

Here's a Scary Thought – A World With No Bankruptcy

By John Skiba, Arizona Bankruptcy Attorney

www.skibalaw.com



Happy Halloween! For many bankruptcy is a necessary evil. For creditors, bankruptcy is the devil. No one really *likes* bankruptcy (except maybe bankruptcy lawyers), but imagine a world without it. Without bankruptcy as an option who would be willing to take the risk of opening a new business? Think about it, if you knew that should your business fail that you would be on the hook for your business debts for the rest of your life, would you be willing to take the risk? Without bankruptcy laws there can be no question that entrepreneurial spirit would be somewhat hampered.

The reason many people file for bankruptcy is due to circumstances beyond their control. For instance medical bills. Even with insurance many people who suffer serious illness are left with mountains of medical bills. Similarly, after a divorce it is not uncommon for one spouse to violate the terms of the divorce decree and not pay their portion of the debt. In community property states like Arizona this means that the debt simply shifts back to the ex-spouse. Without bankruptcy each of these scenarios would result in catastrophic financial consequences that would last for years - even decades.

Bankruptcy has a negative side for both the debtor and the creditor, but it serves an important - and merciful - role in society, without which many businesses that benefit all of our lives may have never had the courage to take that first step.

I offer a free bankruptcy consultation to review your situation and help you determine if bankruptcy is a good option for you. I can be reached at (480) 420-4028 or via email at john@skibalaw.com.