. So, if you have an old judgment, there is still hope. But first you have to find your debtor (skip-tracing) and then locate assets that you can attach to pay off the debt.

How to locate hard to find debtors

In most cases, if you cannot determine where the debtor resides, you will not be successful in locating any assets to attach. The process of locating a debtor is called skip-tracing.

Sometimes skip-tracing is very easy and only takes a few minutes. Other times it is very difficult. The following is not an all inclusive list, but here are some of the things you should do to attempt to find your debtor.

1. Directory assistance—This is obvious, but some overlook the easiest step.
2. Mail a letter to the debtor at the last known address. Under the return address

write or type Address Service Requested. The Post Office will forward your mail and provide you with the recipient's new address if they have one on record.

3. Pull a credit report—The credit report will show the most current address that is being reported by the creditors. Additionally, you can call the creditors listed on the credit report to try to find out where the debtor is now located.

4. Talk to relatives, personal friends and neighbors—This can be a solid source of information leading to the debtor's whereabouts and place of employment.

5. Last known place of employment—Current addresses are needed to send out W-2 forms.

6. Public records—Voter registration, county assessors, motor vehicle, fishing and hunting licenses and professional licenses can provide current addresses and are available online or by contacting your state or county government.

Which assets should you attach?

Every state has its own statutes that provide guidelines on which assets can be attached to enforce payment of a judgment and which assets are excluded. In Missouri, most judgments are paid by garnishing wages or attaching funds from a bank account. Unless your judgment is a small claims judgment, you can also put a lien on real estate that the debtor owns.

Vehicles are also sometimes attached. However, you should first determine the approximate equity in the vehicle to determine if it is worth the cost and effort to have their vehicle seized.

Hopefully, the debtor will just pay off the

debt rather than have his vehicle taken and auctioned off.

If the debtor is a business, you can have the business assets—computers, office furniture, equipment, etc.—seized or do what is called a till tap. This is where the sheriff stands at the counter and takes the company's funds as purchases are made. How fast do you think the debtor will pay you if you use this strategy?

How to find assets and get your money

As previously mentioned, wages and bank accounts are the most common assets that are attached to enforce a judgment.

Wage Garnishment—If you do not know where the debtor is working, you need to talk to someone who might know. Think about it. Who might know where the debtor works?

1. Current landlord.
2. Friends and relatives.
3. Neighbors.
4. Creditors.
5. Past employers.

Call each of them up and see what you find out. Some may not be helpful. But if you are friendly, you will be surprised how open some people will be and what you will learn. If you cannot get the information by phone, have your attorney do a deposition that will require the information be given.

Bank Accounts—Have you given a check to the debtor in the past? If so, get a copy from your bank. You should be able to see where it was deposited on the back of the check. You will at least get the routing number. Your bank can tell you whose routing number it is.

If the debtor is a business, simply purchase something from them and pay by check. Wait for the check to clear and get a copy of the check from your bank.

Finally, always keep copies of the checks you receive. This is a good business practice, and, if you ever have to bring suit against someone and are awarded a judgment, you will know where he or she banks.

If your efforts do not produce results, your best option would be to turn it over to an attorney or collection agency that

specializes in judgment recovery. Make sure the company specializes in this area and will work on a contingency basis, otherwise, you are likely to throw good money after bad and be wasting your valuable time.

Beacon Recovery Systems a local judgment enforcement and commercial collection firm. Request a list of assets that are exempt from garnishment in Missouri by contacting Info@BeaconRecoverySystems.com. They will send you the list including states statues reference.

Have a credit or collections question?

Want to know more about collecting your judgment or delinquent accounts receivable? Or, how do you set up a credit policy that will increase your cash flow without sacrificing sales?

Email your questions to Info@BeaconRecoverySystems.com, along with your business name and contact information. Beacon Recovery Systems will answer your specific question immediately and consider publishing it in a future credit and collections article.