



THE PORTNOFF REPORTER

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PLA Now Offers Bankruptcy Representation for Current Municipal Obligations

The distinction between a current municipal claim and a delinquent municipal claim is generally irrelevant for purposes of collection in a bankruptcy case. The Bankruptcy Department at Portnoff Law Associates prepares and files proofs of claim for all delinquent accounts that have been turned over to our firm for collection. Some clients have asked whether we could provide bankruptcy representation to help them protect their current claims that have not yet reached delinquency status.

In consideration of these requests, we are pleased to now offer comprehensive bankruptcy representation for both delinquent and current municipal claims. For a flat fee of \$250 for combined balances under \$10,000, and \$500 for combined balances \$10,000 and over, Portnoff’s Bankruptcy Department will provide active representation for any bankruptcy accounts that you turn over to us. For this fee, we will file a proof of claim and will actively protect collection of your claim through the bankruptcy case. We also will ensure that any attempts by the debtor, trustee or other creditors to underpay or avoid your claim will be vigorously defended. This includes defending claim objection, objecting to insufficient plans, and opposing attempts to sell the debtor’s property without fully paying the delinquent taxes and municipal claims.

If you are interested in hearing more about this option, please contact the chair of our Bankruptcy Department, Kevin Buraks, at (484) 690-9332 or kburaks@portnoffonline.com.



Addition To Our Mailing List?

Do you know someone who would like to be added to our mailing list? Send their name and address to Susan Anderson at sanderson@portnoffonline.com.

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In Person

Oct
2015

Portnoff Law Associates will be attending the Pennsylvania School Boards Association's (PSBA) annual School Leadership Conference on October 14-15 in Hershey, PA. During the conference, feel free to stop by our booth (#308) or enjoy dessert at Portnoff's hospitality suite on Wednesday, October 14 from 5:30 to 7:30 p.m. in Cocoa Suite 3 at the Hershey Lodge.

If you are interested in having Portnoff present at your professional association's next conference or event, please contact us at (800) 561-7989.

Local Event Ideas

Looking for an enjoyable family event this fall?

Bethlehem Harvest Festival-October 10

The 10th annual Bethlehem Harvest Festival is scheduled for October 10 from 11 a.m. to 8 p.m. This festival features craft vendors, live music, and soup, wine and beer tasting. The festival website is located at:

www.downtownbethlehemassociation.com/events/bethlehems-harvest-festival.

Historic Bristol Day-October 17

Another family event is the 39th annual Historic Bristol Day scheduled for October 17 from 10 a.m. to 4 p.m. This festival features food and events throughout the day, including free entertainment, a car show and sailing regatta, vendors and crafts, and open houses. The festival website is located at: www.bristolhistory.homestead.com.

Let us know if you would like us to highlight your community's next event in a future edition of The Portnoff Reporter.

Legal Update

The Pennsylvania Commonwealth Court recently looked at the issue of whether a billing mistake for utility services can be used as a defense to preclude future collection. In *Valley Forge Sewer Authority v. Hipwell* (No. 1924 C.D. 2013), four defendants purchased a property that the sewer authority's records reflected as a single-family dwelling. In reality, the property had been a multi-family dwelling for many years prior to the defendants' purchase. The sewer authority globally imposed a \$75 quarterly sewer fee per equivalent dwelling unit (EDU). After acquiring the property, the defendants received and paid the authority's \$75 quarterly bills. Three years after the purchase, the authority investigated a sewage complaint at the property and discovered for the first time that the property was improved as a multi-family dwelling containing four EDUs.

The authority informed the defendants that it changed its records to accurately reflect that the property was a multi-family dwelling, and requested payment of an additional \$2,925 for the three EDUs not billed in the prior invoices. The defendants refused to pay the additional amount, asserting that they had paid all quarterly invoices in full. The authority filed a lien against the property for the additional amount, and subsequently filed a writ of scire facias. The trial court ruled in favor of the authority and the defendants appealed, arguing that they had a contract with the authority and had paid in full all amounts billed. The defendants also alleged that it would be unreasonable to permit the authority to retroactively bill for additional amounts owed as a result of the authority's unilateral mistake. The Commonwealth Court ruled that the contract between the authority and its customer was that each customer agreed that in exchange for sewer service, that customer will pay a quarterly fee of \$75 per EDU. The Court found that those terms applied to the defendants in the same way that they applied to every other customer of the authority. Affirming the trial court's decision, the Commonwealth Court ruled that although the extent of the defendants' use of the sewer system was unknown to the authority, there was no mistake in the formation of the contract. The contract provided for a uniform payment that could change based upon the number of EDUs at the location. Thus, the defendants were bound to pay for the services actually used, and the quarterly invoices did not alter that obligation.

