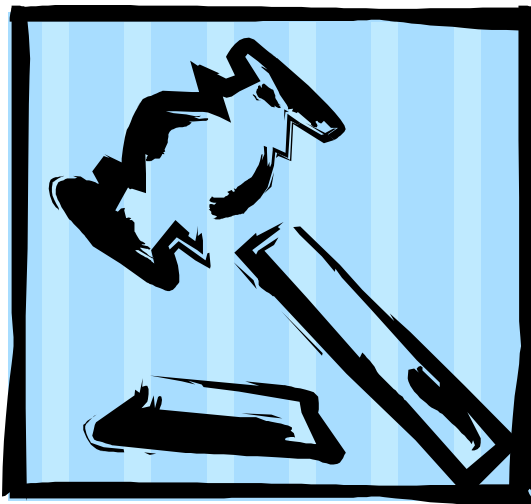


Your Free Report . . .

Judgments Purchased For Cash

Understand Your Options



Every year an estimated one billion dollars in judgments go uncollected!

A judgment is a debt imposed on an individual Defendant or business by a Judge after a court hearing for a debt they were unwilling or unable to pay voluntarily.

The Plaintiff was entitled to be paid for services or a debt and the Defendant did not pay and a law suit was filed usually by an Attorney representing the person that was owed the debt. Once the proper papers were filed in the form of a Complaint and a filing fee paid, the Complaint had to be served upon

the parties being sued by the Sheriff or a Special Process Server appointed by the Court. If the initial process fails to be served, then Alias Services are tried to notify the Defendant. Sometimes there is no Service completed and the case is dismissed for Want of Prosecution. But once the Service is accomplished, the Defendant has a certain time to file an Appearance and an Answer or a defense to the claim or to file a Motion to Dismiss for such reasons as the wrong person being served or that the debt was already satisfied.

Assuming that the Defendant appears in the case and after the correct pleadings and responses are filed, a hearing or trial is administered by a Judge. On completed, the Judge makes a ruling that is known as a Judgment that can be enforced according to each states' statutes. In Illinois, judgments are enforceable for 7 years and can be renewed for up to 20 years. Wisconsin and Indiana are enforceable for 10 years and can be renewed up to 20 years. However, Michigan has a 10 year limit as does California. The District of Columbia has the shortest time of 3 years followed by Arizona, Kansas, Nebraska, Oklahoma and Wyoming which has 5 years to collect a court judgment. In order to renew a judgment, another Motion must be filed with new Service upon the Defendant at which time the Defendant can appear and argue against the renewing. The hardest defense to overcome is that the Service in the underlying judgment was void due lack of proper Service on the proper party. An original judgment that is declared void because of lack of proper jurisdiction causes all the subsequent enforcement actions to be rescinded without recapturing all the costs expended over the years.

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This has happened to us several times. Purchasing judgments, especially default judgments in which the Defendant never appeared in the case, is only as good as the Service and a Defendant that wishes to contest the judgment sometimes has the sympathy of the Judge. The very nature of Service brings in all sorts of questions. A Deputy Sheriff that has never seen the Defendant and has tried to serve him several times without anyone being at home, may be anxious to accomplish Service and may not serve the papers into the Defendants hands but just leave the papers in the door. And the person serving does not ask for a photo I.D. but just asks the person their name or relationship if Substitute Service is performed upon someone other living in the house. That person must be a member of the family. Not the babysitter or a handyman making repairs. Then the person performing Service writes his Affidavit of Service and should attempt to describe the person they served. Sometimes wrong information written by mistake when for the Deputy Sheriff is under pressure to serve a great Summons each day. Then he is called upon several years later to testify on a Service that he long has forgotten and refers to his Affidavit of Service for the facts as he wrote them on the date of Service. A Defendant that can show reasonable doubt that Service was not absolutely performed will have the judgment set aside.

Assuming that you have a "good" Judgment, what do you have?



You have a piece of paper that entitles you to collect the money owed to you! But the Judge does not have the authority to make the Defendant - Judgment Debtor pay you on the spot. And one is not allowed to place a person into "debtor's prison" until he pays you. The Judgment Debtor walks out of the courtroom and you have to enter in Post-Judgment Collection procedures. These may be simply writing a letter to ask for payment or making a phone call. However, one must be especially careful for there are Federal Laws to protect the debtor from improper collection attempts. These are known collectively as the Federal Fair Debt Collections and Practices Act. A few years ago the Attorneys for Sears Roebuck sent out collection letters to have their credit card debts collected. You would think that Sears

Roebuck has enough money to hire the best Attorneys that would be infallible in protecting their company. But they used wording in their letters demanding payment "now" which violated the Federal Fair Debt Collections and Practices Act and resulted it in a Class Action suit that was settled for hundreds of millions of dollars in fines and payments to the debtors for violating their rights.

Assuming that the Judgment Creditor, who knows the law and acts correctly in enforcing his judgment, then proceeds with the customary attempts to bring the Debtor into court to sit for a Citation to Discover Assets. This again requires Service of the Citation by the Sheriff and there must be Service on the Judgment Debtor or else the proceedings can not go ahead. If the Service is returned unsatisfied, then additional Alias Services can be performed with the Court's permission. If Service can not be completed, then the collection of the judgment usually stops for Attorneys would work on other cases that are easier to collect. Once Service is complete, the Judgment Debtor is expected to show up on a certain court date with documents requested

of him such as IRS Tax Returns, bank statements, pay stubs, etc. If the Debtor fails to show up, the Attorney for the Judgment Creditor then requests a Rule to Show Cause and sends it out for Service by the Sheriff upon the Debtor. If Service is completed, then the Judgment Debtor has a right to defend himself in court on why he failed to show up for the previous Citation. Usually the Court will allow the Citation to proceed without any type of punishment upon the Debtor for failing to show prior. If the Judgment Debtor fails to show for the Rule to Show Cause, then the Judgment Creditor's Attorney can request a Warrant be issued by the Judge with a certain bond. If this is done, at some time in the future when the Judgment Debtor is stopped for a routine traffic violation, the Officer will run his name in his computer and if an outstanding Warrant is found, the Judgment Debtor will be arrested and taken for processing and then brought before the Judge who issued the Warrant. At this time the Attorney for the Judgment Debtor will be summoned to the Court and the Judgment Debtor will then sit for a Citation and be asked questions about his finances.

