DEBTOR COMPLAINTS ABOUT THE AGENCY
(An Overview - Generically Speaking)

One must remember that when an agency enters the financial picture of a debtor "the ground is already fertile" for fabrication of unsubstantiated and unmerited complaints about the agency. The debtor's world is falling apart and he has no immediate solution to resolve all of the mounting debt. Everyday there are murders, divorces, family disputes and etc. over "money." Because of the financial troubles being experienced a tremendous amount of self-induced pressure and guilt mounts while the cash flow pool available to address creditors is shrinking at an exponential rate. It is a constant merry-go-round to "rob Peter to pay Paul" with alternating feet going in and out of the "financial grave."

Laying the blame by discrediting the agency is an expected anticipated debtor response. A debtor from recent experience knows that a "listening ear" shows sympathy and plays into the attempt of shifting focus away from the ever shrinking cash flow pool, from which the Williams & Williams is demanding preference on behalf of its client.

The debtor does not have enough financial resources at once to address total accumulative debt; therefore, the debtor is ready to resort to already tested schemes that have been successfully implemented to direct focus away from the absolute demands of Williams & Williams. If a creditor buys into the debtor's stalling scheme, then this creates cash flow resources available to address the next creditor fire that erupts. In addition, listening or communicating to a debtor after the collection process starts VOIDS OUR LIABILITY INSURANCE. Accordingly, it is self-defeating if the liability insurance is nullified by the party (our client) that is designed to protect. More information about this can be obtained by clicking to "PROFESSIONAL LIABILITY INSURANCE" and to the Bonds reference in the "About Us" web pages.

Generated debtor complaints about an agency should be viewed as a barometer of Williams & Williams' effectiveness. This is a "good thing" because there are 2,000 collection agencies that simply extend a hand asking for money instead of our approach demanding preferential treatment. A "debtor complaint" about our collection process has never evolved into litigation.

SPECIFIC DEBTOR COMPLAINTS ABOUT THE AGENCY

A statement that we sometimes hear, after a new client starts utilizing Williams & Williams, Inc., is "With the previous agency we never heard from a debtor. It's as if our placements went into a dark, black hole and we never knew what was going on."

We have found the loudest and most vocal debtor complaints are the ones that originate from debtors that have the ability to pay but refuse to place our client in the number one priority position. A debtor is frustrated and has to continually shuffle the priority ladder based on the onslaught of pressure. We are never the only collectors pursuing a debtor; there are always many others. Commercial situations and commercial finances tend to blow up quickly. The debt pool increases at an exponential rate with the passage of time, especially when beyond 90 days past due.

Other creditors and other collection agents are already pursuing a debtor when we enter the picture. There are many statistical models at our website but one shows that after 30 days past due the probability of collection decreases at a rate of 10% per month during the next 8 months. This model bears out the value of having an "Early Detection" program to identify accounts at risk early in order to make the decision to place early and collect an account as opposed to waiting too long to place that leads to writing off an overdue balance as uncollectable. With an Early Detection program there is an 85% probability that we can collect an account in full and charge a Preliminary Fee Rate just above 15%, which means if you subtract your gross margin product markup your company will not lose money, albeit that the profit is smaller. On the other hand, if one waits too long to place for collection, then the entire amount at risk falls into the "uncollected category." For the average company every dollar written off means a sales multiple of $17.00 must be generated before profitability resumes. (See the model at our website.)

Rest assured as creditors are pursuing debtors; it is an ongoing debtor routine of playing the stalling tactic game. Debtors know if there is a possibility that a creditor will buy into an agency complaint that this will free up other cash flow for other creditors that are pressing harder. Of course, the only way to stop the collection pressure is to force the collection agency to cease collection efforts. The best way to do that is to complain to the creditor about the agency and hope the creditor directs the agency to back off.

It is easy to detect bogus complaints. Typically, it is the use of broad, generic terms such as unprofessional, rude, being profane and etc. In our situation we carry professional liability insurance that other agencies do not possess. We are astute enough to know that we are not going to say or do anything to jeopardize or place our client at risk but if such an allegation was to be pursued, we have the protection in place (liability insurance) to ease our clients' minds. The bottom line is that we know many times in pursuing debtors that they are insolvent. We practice foresight in that we are not going to create a situation to where the debtor has an opportunity to turn the table and pursue a solvent client or a successful company like Williams & Williams, Inc.

Tactics sometimes utilized by debtor attorneys result in a groundless claim that there has been "a violation of the "Fair Debt Collection Practices Act." This Act pertains to end user consumers only. None of our clients sell to end user consumers. This legislation does not pertain to debt created from business-to-business transactions, also known as "commercial debt." This is nothing more than a stalling tactic that debtor attorneys have in their arsenal to fend off the pursuit of agencies.

The oldest debtor trick in the book is to create a smoke and mirror routine as a diversionary tactic from the central issue, which of course is payment in full of our client's debt. One recent outlandish remark was that the efforts of Williams & Williams, Inc. had placed a debtor's wife in the hospital, even though no one in our company had ever contacted the debtor or his wife. Manager/employees were in place serving as a barricade to hinder pursuit of the principals. If an agency was as horrible as claimed, the debtor has the power to terminate or break off communications. It is as easy as hanging up the phone or tossing a fax in the garbage. It is presumed that when involved in a commercial transaction that both creditor and debtor are operating on a higher legal playing field. In other words, the Uniform Commercial Code governs transactions and commercial debtors are presumed to know the particulars of the code. This means that debtors know all about the parade of horribles even though the debtor is play acting or in denial.

Another old trick used by debtors are claims of liable and slander. By definition, such acts must occur in public, orally or in print in the presence of an audience. One-on-one remarks, whether in a letter or orally, are acceptable regardless of the accuracy of such remarks. As long as remarks are confined to one-on-one discussions and do not involve a public forum or public place then no grounds of retribution exist for a debtor to pursue.

Another typical complaint that a debtor makes is that the collection agent spoke to a non-authoritative figure. We, at Williams & Williams, Inc., whenever leaving a message always obtain the name of the party taking the message and it is our standard operating procedure to be sure that the party can take a confidential message relating to the business. A debtor in trouble has employees screening calls and; consequently, tries to create a trap whereby it can be alleged that a message concerning a collection matter was left with someone who could not discuss same. Many times employees will not alert the principals that someone is inquiring about an important matter unless all details are divulged. This seems to be the rule rather than the exception. Therefore, when a debtor complains that a message was left with unauthorized personnel, we simply advise the debtor to instruct their employees on proper etiquette by simply declining to take a confidential message if they are not in a position to do so. When we provide this response, the debtor usually caves in and we talk about the primary and most important issue at hand – the money owed to our client.