Congratulations to Lamb McErlane attorneys Scot R. Withers and Vincent M. Pompo who successfully represented the Valley Forge Sewer Authority.

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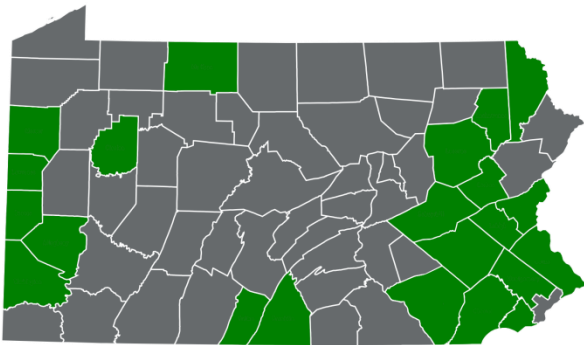
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Bankruptcy Corner

The “automatic stay” is a very important bankruptcy concept, and the effect of the stay is frequently the reason why many debtors file for bankruptcy protection. The automatic stay prevents creditors from taking action against the debtor after the bankruptcy petition is filed with the court. The stay goes into effect immediately and is deemed “automatic,” as no further action need be taken by the debtor to put it into effect. The purpose of the stay is to provide the debtor with breathing room at the beginning of the bankruptcy case, preventing rogue creditors from unilaterally continuing with pre-bankruptcy collection efforts. The scope of the automatic stay is very broad, prohibiting all types of collection activity, including: phone calls, demand letters and billing statements. All actions taken in violation of the automatic stay will be deemed void or voidable, regardless of whether the creditor had knowledge of the bankruptcy filing. It is imperative that bankruptcy filings be noted on the debtor’s accounts, and that all collection activity for pre-bankruptcy obligations is stopped upon notice of the bankruptcy. Bankruptcy courts take stay violations very seriously, and actions taken in violation of the automatic stay are subject to an award of actual and punitive damages, as well payment of the debtor’s attorney’s fees and costs.

Hiring Portnoff



Portnoff Law Associates represents over 115 municipalities, school districts and municipal authorities in 23 counties throughout Pennsylvania. From small to large clients in every part of the state, Portnoff’s proven collection process can be tailored to meet your specific collection needs. We are available to meet with your staff, or attend an executive session or public meeting to discuss the benefits of our services with your elected officials. If you are interested in hearing more about how Portnoff can help, please contact us at (800) 561-7989.

By the Numbers

46,000

Approximate number of delinquent accounts that were turned over to Portnoff for collection in 2014

547

Number of properties that Portnoff listed for sheriff’s sale in 2014 (1.2% of all accounts placed)

81

Number of properties that Portnoff sold at sheriff’s sale in 2014 (0.2% of all accounts placed)

Customer Service 101

Good note keeping is essential to maintaining positive constituent relations and to help prevent your office from being subjected to unsubstantiated claims. All communications with property owners, especially those pertaining to complaints, collections or litigation (including bankruptcy), should be recorded and properly documented. This will allow staff to effectively resume discussions on any on-going issues without requiring the constituent to start over from scratch. There may be situations where a constituent claims that certain promises or compromises were offered by your office that appear to be atypical of those generally offered. Good note keeping can help prevent you from being trapped into accepting these unsubstantiated types of claims.

Note of Appreciation

Portnoff is proud to regularly receive thank you notes from property owners who appreciate the manner in which they were treated during the collection process. Because we represent only municipalities, authorities and school districts, we work very hard to insure that our actions reflect well on our public clients. The following is a note that we recently received:

I just had a very helpful conversation with a very nice representative ... I can’t thank you enough for helping me out & allowing me to continue making payments!

A property owner from
Bethlehem, PA

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PORTNOFF LAW ASSOCIATES HAS SUCCESSFULLY COLLECTED MUNICIPAL CLAIMS AND DELINQUENT REAL ESTATE TAXES IN PENNSYLVANIA FOR 25 YEARS

Portnoff Law Associates has 25 years' experience collecting delinquent:

- Real Estate Taxes
- Municipal Service Fees
- Abatement of Nuisance Fees
- Trash Fees
- Sewer Fees
- Water Bills



Michelle Portnoff, President
Portnoff Law Associates

PORTNOFF LAW ASSOCIATES REPRESENTS OVER 115 MUNICIPALITIES, SCHOOL DISTRICTS AND MUNICIPAL AUTHORITIES IN 23 PENNSYLVANIA COUNTIES

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