

Helping Trustees Maximize Distribution on Recovered Assets



Blake Hogan

Assets have been liquidated. Funds are ready for distribution. But claims are never filed by the creditors. Sound familiar?

This scenario has become far too common in chapter 7 cases. As a result, creditors are missing out on receiving their share of a distribution from the all-too-rare asset case. In addition, trustees are losing opportunities to be compensated for their hard work in cases where they have successfully liquidated assets for the benefit of creditors.

Many times, when attempting to contact a creditor, trustees have difficulty tracking down the appropriate party. And even when a contact is reached, that individual can be unresponsive to the trustee's request to file a claim. Trustees need a tool capable of eliminating time consuming creditor searches, while maximizing distribution on discovered assets.

So what's the solution to this critical issue? One solution is to develop a means of assisting trustees by providing a direct connection to credit grantors and a simple solution for filing claims. At least one company, American InfoSource, has launched such a program.

In 1995, this company developed a direct link to the bankruptcy courts, creating the first comprehensive bankruptcy database of its kind. According to the Administrative Office of the U.S. Courts, American InfoSource has become the largest commercial purchaser of bankruptcy data.

By owning and controlling this data, the company gained the unique ability to provide recovery solutions to credit grantors. Creditors, including five of the largest financial institutions in the country, look to the company for a variety of services such as Bankruptcy Notification, Pending Bankruptcy Confirmation, Asset Sales Verification, and Bankruptcy and Probate Claims Management.

One of American InfoSource's most recent initiatives involved a proprietary software solution used for complete automation of the Proof of Claim Filing process. A POC filing engine was devel-

oped to handle formatting and direct electronic delivery of Proofs of Claims to all courts. For those courts who cannot accept electronic claims such as Delaware, American InfoSource files POCs in a paper format only.

This product appealed to large credit grantors, who traditionally struggled with claim filing challenges stemming from process issues, accuracy, and the inability to identify cases that often realized assets long after the case was filed. Fortunately, American InfoSource data analysis technology solved this issue. By constantly reviewing changes in the status of chapter 7 cases, the company is able to identify those which become asset cases and match them to account data provided by creditors. When a match occurs, American InfoSource receives confirmation from the creditor that a claim should be filed, obtains an accurate balance, and generates and files a proof of claim.

With contacts at nearly every major consumer credit grantor and a simple solution for filing claims, American InfoSource has assisted numerous chapter 7 trustees in surplus cases, filing roughly \$93,000 worth of claims. This solution should assist trustees in their practice, by decreasing the time spent locating claims for a particular case, and helping to ensure trustee are fully compensated for their hard work in those cases that might not otherwise have sufficient claims. 🏠



About the Author

Blake Hogan has over 18 years of industry experience, creating Hogan Information Services in 1990, which compiled public record data for 8,000 courthouses across the country. He sold the company to First Data Corporation in 1996. While at First Data, he served on First Data Corporation's Management Committee, the Executive Committee of First Data Information Management Group and President of the Innovis. Blake founded American InfoSource in 2001.