

Make them Bleed in Discovery

– How to Tell Debt Collectors You Have no Money or Other Things you Want them to Know

By Ken Gibert at Your Legal Leg Up

What if there is something you actually want the debt collector to know because you think it will cause it to decide to leave you alone? How do you tell them so they'll believe you? And how do you keep the judge from hearing it and not taking your case seriously? This article discusses the fine art of negotiating when you think you have "nothing to lose."

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How do you Tell the Debt Collector You're Judgment Proof?

We get this question from a lot of people in a lot of ways. It comes up when people have so little money that the debt collector is just not going to be able to find anything to collect on. You've heard the saying, "you can't squeeze blood from a turnip." If you don't have money a debt collector could reach or a job they could garnish your wages from, or any other assets they could reach, you are what is called "judgment proof." How do you let them know so they go away?

If you're Judgment Proof if Makes No Sense to Sue You

If you're judgment proof, you almost certainly want the debt collector to know it because it makes all their work more or less pointless. At a minimum, if you don't have anything for them to collect, they will have to wait – possibly a long time – to get anything back from the lawsuit, and debt collectors know very well that time is money. There are generally better things for them to do than chase after people who really have nothing to give them.

But it isn't enough for you just to "tell" them. It's too "convenient" for you, and they won't believe it if you tell it to them too easily. Plus – if you make it too easy, they'll just get the judgment and sit on it. They've already spent to buy the debt and bring suit. You have to know it will cost them *more* to chase you – and that it will keep costing even though they'll never collect anything back from it.

In this article we discuss one of the fine points of negotiation: how to let someone find out something you want them to know – in a way that will make them respond the way you want them to respond.

Here's a little warning: Unlike a lot of what we say, this will be more the "art" of negotiation than the "science" (so to speak) of law. You might have a different feeling about it, in which case you should think about it for yourself. Put some thought into it and come up with what you consider your best strategy – you're the one who's going to live with whatever happens, right?

The Situation: You're Judgment Proof

You don't have any money and don't think you're going to get any for a while. You want the debt collector to know that you're judgment proof because you want them to go away.

But there is a "hidden" problem.

Being Judgment Proof Can Mean to the Judge that You Shouldn't Defend Yourself

The law is much more practical than a lot of people give it credit for being. If you say you have “nothing to lose,” and the judge believes it, you may find yourself losing very quickly and without real fairness or equality. After all, the judge thinks, you have nothing to lose, so why bother? Really. That's eminently practical, isn't it? It is the way many of them think.

Most judges won't say that, although some will. But who wants to waste his or her time on *technical* fairness when there's nothing really at stake? The law is not designed or supposed to do that.

You Won't Be Down Forever

But the fact is, you DO have something to lose. A lot. The worm turns – you may be down now, but however far you're down now, it only takes a few good breaks, a couple things turning around, for you to be much better. Good luck often happens to people who keep trying their hardest and looking for it, and if it happens for you, let the good luck be for you and not the debt collector. You need to keep fighting even if it looks like you have nothing to lose. You MIGHT, and that's enough.

Judgments last a long, long time, and do you want the break that could turn things around for you to enrich the debt collectors?

Losing May Hurt you in Ways you Haven't Considered

The other thing is that the cost of losing may be greater than you suppose. It will hurt your credit report and raise all your costs of living in invisible ways, and... there are other costs, psychologically and socially.

Play to Win

Play to win. If you're here, you're already doing that. Don't blow it now by casually telling anybody you have nothing to lose. But you still want them to know you're judgment proof. So how do you let them know?

You make them bleed for it.

Make them Pay for Any Information they Get – Even if it's What you Want them to Know

Letting them know that they won't gain anything from their efforts is really just half of your goal. The other half is that they must know that they will have to use a LOT of effort, and

that it will cost them a lot of money (money they'll probably never get back). Make sure they know that you will never give them anything without a fight – a fight that's going to cost more than they could ever hope to win.

Can't you just *tell* them that?

It's better to show them how much effort will be required *first*. And that's because talk is cheap. Lawyers should know, right? And they do. Telling them it will take effort is far, far different than requiring them to spend that effort. Of course, it takes far more effort on your part, too. It means you fight everything tooth and nail - don't give them any information they aren't entitled to, even when it's what you want them to know. And if you watch them, you'll see they don't plan to give you even information you *are* entitled to. Fight hard.

How Much you Have, Where you Earn it, and Where you Keep it are “Irrelevant” to the Debt Collector's Lawsuit

As we have often pointed out, contract cases involve what's called “strict liability.” Almost. That is, there is only the question of whether you owe the money. No one cares WHY you owe the money or why you haven't paid it off. No one even cares, legally, whether you can *pay it off*. The only legal issues for the court to decide on a debt case are: do you owe it to them? And, how much do you owe? That makes the amount of money you have (what you own), where you earn it (your job), how much you earn (your income), or where you keep it (your bank) all irrelevant. You should object and force the debt collectors to go to the judge (motion to compel) to force you to give it to them if they can.

Make them work to get it. Make them work hard and spend money. And then, if you have to answer, you will. It is, after all, what you wanted them to know in the first place. And if the judge denies their motion to compel and does not make you reveal the information about not having money or a job, you can just “drop it” into a conversation with the lawyer for the other side afterward (“Well, I don't have any money anyway...”). But then you don't give them proof – you just say it.

If you tell the other side you're judgment proof too easily, the judge will find out. She will be tempted to find an excuse to rule against you as we said above. Fighting hard from the beginning – especially against divulging financial information – puts the lie to that more effectively than anything you could say. It proves you are taking the case seriously.

Watch out for Laziness

So now, consider your motives here. Isn't a main reason you want to tell them you're judgment proof just that you want them to go away without bugging you anymore? You're tired of your troubles and the suit?

That's the attitude you must beware of.

Yes, getting them to believe you are judgment proof might cause them to drop the case and reduce your overall effort and inconvenience, but your main weapon in debt litigation is the willingness to spend extraordinary efforts – and to make them do so. And this is true whether the underlying debt was ever yours or not – it takes extraordinary efforts to defend any case. Don't give up that weapon in the search for a short cut.

Make sure the things you do increase your chances of winning without hurting your underlying case.

About Your Legal Leg Up

Your Legal Leg Up is a business dedicated to helping people fight debt collectors without having to hire expensive lawyers to do it. We offer you everything you need to defend your rights – with special help through our membership services to help make the process smoother, easier, and less worrisome. YourLegalLegUp.com has been in operation since 2007. Before that, Ken Gibert practiced law representing people being sued for debt among other types of consumer law.

If you would like to get a personalized evaluation of your situation, follow this link: <https://yourlegallegup.com/pages/evaluation>.

For further help, consider our [Manuals and Memberships](#). We have materials on [debt negotiations and settlement](#), [forcing debt collectors to leave you alone](#), [credit repair](#), and many other issues that arise when you are facing debt trouble.

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