

BERNSTEIN-BURKLEY, P.C.

Attorneys at Law

A BUSINESS APPROACH
TO LEGAL SERVICESM

“Ask the Legal Professional”

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BANKRUPTCY

Q I heard through a third party that my customer filed bankruptcy, but I have never received official notification. Is there anything I should do to protect my interests?

A If you find out about a bankruptcy in any way before the deadline to file a claim, you will be treated as if you had been officially notified. If you fail to take affirmative action by filing a Proof

of Claim with the bankruptcy court, you will lose your right to assert a claim in the bankruptcy case and the debt will be discharged.

A discharged debt leaves you no recourse to collect from your customer anytime in the future. In some instances, however, it may not be worth your time to assert a claim. If the bankrupt party has no assets from which payment can be made (a no asset case), then the result will be the same - your debt will be discharged. Depending on the amount owed, it may be prudent to consult with a bankruptcy expert who can determine whether the debtor has assets before going through the expense of filing a claim.

*Learn more about credit policies and the Payment Gap with Bob Bernstein's book, Get P.A.I.D.™ A Guide to Getting Paid Faster (and What to Do if You Don't!) at www.getpaysystem.com

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