

## **Eliminating Lawsuits Through Bankruptcy**

**By Arizona Bankruptcy Attorney John Skiba**

[www.skibalaw.com](http://www.skibalaw.com)

Few things are as unsettling as having a knock on the door and then finding yourself being served with a lawsuit by a process server. However, if debts go unpaid long enough, eventually many creditors will sue. Bankruptcy can eliminate the underlying debt, but it is important to understand the legal process behind a lawsuit so as to avoid any possible garnishment or other collection activity.

In Arizona once you have been served with a lawsuit you typically have 20 days to submit a written response called an "Answer" with the court. The Answer must be a written response to the "Complaint" you received and you must pay a filing fee with the local court. If you don't submit an Answer, the creditor will be able to obtain a default judgment against you.

Once a judgment has been entered against you the creditor can then garnish your wages, bank accounts, or take non-exempt property from you. In Arizona creditors can garnish 25% of each paycheck and take all but \$150 out of your bank account!

### **Bankruptcy Will Stop the Lawsuit**

A bankruptcy filing will immediately stop the lawsuit. If you file for bankruptcy you will not be required to submit an Answer to the lawsuit and upon your bankruptcy being discharged any underlying debt associated with the lawsuit will be eliminated. Even if a default judgment has already been entered, by filing bankruptcy you can void the judgment and discharge/eliminate the underlying debt.

A bankruptcy filing will also stop garnishment of your wages or your bank accounts.

It is important to note that filing bankruptcy will stop civil lawsuits but generally does not stop any type of criminal proceedings.

If you have been served with legal papers it is important to consult with a bankruptcy attorney quickly to get a full understanding of what your liabilities are and how you can deal with this debt through a bankruptcy filing. I offer a free consultation where we can discuss your specific situation and put together a plan to help you move forward debt free.

Arizona bankruptcy attorney John Skiba can be reached at (480) 420-4028 or via email at [john@skibalaw.com](mailto:john@skibalaw.com).