

## **Arizona Bankruptcy Attorney: I've Been Sued! Now What?**

**By Arizona Bankruptcy Attorney John Skiba**

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When you aren't able to pay your bills there is always the chance that your creditors may decide to seek payment through the courts and sue you. The knock on the door and being served with legal papers causes people to panic and is often the last straw for many people prior to seeking bankruptcy protection from the bankruptcy court.

In Arizona, if you are served with a law suit you typically have 20 days to submit a written Answer to the court either admitting or denying the allegations contained within the Complaint. In Maricopa County Superior Court you will have to pay \$223.00 in filing fees just to file your Answer with court. Further, many people I talk to don't really have a legal defense, so filing an Answer is likely just delaying the inevitable judgment. Because of this many of these types of law suits go unanswered and the creditor is able to obtain a default judgment.

Prior to obtaining a judgment against you there is not much an unsecured creditor (such as a credit card) can do other than be annoying and call night and day. Once they sue you and obtain a judgment against you a whole new world of collection opportunities open up, including garnishment of your wages or bank accounts, or seizing non-exempt assets. If you have been sued or have even had a judgment entered against you, it is a good time to sit down with a bankruptcy attorney and discuss your options.

A pending law suit or judgment can be dealt with in a chapter7 bankruptcy or a chapter 13 bankruptcy. Immediately upon the filing of the bankruptcy case the bankruptcy court will issue an order stopping all collection efforts against you. This means the law suit will stop as will all other collection efforts, including garnishments, repossessions, foreclosures, demand letters, phone calls, etc.

Once you receive your bankruptcy discharge at the end of the bankruptcy case, the underlying debt will be eliminated and if a judgment had already been entered it will be considered void. At this point in time I am not only seeing a lot of credit card companies pursue people through the courts, but many who have lost their home to foreclosure are now being sued for the balance that was not received through the foreclosure sale. All of these types of debts can be eliminated through bankruptcy.

Arizona bankruptcy attorney John Skiba offers a free bankruptcy consultation to discuss your specific situation. He can be reached at (480) 464-1111.