

Success stories

*John Tough, a Pennsylvania creditor with the finalized judgment, is told by his lawyer he can't levy on patent rights or copyrights. He finds royalties payable to his debtor by a manufacturing company. John Tough can garnish the manufacturing company for royalties.

*A tenant is behind in his rent and owes the judgment debtor \$5,000, which the judgment debtor will soon receive. Very probably the money can be garnished. On the other hand, rent not yet due is usually not subject to garnishment because it is not a "debt due."

*Garnishment laws quite often permit a creditor to garnish shares or interests of a stockholder in a corporation.

*By a construction contract's provisions with the owner of the building to be built, the contractor gets paid in installments. Although the job is far from finished, the painter with a judgment against the contractor can garnish the contractor's debtor, the owner of the building (garnishee).

*A contractor abandons a construction project owing money to a painting subcontractor, who reduces his claim to judgment. The contractor, nevertheless, has money coming to him from his debtors. The painting subcontractor can probably garnish this money successfully. Some courts will rule such a debt cannot be garnished until it is past due, so this aspect should be checked. Other courts will definitely allow a debt presently and unconditionally due subject to garnishment, even if the debt is not payable until a certain date in the future. Some statutes are even broad enough to include debts which are really owing although not yet payable because the amount due is not settled. Keep in mind that garnishment laws are products of legislation. The federal law works against the creditor who garnishes the boss of the consumer, but there are many laws still favorable to the creditor garnishing a businessman or a corpora-

tion.

*A construction company owes a painting contractor money for work performed, and the painter takes judgment. The owner takes possession of the building, but the amount, which the construction company is to be paid, is uncertain for the construction company owner has not completed the work as the contract required nor has he finished on time. The owner does not pay. In such a situation, a Rhode Island court has allowed the money to be garnished from the building owner as garnishee.

*Suppose the painting contractor has reduced his claim for painting services rendered to judgment; then the painter learns that his judgment debtor also has a judgment against another person, resulting from an auto accident, which the debtor kept hush-hush. This was a tort claim for personal injury, suffered by the painting contractor's customer. Normally such tort claims for negligence, libel, slander, trespass, malpractice are unliquidated, (i.e. the money owed is uncertain) and not subject to the garnishment statutes. When a final judgment in a tort claim has been taken and the amount of the tort claim owed has finally been made definite, the painting contractor with the judgment can garnish his debtor's right to recover on his own judgment.

*Certainly it is a well-settled rule that bank deposits can be garnished, the bank becoming the garnishee. If the money is in a joint account, payable to either the debtor or his survivor, so that either depositor is free at any time to draw it all out, courts have held that such a bank account can be garnished.

*If an insurance claim on property insurance has been adjusted, creditors of the insured have been allowed to garnish the proceeds, because the money owed is certain.

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