



HOW TO COLLECT DEBTS IN VIRGINIA
DEBT COLLECTION FOR THE NON DEBT COLLECTOR

Given by:

Samuel J. Kaufman, Esq.
Law Firm of CowanOwen PC

April 19, 2006
The Law Offices of William G. Ellyson
Client Luncheon

*You look for top abilities in
attorneys and their law firm
experience and exceptional service.
At CowanOwen, we offer an
abundance of both. That's how
we earned our name. And that's
why we'll never rest on it.*

- I. What can I do prior to filing for judgment?**
 - a. Phone Call
 - b. Demand Letter (Attachment A)
 - c. Verify that information on debtor is correct (skip tracing, etc.)

- II. How and where do I file for judgment?**
 - a. Small Claims Courts (Attachment B)
 - b. General District Courts (Attachment C)
 - c. Circuit Courts
 - d. Jurisdiction and Venue
 - e. Other considerations (costs, time, aggravation factor, etc).

- III. What happens after I file for judgment?**
 - a. Negotiation
 - b. Trial- Must be represented by Counsel if a formal business entity
 - c. Settlement

- IV. What happens after I obtain judgment?**
 - a. Debtor's Interrogatories
 - b. Garnishment
 - c. Judgment liens on real property
 - d. Levy-Writs of Execution, Seizure, and Sale by Sheriff

- V. What traps do I need to be aware of?**
 - a. Bankruptcy
 - b. Consumer Protection Laws/FDCPA
 - c. Chasing the Debt



SAMUEL J. KAUFMAN

(804) 320-9100
(804) 320-2950 *fax*
(804) 330-8900 x 315 *direct ext.*

skaufman@cowanowen.com

1930 HUGUENOT ROAD
P. O. BOX 35655
RICHMOND, VIRGINIA 23235-0655

December 7, 2005

Mr. Ino Pay, Sr.
1234 Avoid Drive
Runaway, VA 12345

RE: Promissory Note Executed on January 1st, 2005

Dear Mr. Pay:

Please be advised that my firm represents Honest McHoly with respect to money you owe him. The purpose of this letter is to remind you of your obligation to pay Mr. McHoly.

You, along with Ms. Pay, executed a promissory note on January 1st, 2005 wherein you promised to pay Mr. McHoly the sum of \$10,000.00, plus a ten percent finance charge. Full payment on the note was due on or before October 4, 2005. I urge you to make full payment as you are in default pursuant to the terms of the note.

As you are aware, the collateral for the loan is a twenty-five percent (25%) interest in Pay Now, Inc. and the balance of Ms. Pay's IRA. In addition, interest has accrued on the unpaid balance at a rate of 1 ½ percent per month (18 percent per year) beginning on October 5, 2005. Finally, you may be responsible for reasonable attorney's fees and costs should this matter proceed through judicial means.

It is our hope that you comply with the terms of the note and that there is no need for any further action on our part. Mr. McHoly wishes to resolve any potential conflicts in an amicable fashion. However, we will have no choice but to resort to formal legal action should you not pay this debt per the terms of the promissory note. Please contact me at your earliest convenience so we may work towards resolution of this matter.

This communication is an attempt to collect a debt and any information obtained will be used for that purpose.

Very truly yours,

COWAN OWEN

Samuel J. Kaufman
SJK/spm
Cc: Honest McHoly
(*** This letter is for educational purposes only***)



ATTORNEYS AT LAW

OFFICES AT HUGUENOT ROAD, RICHMOND
LORI ROAD, CHESTERFIELD COURTHOUSE

WWW.COWANOWEN.COM

ATTACHMENT B
WARRANT IN DEBT - SMALL CLAIMS DIVISION
 Commonwealth of Virginia VA. CODE § 16.1-79; 16.1-122.3

RUNAWAY General District Court
 CITY OR COUNTY
 5678 Ajudicate Forme Way
 STREET ADDRESS OF COURT

TO ANY AUTHORIZED OFFICER: You are hereby commanded to summon the Defendant(s).
 TO THE DEFENDANT(S): You are summoned to appear before this Court at the above address on

RETURN DATE AND TIME _____ to answer the Plaintiff(s)' civil claim (see below)

DATE ISSUED _____ CLERK DEPUTY CLERK MAGISTRATE

CLAIM: Plaintiff(s) claim that Defendant(s) owe Plaintiff(s) a debt in the sum of

\$ 2,000.00 net of any credits, with interest at 18 % from October 5, 2005 until paid.
 INTEREST RATE DATE FROM WHICH IS DUE

\$ 38.00 costs with the basis of this claim being

Open Account Contract Note Other (EXPLAIN)

