

YOU'VE BEEN SUED FOR A DEBT

Now What?



**What to do when you've been
sued for a debt in Maryland
*...and how to decide IF you need a lawyer.***



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"You owe, you owe, it's off to court you go" ...

...not necessarily.

KEY TERMS TO KNOW

- **COMPLAINT:** the document that starts the lawsuit and explains why the Creditor thinks he should win
- **CREDITOR:** the person/company owed the debt
- **DEFENDANT:** You
- **ORIGINAL CREDITOR:** the person/company you actually contracted with
- **PLAINTIFF:** the Creditor
- **SERVICE:** being given official notice of the lawsuit, most people are used to seeing process servers who come to your home or work
- **STATUTE OF LIMITATIONS:** the "expiration date" for a debt. The case must be filed before the limitations period ends.
- **THIRD PARTY DEBT COLLECTOR:** someone collecting on behalf of the creditor

This is not meant to be legal advice. Obviously, we don't know your personal circumstances, what this lawsuit is about, and whether you should accept service or defend the lawsuit. Our advice here is general and meant to start you thinking about options. Consult with your attorney or give us a call for specific legal advice.

1 Relax. Do you have a knot in your stomach? Are you embarrassed and dreading your day in court? For many people, being sued sends them into fear and panic. Stop.

Breathe. Relax. Being sued is a big deal, and it may mean that you have other financial problems, but the lawsuit is not as scary as you think. You might not have to go to court at all, and in many cases the best advice a lawyer would give is to ignore the suit. We'll explain...

2 Don't avoid service. Many people think if they don't answer the door, they can't be served. There are ways around personally giving you notice of the lawsuit. In some cases, a creditor can get a judgment even if you never know about the case. On the other hand, don't go out of your way to help a process server. There's no need to make it easy on them. Hiding might buy you some extra time, but it probably won't make the case go away.

3 Figure out who is suing you and for what debt. You may not know the person or company suing you, but that doesn't mean that it's a mistake. Debts are passed around to different collectors all the time. Yours may have gone through several companies before one of them sued you. When you are served the court documents, there should be some information there to help you determine what the original debt was for.

PRO TIP! If you haven't been served, go to <http://casesearch.courts.state.md.us/casesearch/> and search by your name or case number to find out more. You can even go to the Clerk's office at the courthouse (look at the top of the case search results for a District or Circuit Court name) and request copies of the documents filed by the creditor.

4 Decide if you should respond. Consider filing an answer if you have a provable defense or if you want to buy time for other options, such as bankruptcy or settlement. If you file an answer (called a Notice of Intent to Defend) you can request a new trial date and get an extra 30 days or more. If you're thinking about defending, keep in mind that for many debts, there aren't a lot of defenses worth trying. If you used the credit card, breached the apartment lease, or used the doctor's services, you owe the debt (plus the costs they spent trying to collect it); plain and simple. But, here are a few common defenses:

Statute of limitations. The creditor usually has 3 years to file the lawsuit from: (1) the date the debt was due; (2) the last time you made a payment; (3) when you last promised to pay.

Invalid debt. If you didn't receive the product or service (or didn't borrow the money) and can prove it, you might be successful with this defense.

Warranty breach or defective product. If you got the product or service, but it was defective (and you can prove that you notified them), you may be able to win the case.

Bankruptcy. If you filed for bankruptcy after you owed this debt, this debt may have been discharged. Contact a bankruptcy attorney before going any further.

WARNING: If you do intend to defend the lawsuit, you must file the Notice of Intent to Defend with the court within 15 days. It was included in the documents you received.

5 Think about what happens if you don't respond. If you don't file an answer and defend yourself, the court will usually enter a default judgment—that means the creditor wins and can now get the court's help to collect the debt (e.g., through a garnishment or lien). This sounds bad (and you will have to deal with it), but if you have no strong and provable defenses, think about whether it makes sense to spend the time and money to defend this suit. If you can't pay this debt, consider using this time to get professional advice.



