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I know I should always be looking forward, but I’ve got to glance in the rearview mirror and mention what an incredible conference the IFA held this year.

With record attendance, excellent speakers, a beautiful hotel and incredible weather, the IFA conference was second to none. Personally I found the conference to be extremely inspirational. When you’re surrounded by 770 of your best friends, how can you not have a rewarding experience?

One of the highlights of the conference was the announcement of the IFA’s launch of the AE Certification Program. Destined to be a game changer for the entire Factoring and Asset Based Lending Community, this new program will add credibility both to the industry and to those individuals that have taken and passed the exam. The IFA has been working on the certification for over four years; it is wonderful to have this product finally brought to fruition. We hope that you see how this will benefit you, your employees and the entire factoring industry. You can find details about the program as well as an application on our website at www.factoring.org.

I am also pleased to announce the addition of four new members to the IFA’s Board of Advisors. The advisory board serves a two year term and assists the IFA in broadening the public understanding of the uses and benefits of factoring. They also help to both design training programs and foster new ideas to benefit the IFA’s member organizations.

The additions to the Advisory Board include:

- Tina Capobianco, Vice President, JD Factors
- Steve Hausman, President, Advance Business Capital
- Julie Regenold, President, TradeGate Finance, Inc.
- Stuart Rosenthal, Executive Vice President, Prestige Capital

Advisory Board Members returning for the second year of their term include:

- Diana Clover, President, D&S Factors
- Richard Hall, General Manager, Factor LOGROS de Ecuador S.A.
- Marc Marin, Managing Director, Gateway Commercial Finance, LLC
- Andy Osborn, Senior Vice President, Summit Financial Resources

The IFA is offering a variety of classes this year to help you and the staff in your organization learn and grow. We are offering both new courses as well as the return of some of the favorites. You can find a listing of the upcoming courses on page 25 as well as on our website. Check back often as we are constantly adding new courses.

As has become the custom, I’ll give you a quick update on me. The trip to Miami was my first since my accident and it could not have gone better. No issues and the trip was very fulfilling. The wound on my back should be closed by the time this issue is released. After that, I’ll be able to participate in Physical Therapy to learn more life in a wheelchair.

Thank you for your continued support.

Bert Goldberg
PERSONNEL

Crestmark Underwriting Team Promotions and Expansion

In an effort to strengthen Crestmark’s support of businesses in need of working capital financing, Crestmark has recently promoted seven employees: In Crestmark Corporate Troy, Michigan Office: Larry Pearce, Lisa Beattie, Teri Haynes, Doug Kollman and Patty Saliga. In Crestmark West Division / Baton Rouge, Louisiana Office: Jack Talkington, Ray LaBelle and Gregg Geil.

Bibby Financial Services Names Kate Smith Head of Operations, Midwest

Bibby Financial Services announced Kate Smith has been promoted to Head of Operations, Bibby Financial Services, Midwest.

Karen Lessard Joins Crestmark Team

Crestmark announced the addition of Karen Lessard as Assistant Vice President, Legal Compliance.

Exchange Capital Names Executive Vice President

Exchange Capital Corporation announced that Kevin Griffin has joined the company as Executive Vice President. Griffin will be responsible for leading the Company’s efforts to develop new business relationships and provide working capital solutions to clients.

Drake Finance Hires New Chief Credit Officer

Drake Finance announced the addition of George H. Nunaied as Chief Credit Officer, joining the team upon the retirement of Paul J. Schlachter. George will evaluate credit, risk and the overall financial position of applicants for export-related loans and is responsible for communicating with clients at every stage of the financing process.

INDUSTRY TRANSACTIONS

Utica Leaseco Latest Transactions

Utica Leaseco announced the recent completion of a $1.35MM sale/leaseback transaction for an Ohio based aggregate processing company. Utica also completed a $370,000 sale/leaseback transaction for a Southeastern Cabinet Manufacturer and a $1.6MM senior secured loan for a Midwest trucking company.

Crestmark Closes Transactions In April & May

Crestmark secured a total of $16,000,000 in financial solutions for eight new clients since April 15 and a total of $22,250,000 in financial solutions for 11 new clients since May 1.

BridgingFactor Provides $500,000 Factoring Facility to Growing Food Distributor

BridgingFactor Inc. recently provided a $500,000 factoring facility to a Mississauga based distributor of ethnic foods.

Republic Provides $7.5 MM Line of Credit Facility for Pharmaceuticals Distribution Business

Republic Business Credit provided a $7.5MM Receivables and Inventory line of credit facility to a Georgia based pharmaceuticals distribution business.

Bibby Financial Services Provides Factoring Facilities

Bibby Financial Services announced it has provided an $8 million factoring facility to a Chicago-based distributor of hardware and software solutions. Bibby has also provided a manufacturer of composite materials for floors, desks and fences with a $3.25 million factoring facility.

King Trade Capital Provides a $1.1MM Purchase Order Facility for a New York Based Apparel Designer

King Trade Capital announced the funding of a $1.1MM purchase order finance facility for a New York based apparel designer and manufacturer.

Veritas Provides $4 Million Revolving LOC to Factoring and PO Funding Company

Veritas Financial Partners successfully closed a $4.0 million line of credit for the company to support its continued growth.

Loeb Term Solutions Provides Loan to Manufacturer of Racing Products

Loeb Term Solutions was able to provide a term loan on the equipment valued in excess of $1.6 Million, refinancing their current loan and providing the cash needed to solve the IRS problem.