HOMESTEAD EXEMPTION WAIVED? YES NO cannot be demanded

December 7, 2005

DATE PLAINTIFF PLAINTIFF'S EMPLOYEE

CASE DISPOSITION

JUDGMENT that the Plaintiff(s) recover against named Defendant(s)

\$ _____ net of any credits, with interest at _____ % from _____ until paid.
 INTEREST RATE DATE FROM WHICH IS DUE

\$ _____ costs

HOMESTEAD EXEMPTION WAIVED? YES NO CANNOT BE DEMANDED

JUDGMENT FOR NAMED DEFENDANT(S)

NON-SUIT DISMISSED

Defendant(s) Present? YES NO

Indemnifying bond of \$ _____ secured unsecured required for lost instrument
 (Va. Code § 8.01-32)

DATE _____ JUDGE _____

RETURN DATE _____ CASE NO. _____

PLAINTIFF(S) (LAST NAME, FIRST NAME, MIDDLE INITIAL)
 McHoly, Honest

9101 Iannright Road

Runaway, VA 12345

v.

Pay, Ino

DEFENDANT(S) (LAST NAME, FIRST NAME, MIDDLE INITIAL)

1234 Avoid Drive

Runaway, VA 12345

WARRANT IN DEBT—
SMALL CLAIMS DIVISION

TO DEFENDANT: You are not required to appear; however, if you fail to appear, judgment may be entered against you. By law, this case must be tried on the return date above unless all parties agree upon a different date for trial. Other continuances shall be granted by the court only for good cause shown.

Grounds of Defense ORDERED _____ DUE _____

NEXT HEARING
 DATE AND TIME

JUDGMENT PAID OR
 SATISFIED PURSUANT
 TO ATTACHED NOTICE
 OF
 SATISFACTION

DATE _____

CLERK _____

DISABILITY ACCOMMODATIONS for loss of hearing, vision, mobility, etc., contact the court ahead of time.

WARRANT IN DEBT (CIVIL CLAIM FOR MONEY)

Commonwealth of Virginia VA. CODE § 16.1-79

RUNAWAY

CITY OR COUNTY

General District Court

5678 Adjudicate Forme Way

STREET ADDRESS OF COURT

TO ANY AUTHORIZED OFFICER: You are hereby commanded to summon the Defendant(s).

TO THE DEFENDANT(S): You are summoned to appear before this Court at the above address on

RETURN DATE AND TIME to answer the Plaintiff(s)' civil claim (see below)

DATE ISSUED [] CLERK [] DEPUTY CLERK [] MAGISTRATE

CLAIM: Plaintiff(s) claim that Defendant(s) owe Plaintiff(s) a debt in the sum of

\$ 10,000.00 net of any credits, with interest at 9 % from date of 10/05/2005, until paid,

\$ 38.00 costs and \$ 2,500.00 attorney's fees with the basis of this claim being

[] Open Account [] Contract [x] Note [] Other (EXPLAIN)

HOMESTEAD EXEMPTION WAIVED? [] YES [] NO [] cannot be demanded

December 7, 2005

DATE

[] PLAINTIFF [x] PLAINTIFF'S ATTORNEY [] PLAINTIFF'S EMPLOYEE/AGENT

CASE DISPOSITION

JUDGMENT against [] named Defendant(s) []

for \$ net of any credits, with interest at % from date

of until paid, \$ costs and \$ attorney's fees
HOMESTEAD EXEMPTION WAIVED? [] YES [] NO [] CANNOT BE DEMANDED

[] JUDGMENT FOR [] NAMED DEFENDANT(S) []
[] NON-SUIT [] DISMISSED

Defendant(s) Present? [] YES
[] NO

DATE

JUDGE

CASE NO.

McHoly, Honest
PLAINTIFF(S) (LAST NAME, FIRST NAME, MIDDLE INITIAL)

9101 Lamright Road

Runaway, VA 12345

v.

Pay, Inc

DEFENDANT(S) (LAST NAME, FIRST NAME, MIDDLE INITIAL)

1234 Avoid Drive

Runaway, VA 12345

WARRANT IN DEBT

* * *

TO DEFENDANT: You are not required to appear, however, if you fail to appear, judgment may be entered against you. See the additional notice on the reverse about requesting a change of trial location.

[] To dispute this claim, you must appear on the return date to try this case.

[] To dispute this claim, you must appear on the return date for the judge to set another date for trial.

Bill of Particulars

ORDERED DUE

Grounds of Defense

ORDERED DUE

ATTORNEY FOR PLAINTIFF(S)

ATTORNEY FOR DEFENDANT(S)

HEARING DATE AND TIME

JUDGMENT PAID OR SATISFIED PURSUANT TO ATTACHED NOTICE OF SATISFACTION.

DATE

CLERK

DISABILITY ACCOMMODATIONS for loss of hearing, vision, mobility, etc., contact the court ahead of time.