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CONSIDERING BANKRUPTCY?

If you have other debts that are worrying you or if this debt is so big you don't think you could recover from a judgment, bankruptcy may be the right step to free you from your financial struggles.

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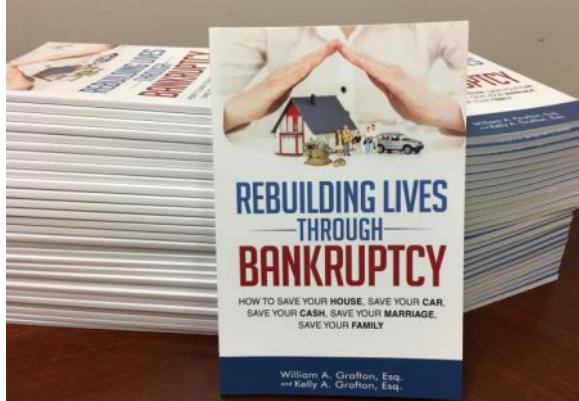
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How to Decide If You Need a Lawyer

WHAT TO KNOW BEFORE YOU PAY FOR HELP

If a lawsuit has been filed against you, you're probably getting a lot of advertisements from lawyers, debt settlement companies, credit repair companies, and debt consolidation agencies. That's because it's now a matter of public record that you are in financial trouble. The problem is, most of these people are more interested in selling their "solution" to your problem than they are in understanding your problem.

Before you pay anyone for their "help," consider the 5 things we just discussed. Have an idea whether you think it's necessary to actively defend this lawsuit right now. Perhaps the best thing to do is to wait. If this is your only debt, you don't need an expensive legal solution. Maybe you just need a payment plan to take care of it. Don't spend your settlement money on the lawyer or debt consolidation company when you use it instead to get rid of the debt. Try calling the company or the lawyer who filed the case (his/her name should be on the papers you received or you can find it by searching for your case at <http://casesearch.courts.state.md.us/casesearch/>). If they won't talk to you or they won't negotiate at least a payment plan, then call a lawyer for some help.

IF YOU DO DECIDE TO GET HELP, HERE ARE SOME TIPS:

- ✓ An experienced debt resolution attorney can offer all of the advice you would get with a debt settlement company, credit repair company, or debt consolidation agency, so start with an attorney first.
- ✓ Don't work with an attorney who seems to be pushing his/her solution on you. If every client that walks through their door is told that bankruptcy is their only option, that's not the attorney you want. Find an attorney who will give you a customized solution.
- ✓ Ask how many debt resolution clients the attorney has. If he only handles a few each year, he may not have enough experience to know all the options to help you.
- ✓ Take advantage of the free consultation. Most attorneys offer a free in-person consultation. This is a chance to get personalized advice from someone who deals with these problems all the time.

Attorneys William and Kelly Grafton, husband and wife, started the Grafton Firm with the mission to help Maryland families protect their assets. We do that through debt resolution assistance, bankruptcy, tax negotiation, and estate planning.

Both William and Kelly started their careers in big firms, but together, wanted to create a more family-friendly firm that is accessible to everyone. We want to get to know our clients and come up with a personal solution for each of them. We are not a one-size-fits-all firm. If we think you can fix your issues on your own (without spending money on attorneys) we'll be the first to tell you.

Here's what some of our clients have said about us recently:

"The Grafton Firm is made up of great people. They do what it takes to make your transitional experience comfortable. I would recommend The Grafton Firm to anyone looking for commitment, compassion, understanding, and meeting needs in your circumstance."

—Anonymous client, avvo.com

"When I came to Will Grafton I was lost on how to handle my situation. He had me come on for a meeting to go over things and calmed me down. I had amazing support each step of the way and even though I was flipping out, Will Grafton was there to calm me down. I have never met such a complete attorney."

—Scott, avvo.com



If we can help, give us a call, day or night: (410) 870-9315
We gladly offer free consultations (we even have weekend appointments!)



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