Doral Healthcare Finance Provides $15MM For Growing Healthcare Company

Doral Healthcare Finance has provided an amended credit facility for an existing client with an increase in commitment to $15 Million

OTHER INDUSTRY NEWS

Amerisource Reports New Business for First Quarter 2013

Amerisource has added 22 new clients in the first quarter of 2013, with total
new funded commitments in excess of $25,000,000

**Transfac Capital Expands U.S. Presence With Opening of New Regional Offices in Ohio and Missouri**

Transfac Capital, Inc. has continued to expand its U.S. national presence with the opening of new regional offices in St. Louis, Missouri and Westlake, Ohio.

**Bayside Business Solutions Announces Release of CADENCE**

Bayside Business Solutions announced the latest release of CADENCE, its industry-leading commercial portfolio management system.

**Gateway Commercial Finance Invoice Factoring Company Increases Credit Facility**

Gateway Commercial Finance, LLC a nationwide provider of invoice factoring announced that the company has completed an amendment to its senior credit facility with First Tennessee Bank.

**James Baugh of Summit Financial Resources Among First to Attain New IFA Professional Designation**

Summit Financial Resources announced that James Baugh has achieved the new Certified Factoring Account Executive (CFAE) designation, created and administered by the International Factoring Association.

**FactorsNetwork Launches Chameleon Catcher Service**

FactorsNetwork, a collaboration site for factoring companies formally unveiled its latest offering: “Chameleon Catcher,” an application that helps transportation factors identify when a business carrying debt opens up under a new name.

**International Factoring Association Releases Annual Factoring Survey**

IFA announced the release of its bi-annual Business Profile and Performance Survey. The survey provides industry benchmarking data and trends on factors’ operations, client details, business development practices, human resources policies as well as other key business statistics. It is recognized as the industry’s most complete resource on factoring for receivables finance providers, service providers to the factoring industry, debt buyers and universities.

Over 180 factoring companies participated in the survey.

“The report will provide the factoring community with a comprehensive analysis and metrics of the factoring industry,” said Bert Goldberg, Executive Director of the IFA. “Factors can use the results to measure their performance against industry standards and help them make effective and efficient business decisions.”

Survey participants are able to obtain a complimentary copy of the survey and non-participants can purchase the survey for $250 USD by visiting the online store at www.factoring.org.
I was fortunate enough to sit on a panel of my peers during the recent annual IFA conference in Miami in April. It was great to hear some other perspectives on the important role of business development in our industry. Certainly every shop is different based on product mix, operations, ownership and goals, but like most things, there are always a few nuggets to gain from each perspective. Below is some of my expanded thoughts on how we go about bringing on and retaining relationships at TAB. Hopefully, you find some benefit.

**Marketing—What’s Above the Funnel?**
This area of business development has changed the most in the last five plus years with society’s dependence on the internet to access information. Depending on which study you read, even in business to business marketing, 60%-80% of the buyer’s journey happens before the buyer ever contacts someone at a supplier. Today, the sales person is not the gatekeeper of company and industry information that they once were. So what does that mean to factors? Marketing has transformed from push to pull. We need to provide information to prospects, and their advisors, when and how they want it. **By Justin Gordon**
another. Prospects consume that information in different media: whitepapers, articles, video, infographics, social media, blogs, case studies, websites, ads, webinars, panels, and word of mouth. At TAB, we have spent a tremendous amount of time and effort creating and modifying that content for all those channels and personas.

The payoff of all that work is more effective marketing before sales makes contact and more consistency and efficiency after BDO contact is made. Based on demographics of the searcher and the behavior they display (which articles they download, which web pages they visit, etc.) we can score prospects based on past success and introduce them to sales when they are truly ready. This makes the buying process more enjoyable for the business owner and his or her influencers. It also makes it more efficient for the factor.

**Human Factor—Finding the Right BDO**

While my marketing VP may disagree, it still takes quality people to build relationships and relationships build a customer base. People guide the prospect to becoming a customer. Anyone who has hired or managed sales people, knows that finding the right fit between person and organization is crucial to success. Regardless of which report you read, the cost of replacing a rep, is expensive, time consuming and frustrating.

I use as many tools as possible to get this piece right: personality profiling, multiple interviews by different team members, and professional recruiters. At my organization, we have a fairly well defined box of transactions we pursue, so that makes it easier for me to find the rep that fits with our box.

**THE EVALUATION OF THE EXPERIENCED BDO IS PRETTY SIMPLE; IT IS ABOUT NET REVENUE.**

I look for very experienced people within the commercial finance industry. I prefer those that have some credit training and operational experience. This background combined with a sales experience can result in a seasoned professional that has a well balanced and productive referral network. Along with the strong network, a BDO with this background has the ability to improve the efficiency of the sales cycle, provide better pre-screening of deals and reduce the work load placed upon underwriting and operations. A salesperson with these qualifications is not an easy to find so we use many different channels to locate qualified BDOs, but, like many, our reputation in the market is the primary attracter of talent to our organization.

**Evaluating and Retaining—Did I Get a Good One?**

Earlier in my career, I spent a lot more of my time on training. And while I don’t do that as much, there is certainly value for shops that chose to
build their talent instead of acquiring it. If you can identify a person with all the good sales qualities, you can develop that person by teaching factoring, basic underwriting, where to find deals, managing a prospect and developing referrals. That certainly takes time, but can be rewarding for the organization.

For those working with experienced sales people, results are expected quickly. The evaluation of the experienced BDO is pretty simple; it is about net revenue. Creating a P&L for each BDO and monitoring all the costs and revenue associated with the individual will give you what you need. For a mature organization, a benchmark can be set. For younger organizations, it may simply be a ranking between sales people.

With inexperienced sales people, one would expect the measurement of many more sales activities to make sure the sales person is on the right path. In those situations, I measure number of calls, visits, applications, proposals sent and signed proposals received, approved deals and closed deals. You can benchmark those activities against successful sales people in the organization and work with the individual to improve specific areas that will ultimately improve total number of closed deals.

