

**Standard Oil of Connecticut, Inc.**

**S.B. 1211 AN ACT CONCERNING POST-JUDGMENT INTEREST**  
Judiciary Committee – Public Hearing  
March 25, 2011

Testimony  
Of  
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**Recommended Legislative Action: Approve Changes To C.G.S. 52-356d As Set Forth In S.B. 1211**

Thank you for the opportunity of speaking to you today.

My name is Jacqueline Ivel and I am the Collection Manager of Standard Oil of Connecticut, and have been so for the last six years. Standard Oil is located in Bridgeport, CT and provides heating oil to customers through out Fairfield and New Haven Counties.

Standard Oil extends credit directly to its customers; it does not seek cash on delivery nor does it seek credit card payments except in unusual circumstances. Like every other business that extends credit, it has a number of customers who do not pay their bills and for whom we must finally seek redress through the courts. Though the percentage of customers that we sue is extremely small, probably less than 1% of our customer base, that number, I'm told, still makes Standard Oil one of the larger direct creditor, non-bank, and non-credit card filers using the Small Claims Courts.

In recent years, there have been a number of unsettling departures from the Court's previous policies and practices. One of the most troubling changes and the one we hope to have clarified today is the issue of post-judgment interest and the wildly inconsistent awards of the Small Claims Magistrates when it comes to this issue.

Title 52 (Civil Actions) Section 356[d][e] of the Connecticut General Statutes states "*Interest on a money judgment shall continue to accrue under any installment order on such portion of the judgment as remains unpaid.*"

Title 37 (Interest) Connecticut General Statutes Section 37.3 says that post judgment interest "*at the rate of ten percent a year, and no more, may be recovered and allowed in civil actions.*"

In addition, the Connecticut Practice Book states in Chapter 10-28 "*Interest and costs need not be specially claimed in the demand for relief in order to recover them.*" Previously, the award of post judgment interest was embedded in the Small Claims Judgment Disposition and in its Execution documentation and has since been removed, for reason which still remain unclear to me, and in my opinion, it seems to be equally unclear to everyone else concerned including the courts.

These days, in order to be awarded post judgment interest, we find ourselves having to claim it instead of having it awarded automatically, despite the fact that the practice book clearly indicates it need not be claimed and even if we do make a claim for it, we are subject to, and I hate to use the word, "whim" of the presiding Magistrate as to whether we will be awarded post judgment interest at all and if we are awarded, we are not certain whether or not the rate will be reasonable or unrealistically low.

Most home heating companies including Standard Oil, for reason of economics and expediency, utilize Small Claims Courts where we often receive judgments that either makes no provision for post judgment interest despite requesting it or if it is granted, the judgment provides for rates in the 3% to 5% range. This is a marked contrast to what is provided for in the Statutes.

Assuming that we are legally entitled to the principal (and a judgment absolutely affirms that we are), the defendant usually receives a "nominal" order of \$35 per week and often considerably less. This judgment is often handed down approximately six or seven months after the initial filing and the debt is essentially frozen for that six or seven months. If the debt is substantial (\$5,000 being the maximum currently allowed in Small Claims) the time to repay the judgment is equally substantial and with the passage of time the actual value of the money paid back measurably declines unless there is a clear provision for post judgment interest at the rate currently provided for in the statutes and assuming the debtor actually repays on schedule rather than the, not unusual, "catch me if you can" position some debtors hold which can exponentially extend the time it takes to recover anything; if indeed you ever recover anything at all.

Standard Oil, like every other home heating oil dealer in Connecticut, many of whom lack our resources, find themselves in a position where its customers have run up balances in the many hundreds or even thousands of dollars in a very short period of time and those non-paying customers are then ordered by the court to pay it all back at a very leisurely pace. Without post judgment interest being awarded at a realistic rate provided for in the statutes, the courts just add to the financial burden already borne by the companies who have already bought and paid for the fuel delivered, have paid their drivers, have made payments on their trucks, have paid the high hazardous materials insurance coverage mandated by the State, have paid their City, State and Federal taxes and are, quite likely, still paying their banks interest on money that they've borrowed to finance their accounts receivables, including those receivables where the Magistrate has declined to award post judgment interest.

In those instances where the Court orders installment payments, equity demands that it also award realistic post judgment interest. We support the mandate for post judgment interest as set forth in SB 1211 and recommend that there be Legislative action to approve this bill.

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