

London London

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Judiciary Committee Public Hearing on March 19, 2018

Testimony on S.B. 485

An Act Concerning the Provision of a Payoff Statement by a Judgment Lienholder.

Dear Co-Chairmen Doyle, Kissel, Tong, Ranking Member Rebimbas and members of the Judiciary Committee.

My name is Russell London. I am the Co-Managing Attorney at London & London, a law firm located in Newington, Connecticut. I have been practicing law for over 20 years now, and have a great deal of experience in both Superior and Small Claims Courts in Connecticut. I am also a member of the Connecticut Creditors Bar Association (CCBA).

I am here to testify in opposition to Raised Bill No. 485 (An Act Concerning the Provisions of a payoff statement by a Judgment Lien Holder). I am deeply concerned about the extremely harsh and punitive nature of this bill, which imposes penalties on attorneys for failing to provide a payoff statement by a date completely controlled by the judgment debtor (so long as it is more than 21 days from the request date). I am also concerned that this bill could easily be used set attorneys up to extort monies out of creditor's rights attorneys who are merely doing their job by securing judgment debts through the filing of judgment liens. The proposed bill is troubling, because some judgments may be very old, up to 20 years from the date of judgment entering; and the attorney may have lost contact with the judgment creditor, or vice versa, thinking that a particular judgment debt may never be paid.

A penalty is not required to motivate creditor's rights attorneys to act. Most collection cases are assigned to law firms on a contingency basis. Accordingly, attorneys want to see their old judgment liens paid off as quickly as possible in order to be able to serve a client and also earn a legal fee.

I admit that there may be times when it may be difficult to locate a judgment creditor, possibly the judgment creditor may no longer be alive, the judgment creditor may have reassigned the judgment or the business may have closed after many years of a judgment being ignored due to financial reasons. In those circumstances, the attorney should not be punished or penalized for doing his/her job. I have no problem requiring the attorney to furnish the last known address or the last information on the judgment creditor; however, the attorney should not face financial

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penalties for failing to provide a payoff, especially on very old judgment debts, where years have gone by, or when the judgment creditor has relocated, dissolved or merged with another entity.

In recent years, judgment creditors have instructed our firm to close certain files when they no longer wanted to spend further money on a file. Under our professional rules of conduct, clients are free to recall accounts any time without consulting with us; thereby, placing us in a difficult position if some one needs information down the road.

I am also concerned about how the notice requirement does not adequately specify how the request is to be conveyed. Often faxes can be lost in transmission, or an e-mail may be blocked by a spam filter. Without requiring notices to be delivered by certified mail or by courier service that is signed for along with a reasonable period in which to respond, the attorney could easily be falsely accused and subject to a financial shake down.

If passed, this bill would have the unintended consequence of unfairly punishing attorneys who represent creditors with penalty that is disproportionate to the "alleged" offense if any. There are more civil ways to accomplish the same objective without punishing those who represent businesses and individuals who are legitimately owed money.

If you have any questions regarding this matter, I would be happy to discuss these issues further. Thank you for your time.

Respectfully submitted,

A handwritten signature in cursive script that reads "Russell L. London".

Russell L. London