My philosophy on incentive programs is to keep them simple, consistent, and make sure they are motivating the same activity that upper management wants in results. For me, that is pretty simple—net revenue. Most commission plans in our industry are heavily weighted on revenue. Some factors bring in components such as cost of funds, servicing costs, broker fees, or others to adjust commissions. If it is fair, consistent and understandable for the BDO, any formula can work.

End of the day, a happy BDO is one who is getting deals done. Success will keep the individual at the organization over just about any other component of the job. With many shops paying a BDO commission for the life of the deal, an annuity is created that makes it tough for a BDO to leave.

My job as a sales manager is to constantly make sure that the organization’s goals and expectations are aligned with the sales team’s efforts and what is happening in the marketplace. If I am doing that, we are closing deals, and retaining good sales people.
Comically, we spend the first 20 plus years of our lives looking forward to when we’re grown up enough to first enter school, then high school, then maybe college, drink alcohol (legally) and finally move out on our own. Once we achieve all of these dubious distinctions, we spend the rest of our lives wishing we were younger. Growing up is overrated. Way overrated. But it happens to all of us whether we like it or not. Companies grow up too. So the question becomes, “What do you want to be when you grow up”? Just like individuals, like it or not, at some point decisions have to be made about which of the many paths into the future the company should take. And just like us, the sooner that choice is made, the better. In addition, the ability to successfully proceed down the chosen path is in part determined by how steadfastly we embrace our decision. In other words, making a decision is actually the easy part. It’s committing to the decision that makes all the difference.

Why Even Make a Choice?

I don’t know if you’ve noticed, but competition is getting tougher every day. If we factors were just fighting amongst ourselves, business would be grand. But other factors are becoming the least of our worries. It is every Tom, Dick & Harry with a couple of bucks, who now thinks they are a high-yield lender, that is causing this ultra-competitive environment. The May 16, 2013 Wall Street Journal had a chart showing that Investors are backing out of high-yield bonds and jumping into high-yield loans to the tune of about $6 Billion per month. Yes, that was $6 Billion per month so far this year. Now while most of this money isn’t going to fund small factoring deals, there is still a trickle-down effect that makes its way from Wall Street all the way down to your factoring company on Main Street. As these big funds start lending to large, non-bankable borrowers, there is less pie for the large ABL groups to eat. They therefore must start looking at even riskier and/or smaller deals to fill their quota. Now the smaller ABLs need to start reaching down and stretching their credit box to make up for the lost volume at the top. Well, some of these deals were the best and biggest deals for the entrepreneurial factors. And the pie shrinks…

As markets become more and more competitive, only the strong survive. Strength in factoring comes in many forms: ample liquidity, low cost of funds, highly efficient operation, ability to lend on other collateral, quick turnaround, ability to offer non-recourse, broad range of deal sizes, etc., etc., etc. All of these traits are based on what the organization itself is capable of delivering in the marketplace. From a sales and marketing perspective, there are two things that must be done from here. The first is to build the company’s campaign around these strengths so that these strategic advantages get communicated in everything that sales and marketing does. For a strength is not really a strength if nobody knows about it. The second relates to choice. How do we communicate our message?

Building Strength in Sales & Marketing

In the past, most firms looked at their sales budget and started doing some “marketing”. This typically translated into the printing of a brochure and the hiring of a sales person or two to get the word out to potential referral sources. The factors with more money to spend might additionally place a few print ads and send out some direct mail or hire a telemarketing firm to generate some direct leads. This kicked up some dust and they were on their way. If the factor had a reasonably competitive product, they would book a few deals and life would go on. This tried and true model has served the industry well for decades. But all good things must come to an end. And as pointed out earlier, given today’s environment, while some may survive only the strong are going to thrive.

How does one build strength in their sales and marketing efforts? Well, it begins with choice. The old model had the factor doing a little bit of this and a little bit of that. Some things would work better than others and in the end there would be enough closed transactions to justify the effort.

Thomas G. Siska is Senior Vice President of North Mill Capital, LLC. Tom is a 24 year industry veteran who has built several factoring operations. He can be reached at 609-917-6228 or TSiska@NorthMillCapital.com.
But to be good at something, really good at something, it takes focus. So if you want to build strength, you have to choose which particular sales and marketing tactics you’re going to pursue, then commit the time and resources necessary to become efficient at them. Efficiency in sales and marketing? Yes, it’s possible. And, frankly, necessary if you plan on thriving in the future.

I’ve heard sales managers complain countless times how they tried a marketing idea and got little in return. They’ve seen competitors do the same thing and can’t understand why those competitors keep doing it. When they explained the details to me, I was surprised they got anything in return. They obviously didn’t understand what the tactic “did”.

An example is placing an ad in the local business magazine. That, in and by itself, should produce nothing, if not the whole nothing. At a minimum, here’s what you need to know about print advertising in a business periodical:

The audience is large corporate executives and the professionals that support the business community (bankers, accountants & lawyers). So small and middle-market business owners (our target market) do not typically read these periodicals.

It takes a certain number of placements to allow an ad to have an impact on the audience. Usually it is 8 consecutive placements.

The larger the ad, the more impact it will have on the audience.

So just armed with these pieces of information, we know that if we are a small factor with no salespeople on the street and need to get direct leads from our marketing dollars, this would be a very bad idea. We also know that if we have salespeople who could leverage the name recognition we’re about to get in the business support community, we need to commit well into the five-figures over the course of the campaign. We should also be prepared to hire someone to design the ad so it can catch the eye of the readers with the least amount of wording possible. And finally, we need to get the ad reprinted onto a one page glossy saying “As Seen in the City Business Magazine” for our salespeople to use when they send out our brochure or credit applications.

