



WHAT DO I DO IF SOMEONE OWES ME MONEY?

Private debts are not uncommon; they may arise from unpaid loans, outstanding fees for services rendered, or any other compensable grievance. When the debtor consistently fails or refuses to pay the amount(s) owing, the aggrieved party may wish to seek the assistance of a lawyer in an effort to facilitate collection.

If a person (i.e. the debtor) owes you money but is not paying, you may wish to start collection efforts with a Demand Letter. A Demand Letter is a formal letter written by a lawyer demanding that they debtor pay the stipulated amount by a specified deadline, failing which further legal action will be taken (note: a Demand Letter can also demand additional or other actions, such as the cease and desist of certain conduct). While you may have already personally demanded the debtor repay you (to no avail), the Demand Letter may be more persuasive as it is prepared and delivered by a lawyer, and expressly threatens further legal (civil) action.

If the debtor still refuses to pay despite receipt of the Demand Letter (or if you wish to forego the Demand Letter entirely, i.e. if the debtor evades or refutes the debt to the extent you believe a Demand Letter is unlikely to yield any results), then your next step may be to commence legal action against them. If the value of the debt you are seeking to collect does not exceed \$35,000 (or if it does exceed that amount but you are willing to abandon the excess), then you may wish to pursue the action in the Small Claims Court. For lawsuits where the claim exceeds this amount, or for other matters not within the Small Claim Court's jurisdiction, the action may be commenced in the Superior Court of Justice. While Small Claims Court is quite "user friendly" and viable for self-represented parties, Superior Court is far more difficult to navigate without the assistance of experienced legal counsel. Regardless of which courthouse you proceed in, if successful in your claim, you may receive a Judgment legally entitling (and potentially enabling) you to collect on the debt owing.

For professional legal assistance with Demand Letters, and experienced representation in Small Claims Court and Superior Court actions, call Daniel Freudman today.

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