And how does the Judgment Debtor Answer Questions for his Citation to Discover Assets?

- **I have no job.**
- **I have no money.**
- **I have no phone.**
- **I have no house.**
- **I own nothing.**
- **I have no car for I use a friend's or take the bus.**
- **My family supports me.**



At this point, the Citation is over and the Judgment Debtor is free to go. Only if you can prove that the Judgment Debtor lied about his finances can you bring him back to court. Not to pay you but to answer for charges of perjury. Contrary to what one sees in the movies, the Judgment Debtor usually apologizes for making a "mistake," corrects his testimony and then leaves after being admonished. Again, the Judge cannot force him to write the Judgment Creditor a check.

After all this, how does one collect Money owed on a Judgment when the Debtor does not want to pay?

By attachment. An attachment of the Judgment Debtor's pay is known as a Garnishment. An Order signed by the Judge is served upon the employer of the Judgment Debtor to withhold part of his earnings up to a formula for each particular state. In Illinois, it is 15% of the amount earned over the minimum wage. But there can be others debtors ahead of you taking out their claims for child support or a prior judgment. You must stand in line to wait for them to take theirs before you have a chance to collect yours. The standard defense to a Garnishment is to change jobs. The existing Garnishment is specific to the named employer alone. Once the

Judgment Debtor's employment is changed, it must be discovered to file garnishment papers specific to the new employer to begin garnishing anew.

All of these legal maneuvers require time and money to attempt. Something that a small judgment holder is simply not prepared to do. A judgment under \$10,000 usually is not cost effective for collection. The majority of the population in this country has no idea as to how to identify assets. A lot of times the cost of hiring professional investigators and Attorneys outweighs the value of the judgment, especially since Attorneys and investigative services are paid for prior to knowing whether or not the debtor actually has any assets.

Many Attorneys are not equipped to spend the time to make judgment collection profitable. They tend to farm it out to Collection Agencies that make the Judgment Creditor pay all the up front costs and then split what they get on a 50/50 basis. However, what such Agencies don't tell you is that they are the most successful when they get to the Judgment Debtor early in the process. If money can be collected from the Judgment Debtor within 90 days of its rendering in court and the judgment debtor cooperates, there is a good chance of collecting the judgment even if it is on payments over time. What usually happens is as the judgment grows stale, especially after two years, the chances of collecting anything approaches zero.

With nothing coming in and demands always being made to pay more court costs, the Judgment Creditor becomes lax and allows the demands for more "good" money to chase the already "lost" money to cause the Judgment Creditor to forget about the judgment. His mind shuts off since it seems hopeless and it is forgotten. In time the judgment dies of old age and neglect.

But what about large judgments? Surely a real large judgment causes one to become more steadfast to collect for the payoff is bigger.



You would think that your Attorney will work harder to collect the big judgments since he stands to receive a larger share of payments? If there is an important amount of money at stake, the Judgment Debtor usually becomes quite savvy and hires counsel to protect him. The affluent could always afford the best "Tax Havens" to make themselves judgment proof. And the last level of protection for the Judgment Debtor is to file Bankruptcy which stays all collection and legal proceedings. A Chapter 13 Bankruptcy may be filed and the Notice received by a Judgment Creditor may cause him to give up without ever filing a claim

for an Attorney to represent him in Federal Court may be costly. Then there are the various Creditor Meetings and Schedules to be filed by the Judgment Debtor that seems overwhelming to the average Judgment Creditor who has tired of trying to collect the debt after years of advancing funds to go to one court date after another. A Chapter 7 Bankruptcy may also be filed which is a complete discharge of the debtor's personal responsibility to pay all his debts.

In a no-asset Chapter 7 Bankruptcy that is discharged, it makes no difference if every Creditor was listed or if you were not named specifically as a Judgment Creditor for there were no assets to be sold and distributed among the Creditors. And it seems to always work out that the Bankruptcy Trustee and his Attorney seem to spend every penny of the Debtor on legal fees so there is seldom any money left over to be distributed to Creditors.

Then there is a unique sector of Judgment Creditors that obtained their judgments in Small Claims Court with an amount awarded that is so small that it defies spending any time or money to collect. There is no possibility of having a Collection Agency or an Attorney to handle this judgment for it would cost more to attempt collection than could ever possibly be recovered. What this Judgment Creditor gets is frustration for spending so much effort to win a judgment and yet he can't even get advice from the court clerk on how to collect the monies owed. The problem is one that he pursued and yet there is no answer for this Judgment holder until now.

What is a Judgment Creditor to do?

If you have sued someone and were awarded a Judgment in Court and have tried unsuccessfully to collect, now is your chance to **RECOVER MONEY** that you thought you lost forever.



Midwest-Homebuyers.com will buy your judgment for cash with no recourse to you. It is like found money to you to collect on judgments that you have been holding for years after unsuccessful Citations to Discover Assets and Garnishment attempts have failed to bring you the money rightfully owed to you.

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