Conclusion

Like all things in life, if it is worth doing, then it’s worth doing well. Paring down your sales and marketing plan to just a few things that you can fully commit to will always produce better results than doing many things just to kick up some dust. Simply taking the time to research what results can be expected from a particular way of marketing will help you at least decide what to avoid. And as you continue to stick with your chosen tactics, you will discover efficiencies and obtain an expertise that you can continue to build on. We all know the operation must have strategic advantages in order to separate itself from the pack. So too must the sales and marketing department. Decide what you want to be when you grow up and become good at it!
Factors and other commercial lenders frequently face the situation where their borrowers default, judgment is entered against the defaulting borrower, and assets must be identified and seized and applied against the loan. Judgment creditors seeking to enforce judgments have a variety of tools at their disposal.

BY BRUCE SABADOS

Factors and other commercial lenders frequently face the situation where their borrowers default, judgment is entered against the defaulting borrower, and assets must be identified and seized and applied against the loan. Judgment creditors seeking to enforce judgments have a variety of tools at their disposal: they can serve restraining notices on banks which hold judgment debtors’ accounts; direct the local sheriff to “execute” upon, or seize, those assets; and obtain information from the judgment debtor and others about the location of assets through discovery procedures, including a deposition of the judgment debtor.

Platinum Partners Credit Opportunities Fund ("PPCO") is an asset-based investment fund providing loans to markets that are underserved by traditional sources of financing. PPCO is active in the trade finance marketplace, providing warehouse lines to established factoring and purchase order finance companies while also working directly with a variety of businesses to provide the capital necessary to finance the purchase or manufacture of their products.

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One particularly powerful tool granted to judgment creditors is contained in New York CPLR (the rules governing procedures in New York state court), section 5525. That provision allows a judgment creditor to commence a proceeding against a third-party possessing a judgment debtor’s assets – a “garnishee” – and obtain an order directing that third-party to pay the judgment debtor’s assets to the judgment creditor to satisfy the debt.

The turnover order allows judgment creditors to recover their judgments even when the judgment debtor transfers their assets to a third party.

The relevant provision states:

Upon a special proceeding commenced by the judgment creditor, against a person in possession or custody of money or other personal property in which the judgment debtor has an interest, or against a person who is a transferee of money or other personal property from the judgment debtor, where it is shown that the judgment debtor is entitled to the possession of such property or that the judgment creditor’s rights to the property are superior to those of the transferee, the court shall require such person to pay the money, or so much of it as is sufficient to satisfy the judgment, to the judgment creditor and, if the amount to be so paid is insufficient to satisfy the judgment, to deliver any other personal property, or so much of it as is of sufficient value to satisfy the judgment, to a designated sheriff.” CPLR 5525(b).

Thus, when a judgment debtor’s assets...
are in the “possession or custody” of a third party, New York courts, may order that third party to pay the assets to the judgment creditor to satisfy, in whole or in part, to the judgment creditor.

A recent group of related decisions clarified the scope of this provision and the judgment creditor’s ability to reach assets. In Commonwealth of Northern Mariana Islands v. Canadian Imperial Bank of Commerce, 2013 WL 1982816, No. 12-1857-cv (May 15, 2013), the United States Court of Appeals for the Second Circuit affirmed an opinion from the District Court of the Southern District of New York, which held that New York law does not permit courts to order an entity to turn over a judgment debtor’s assets, when those assets are in the “possession or custody” of the entity’s subsidiary, and not the entity itself.

In 1994, the Commonwealth of Northern Mariana Islands (the “Commonwealth”) obtained two separate judgments against William and Patricia Millard. Subsequently, the Millards moved their assets into various offshore banks and accounts. As part of its efforts to collect on the tax judgments, the Commonwealth initiated a special proceeding in the Southern District of New York, pursuant to CPLR 5525, against Canadian Imperial Bank of Commerce (“CIBC”), which were subject to jurisdiction in New York. The Commonwealth alleged that some of CIBC’s Caribbean subsidiaries (“CIBC Subsidiaries”) possessed the Millards’ assets, and asked the District Court to order CIBC to turn over the assets in the CIBC Subsidiaries’ possession to the Commonwealth to satisfy the judgment. Essentially the judgment creditor claimed that because CIBC had control over the assets in their subsidiaries’ possession, it could, as practical matter, direct them to be paid into Court, and thus CPLR 5525 would be satisfied.

The District Court, however, held that CIBC did not have “possession or custody” of assets in the possession of CIBC Subsidiaries. It noted that the word “control” does not appear in the statute, which distinguished that provision from others in which the phrase “possession, custody or control” was specifically used. By contrast, the phrase “possession or custody” is
in the CPLR, “possession, custody, or control” meant constructive possession, while “possession or custody” meant actual possession. Id. at 5. So, while a parent corporation might have constructive possession over a subsidiary’s assets — such that the parent could effectively control those assets — the subsidiary could be the entity with actual possession of those assets. Accordingly, the NY Court of Appeals held that in order to issue a turnover order pursuant to CPLR 5525, “it is not enough that the banking entity’s subsidiary might have possession or custody of a judgment debtor’s assets.” Id. at 2.

In Commonwealth of Northern Mariana Islands v. Canadian Imperial Bank of Commerce, 2013 WL 1982816, the Second Circuit — in light of the NY Court of Appeals’ decision regarding “possession or custody” under CPLR 5525 — affirmed the District Court’s ruling denying the Commonwealth’s motion for a

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**THE COMMONWEALTH APPEALED THE DISTRICT COURT’S ORDER TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT.**

The Commonwealth appealed the District Court’s order to the United States Court of Appeals for the Second Circuit. The Second Circuit requested that New York’s highest court, the New York Court of Appeals, opine on the meaning of “possession or custody” in CPLR 5525. In Commonwealth of Northern Mariana Islands v. Canadian Imperial Bank of Commerce, 2013 N.Y. Slip Op. 03018, the NY Court of Appeals endorsed the reasoning of the District Court’s opinion, and held that a court may not issue a turnover order to an entity that does not have “actual control” of the judgment debtor’s assets, but whose subsidiary might have possession or custody of such assets.

The NY Court of Appeals made the same statutory distinction as the District Court did, noting the difference between “possession, custody, or control” and “possession or custody” in the various sections of the CPLR. The NY Court of Appeals held that,
turnover order against CBIC. The Second Circuit acknowledged that the NY Court of Appeals had “unambiguously confirmed the District Court’s conclusion” that the actual possession or custody of the assets was required. Id. at *2. By affirming the District Court’s order, the Second Circuit implicitly endorsed that conclusion as well.

How does this development affect the lender? A borrower could place assets with an affiliate of an entity – even a subsidiary effectively controlled by its parent – yet those assets could be out of the judgment creditor’s reach. This was the case in the CIBC case. Even though CIBC, which was subject to jurisdiction in New York, controlled the subsidiaries at which the judgment debtor’s assets were located, CIBC could not be compelled to turn those assets over to the debtor. One available option is to seek to compel the judgment debtor to bring out of state assets into New York to satisfy the judgment, provided that the debtor is subject to New York jurisdiction (and will comply with an order, not always a given). Yet in order to avoid difficulties in enforcement, the best measure may be consistent monitoring of the debtor’s assets and ensuring, as best as possible, that assets potentially available for collection are not transferred beyond the reach of the court, which, as CIBC shows, can occur even within affiliates of the same entity. •

Bruce M. Sabados is a partner at the New York office of Katten Muchin Rosenman LLP, where he concentrates his practice in complex commercial litigation and appears in state and federal courts and arbitration forums throughout the country. He regularly represents commercial factors and asset backed lenders in a variety of litigation matters and, most recently, obtained the dismissal with prejudice of $25 million in claims asserted by a borrower against a secured lender client in a decision which was covered in Law360 and in other media. He has handled matters involving breaches of credit agreements and guarantees, fraud, restrictive covenants, breaches of contract, business torts and RICO, and provides counsel in bankruptcy-related litigation. He can be reached at bruce.sabados@kattenlaw.com.
You believe you’re on the right track. You have defined a career mission, set up goals in line with your mission, and you’ve even set up a daily priority plan. Now effective time management should kick in and simply take care of itself, right?

BY MAX M. TOLEDO

You believe you’re on the right track. You have defined a career mission, set up goals in line with your mission, and you’ve even set up a daily priority plan. Now effective time management should kick in and simply take care of itself, right?

Not so fast! As you become more productive, you may find that you’ll be forced to make choices. Some of these choices, if made properly, will lead you to even greater heights, or if made poorly will lead you to a career disappointment.

Let’s use Ted as an example. Ted is a composite character made up of thousands of salespeople from around the country. Let’s look at Ted’s career:

Ted has recently made some big changes in his career. These changes have expanded his prospecting skills and his presentation skills—so now several things are happening to him that have never happened before. First he’s got too many customers, so he feels pulled into many directions at once. Second, he can feel himself slipping on service with his customers. He’s not returning phone calls promptly, not following up, and basically dropping the ball. Third, he’s beginning to spend more time away from home, his children are beginning to become distant, and his spouse is becoming resentful of the business!

Sound familiar? Are these challenges you’ve faced? Unfortunately, when faced with these dilemmas, many salespeople resort to something we have all done at some point in our careers. They take steps to sabotage their own success.

Consider this quote from Dr. Joyce Brothers—"We cannot consistently perform at a level inconsistent with our own self-image." Is this true of you? Many salespeople view their new found success with suspicion. Why? Because they have rarely experienced it and may have a difficult time adjusting to a new self-image. So instead of embracing success many salespeople will reverse course and begin to swim back to their old lives. How do they do this?
Most salespeople don’t wake up one morning and say “Well, today I’m going to start failing!” Instead most salespeople just begin making bad decisions. These poor decisions can lead to a bad case of self-sabotage and a career crash.

So you may ask yourself how can I succeed in my business but also not feel overwhelmed? How can I continue giving great service to my customers? And most important how can I stop working 80 hour weeks and still be productive?

Let’s look at these ways to Stay on your Mission:

1. Relegate/Delegate/Terminate

When studying your daily to do list (you have one right) you may find that you just have way too many items on the list to possibly accomplish. So what can you do? Apply the simple but effective RDT method.

RELEGATE—First decide which of the items on the list must be done to accomplish your long term goals. These of course, are your priorities. You must relegate yourself to the fact that these items must be done and most importantly done first.

DELEGATE—Next when reviewing your to do list ask yourself is there anyone that could be doing these items instead of me? Can you outsource it, hire it done, or could someone else be doing this work? Wise salespeople attempt to delegate as much as possible.

TERMINATE—What is on your to do list that does not have to be done? Are there items that are nothing more than busy work? If you can’t terminate them, at least, put them on the very bottom of the list.

2. Cut the Dead Wood

As your career begins to pick up steam you may find that you cannot simply work with every customer. You may need to begin choosing your customers. How? Qualify them harder. This may seem harsh at first, after all you want to work with everyone, but in the end you will be unable to work with everyone. This is one of the toughest aspects of time management: Knowing which priority takes priority. All customers are good, but the fact is some are better than others. Here is a quick way to qualify your customers:

MOTIVATION LEVEL—Do they really want to buy?

TIMING—Are they ready to act now! Or are they stalling?

ABILITY—Can they close the deal?

3. Deal with Paper Once

How many times do you move one piece of paper around on your desk? Come on, it’s more than just once! We all know we should do something about the piece of paper, but we decide that for now, it will look good in a new corner until next week (or the week after). So we keep shuffling, and shuffling, and shuffling. Sometimes one piece of paper becomes two pieces of paper or more.

So what can we do about it? Use the one touch rule. Only touch paper once before you do something with it. There are three uses for every piece of paper
you have on your desk—Here they are:

FILE IT—Put it where it needs to go—Which is off your desk!
TOSS IT—90% of what comes across your desk is garbage!
DEAL WITH IT—If it requires your attention do something with it!

Now when it comes to item number three let me give you a tip: Deal with paper once a day! Set aside just one time during the day to deal with paper, deal with it and move on!

4. Automate Yourself

How long does it take to make ten phone calls? Believe me it takes some time. You have to look up the phone number, dial it, wait for it to ring, and then you have to talk to someone on the other end. What makes it time consuming is that you beat around the bush awhile until you get to the topic you really called about.

So what is the solution? Force yourself to focus on the reason for your call, and in a polite, tactful way, cut to the chase. Your contact at the other end will appreciate you not wasting their time as well.

Email is another simple solution. How long does it take to email those same ten people? Not long, especially if your message is the same to each one.

Superstars learn to condition their customers to the fact that they will be communicating with them primarily by email, with a few sporadic calls mixed in. The truth is most of them will be relieved. Why? Because they don’t have the time to talk to you either!

5. Time Log

Can you remember what you did five days ago? Hey, I can’t remember what I did five hours ago! But when you are trying to improve your time management skills you must have the ability to measure your actions against your results. Within the investment world we call this the ROI or return on investment.

What is your return on investment for your time? The only way to measure this key aspect of your business, is to take periodic stock of your business. Do this with a time log. A time log is a simple notebook, in which you record all of your business activities for a week and then compare your success with your actions. If you find that your actions did not equal success then it may be time to reevaluate your time investments.

Max M. Toledo is the Executive Vice President and National Sales Director of Bridgeport Capital. Max has over 25 years of knowledge and experience in the financial services industry. Bridgeport Capital is a premier factoring company that offers flexible, low cost solutions to a wide variety of companies across the US. Max is active in a variety of industry organizations. He has been a speaker at the IFA’s annual conference, is the Florida Chapter President for the TMA and a member of the CFA and IFA. Max can be reached at 954-345-5797 or max@bridgeportcapital.com.
The 19th Annual Factoring Conference Report

BY DARLA AUCHINACHIE

Networking at the 19th Annual Factoring Conference

Excellent! Well-Done! Best Conference I’ve been to yet! These are just a few choice comments provided by attendees at what inevitably will be remembered as THE BEST EVENT for the Receivables Finance Industry for 2013! I know I say it every year but it continues to ring true, these conferences get better and better, I do not know how they make that happen year over year. Bert & Heath plan these events for years in advance, and even through the adversity of 2012 they managed to hit it right out of the park yet again.

To start with, Bert had identified the Fontainebleau several years ago as the location he wanted to host the 19th Annual Factoring Conference. He truly has vision and the hutzpah to ink a contract so far in advance! The facilities were simply stunning, first class all the way. The lobby provided us all with many choices to congregate and share stories, re-connect and meet new people. More importantly the content for this year’s conference was more relevant than ever before.

RMP Capital treated the conference attendees and their guests to a spectacular opening reception on the Ocean Lawn at the Fontainebleau. As I looked out amongst the crowd that gathered I was happy to see new faces among seasoned industry veterans – and all appeared to be having a great time. I tried to talk to as many folks as possible, but honestly with just shy of 760 people in attendance, I never did get a chance to personally talk with them all. During these networking events people usually end up with several close ties which inevitably lead to doing business together in one form or another.

My favorite conference moment was when Bert Goldberg addressed the general assembly on Thursday morning. The entire floor stood to give Bert a standing ovation – everyone was inspired by Bert’s story and the fact that he made the effort to be among us for this important occasion. It must have been dusty in that room as I saw many a person getting out tissues to wipe their eyes. Bert shared the story of his accident and showed the crowd some pretty gnarly pictures of his spinal cord injury. With a sparkle in his eye he laid out the agenda for the conference and highlighted the IFA’s Biennial Survey.

Next he talked about two great options the IFA has had in use, the first was the 2013 Mobile Conference App and the second was the IFA’s Member Community Mobile App. This is the third year that we have had a conference site and with so many people using smart phones and tablets this just continues to make so much sense. Probably the most exciting thing as it relates to the mobile web app was the ability for conference attendees to vote for their favorite argument in the popular Point/Counterpoint session. Others found the app useful for looking up attendees they wished to meet and to keep track of the schedule without having to carry around the printed brochure.

Warren McDonald was the first guest speaker and his well-timed topic was that of the Climate of Change. Warren inspired the audience with his story that began with him being involved in a freak accident which resulted in a double leg amputation. His words resonated with the room. “When you change your perception, you change the world” was his core message. Colleen Cipoletta of Commercial Business Finance in Florida said “Listening to his personal story was very motivational. Knowing what he has done makes it difficult for me to say ‘I can’t’”.

Next, Kevin Mitnick showed us how vulnerable we can be in the age of the internet. Using a volunteer from the audience he was able to quickly determine information such as the person’s address, social security number and more personal data than I think anyone would be comfortable knowing is out there. Thanks to Steve Ontiverous at The Factoring Place for volunteering as Mitnick’s victim.

Real excitement was happening in the Point/Counterpoint session. I have to give kudos to Bert for organizing this session and to the participants who helped make this such a success. Jay Atkins from First Capital debated the issue of A/R Field Audits Nay or Nay for Factors with Roger Allen. Roger’s position was Nay while Jay’s was Yay. Next Jeff Rose from National Bankers Trust squared off against Chuck McDowell of Gulf Coast Business Credit regarding Take-Out agreements amongst factoring companies. Finally the event we all looked forward to

Darla Auchinachie is a strong advocate for the factoring community and has joined the IFA as its Director of Development. Darla is dedicated to assisting factoring companies, A/R lenders and banks in all aspects of their business and can be reached at Darla@factoring.org.
sessions, many of them reported to IFA allows Exhibitors to also attend supporters of our industry. Because the "nce" to share.

that "all the panelists had good experi-

Advantage Business Capital reported problem situations. Brad Baird from of Vertex Financial and Dan Karas of and seasoned veterans Debra Wilson

ated by Alan Atchley of Amegy Bank

of seminars, one was a session moder-

day’s sessions and make plans for the remainder of the conference. Later that night Tax Guard held a Dessert Reception which was a great way to end the evening.

Friday morning began with a few words from our Managing Director, Heather Villa. If you didn’t already know this, Heather is the point person who makes this all possible! Next, Daniel Gross provided an entertaining view of the economy today. David Jones from BBVA/Compass Bank told us that he really enjoyed this session, and that Daniel “seemed to have a good grasp of the US and global economy”.

Friday afternoon also had a great mix of seminars, one was a session moderated by Alan Atchley of Amegy Bank that included attorney Jason Medley and seasoned veterans Debra Wilson of Vertex Financial and Dan Karas of Triumph Commercial Finance. This session was all about working out of problem situations. Brad Baird from Advantage Business Capital reported that “all the panelists had good experi-

Throughout Thursday and Friday our Exhibit Hall featured some of the finest supporters of our industry. Because the IFA allows Exhibitors to also attend sessions, many of them reported to

Continued on page 27

The IFA team generously gave Mark Breeden and me the oppor-
tunity to attend the 2013 Annual IFA Conference. I can say with full confidence that our experience could not have been better. Our week began when we picked up our badges before the RMP sponsored reception. We received an initial shock when our badges had “STUDENT” written on them in bold letters. Our fear was that the professionals would look right past us and avoid striking up a conversa-
tion. We were pleasantly surprised when various attendees came up to us and were eager to share their industry experience. Another surprise was how diverse the group of attendees was. We met everyone from owners of small to large factors, to bankers, to hedge fund managers, to lawyers.

The conference did a great job of providing various perspectives of the factoring landscape for attendees with varying levels of experience. If you were new to factoring, you could go to “Factoring 101”. The speakers were all very engaging and truly subject matter experts. The Report from the Courts was particularly insightful as Bob Zadek, an IFA Conference veteran, used his vast legal experience to address a variety of unexpected risks that a factor could experience.

Our primary objective of the conference was to validate some of our mostly theoretical knowledge of the factoring industry. Mark and I are graduating in May 2013 from Duke’s Fuqua School of Business. We both studied finance within the program and immediately became fascinated by the potential of export factoring in emerging markets. In order for companies to keep up with the rapid growth in emerging markets we noticed a huge demand for factoring, but a dearth in supply of factoring at sustainable rates. Together with Professor John Buley we wrote a research paper that identified a framework to quantify the risks associated with factoring in emerging markets. The output of the framework is a risk-adjusted rate that should be charged to clients to accurately compensate the factor for the investment risks. We speculate that this formula can increase capital flow to emerging market SMEs who lack financial expertise or access to international capital markets. These increased capital flows can address some of the major socioeconomic issues in emerging countries, such as high unemployment, income disparities and poor education.

In conclusion we were very fortunate to have received an invitation from the IFA and believe that this organiza-
tion will be one of the main drivers of growth in the factoring industry. Our paper benefited greatly from validating our theoretical concepts to the reality of factoring. The openness in which most professionals talked about their role in the industry and the received feedback was totally unexpected and greatly appreciated.

Sincerely,

Kurt Boehringer & Mark Breeden •
Everyone who has been to the nation’s capital—home to almost any national museum you could think of—will probably agree that Washington is indeed an awe-inspiring city regardless of the season and the reason for your visit, or even your political affiliation.

Although it was not my first time in Washington, my most recent trip was certainly the first time I went there for a higher purpose. This time I was there as one of AFA’s representatives to meet with some of the nation’s legislators.

Without any previous Capitol Hill experience, I was not so sure about what to expect from the people I would meet. But was that going to stop me from saying “yes” when Bert Goldberg called, asking us whether we could participate in some meetings on the Hill? Of course not!

In fact, I felt rather “safe,” because I knew I was not only going to be in excellent company but also joining forces with a highly professional team that was already long on experience with these kinds of meetings. Bob Zadek and Allen Frederic had both been to the Hill several times before, and Arnie Havens and Palmer Hamilton from Jones Walker were going to provide all the information and support we needed for our visit with the representatives.

When I arrived at the hotel the night before our first meeting on Capitol Hill, I immediately reviewed the expansive briefing package that Arnie Havens and Palmer Hamilton had prepared for us. And although I grew up in a politically active family—my grandfather was the Honduran Consul to New Orleans for almost a decade, my father was the Honduran ambassador to the Dominican Republic, and my sister is the current Secretary of State of my home country—sadly enough, I hadn’t inherited any of their political genes.

In fact, it didn’t take long for me to realize that I was quite short on experience when it came to lobbying U.S. policy makers. Despite that rather discomforting realization, I was hoping that my passion for what we do as factors would somehow be enough to help deliver a persuasive message to Washington.

And strangely enough, even in this illustrious (or is it intimidating?) environment, I actually felt some kind of pride for being a factor. Besides, I also believed that our representatives on Capitol Hill really needed to hear more of the truth about who we are, what we do, and the kind of impact we have on small and mid-size businesses and their economic well-being.

The next morning, during our breakfast meeting, we were given an overview of the agenda of the day, as well as the protocol to be followed. I noticed that everyone in our group was equally passionate about their own personal work and in particular their contributions to the AFA.

At that point, I was actually eager to get to the Hill and tell our story, because our legislators need to have a better understanding of what factoring is all about. Ultimately, we need to tell and re-tell this story until it is fully understood, because it is our story that will hopefully provide them with better information and thus prevent them from inadvertently restricting or—by means of well-meant, but perhaps counterproductive regulations—adversely affecting our ability to operate for the benefit of the small businesses we serve.

Clocks announcing a quorum call, hurried trolley rides, people running to press conferences, crowded cafeterias, and up-scale restaurants...

I had lived through and survived—tired but unscathed—two “typical” days on Capitol Hill. During those two days, I had the honor of meeting more than a dozen Congressmen, Senators, Legislative Directors and Aides, Senior Counsels, and Whips.

Suffice to say, I was impressed. Yet, this visit helped me remember two things:

1) Only when we are personally involved do we really understand the importance of speaking out for one another.

2) And only when we are personally involved do we have a real shot at making a difference.

After those two days, I came away excited, and I know now more than ever how important it is that we all get involved in AFA’s efforts to get our message to Washington.

Personally, I hope to participate in a lot more advocacy work on behalf of the AFA. More importantly, though, I hope that many of you will join in—and not only by just becoming AFA members but also as ambassadors who actively support our mutual goals and objectives in Washington or wherever else it may become necessary. Remember, too, whatever you are doing for AFA you are doing for our industry and ultimately for your own business as well.

Flor M. Bieler is one of the two founders and principals of Multiple Funding Solutions, Inc., a privately held Florida corporation that provides factoring services to small businesses. She is also one of the co-founders and instructors of The Micro-Factor Academy, which trains interested investors in investing in accounts receivable and provides them with the blueprint and all necessary materials and mentoring support to operate their own small-ticket factoring business. As a true citizen of the world, and before moving to the USA, Flor has lived and worked in Honduras as well as in Germany, France, and the UK. Flor can be reached at 561-746-1954 or Flor@MultipleFundingSolutions.com.
AFA Members Speak at 2013 Annual Factoring Conference

BY JEFF ROSE, CFO, NATIONAL BANKERS TRUST

For those of you, who were unable to attend the American Factoring Association section at the 2013 Factoring Conference in Miami, let me attempt to recite what my fellow AFA members so eloquently stated on stage. Since the AFA’s inception, we have made twenty trips to Capitol Hill. On those twenty trips we have visited with more than 80 members of Congress and their staff. In addition, we have met with members of the administration during those trips. All of these trips have been very productive.

The AFA is not asking for favors, tax breaks or any other benefit from the government. Our message is a simple one, “please do not hurt the factoring industry by accident”. Factoring is here to help small business and is a vital part of the economic engine. With all the rule making focused on banks, consumer finance and related topics, the AFA wants to make sure factoring does not accidently get caught up in a broad sweeping net not intended to catch us.

While the AFA still has much work to do, everyone in Washington has been receptive to our message. Even thought the climate in Washington does not lead one to believe regulation is imminent, we must remain vigilant. I am sure everyone has noticed the exodus of companies from the payday lender and pawn business due to regulation. In fact, I many of us have met some of the people migrating from other finance areas into factoring over the last couple of years. Their plight can serve as a valuable reminder as to how quickly regulation can change the economic landscape.

Right now, less than 100 companies are carrying the burden of financing the AFA. As my fellow AFA members stated on the last day of the conference, please contribute something. Every dollar you give to the AFA helps our industry and you personally. The AFA’s operating expenses are nominal, and every dollar goes to making our voice heard in Washington. Please help us to guarantee that factoring’s voice remains heard. If you would like to become more involved, please contact any AFA board member. •

Founded in 2009, to provide a unified voice for the factoring industry, the AFA is dedicated to promoting and protecting the interests of the factoring community. The AFA board is made up of volunteers who devote time and their own funds to travel to Washington, D.C. on behalf of the factoring industry.

2013 MEMBERS & DONATIONS

Diamond Member ($10,000+)
Apex Capital Corp
Bibby Financial Services, Inc.
Crestmark Bank
D & S Factors
First Capital Corp.
Gulf Coast Business Credit
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J D Factors
National Bankers Trust
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Entrepreneur Growth Capital, LLC
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Nationwide Capital Funding, Inc.
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BTB Capital Corp.
CapFlow Funding Group
Cash Flow Financial LLC
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Commonwealth Capital
Concept Financial Group
Firmco Business Funding, Inc.
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Gateway Trade Finance, LLC
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Leland Capital Advisors, LLC
Lyon Capital Corporation
Pivotal Funding Group, Inc.
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Downtown Capital Partners, LLC
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As of June 1, 2013
what’s new at ifa

Our Preferred Vendors have undergone a screening and evaluation process. When you contact the Preferred Vendors, you will need to indicate that you are an IFA member to receive your benefit.

If you offer a good or service to the Factoring Industry and are interested in applying for Preferred Vendor Status, please contact the IFA at 805-773-0011.

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IFA Member Benefits: Receive a $10 discount per 100 pack. Also, the first order from each company will be doubled.

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Phone: (630) 270-3072 • www.12five.com
Emailryan@12five.com
IFA Member Benefit: One free hour of initial phone consultation

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FactorHelp has come to be regarded as the factoring industry’s premier resource provider. Their resources, in use on every continent of the world, are setting the industry standard and their reputation as the one-call solution for factoring problems is growing. By consistently introducing innovative, viable products, vigilantly cultivating an extensive alliance of Strategic Partners and providing the professional expertise demanded of an industry leader, FactorHelp strives to maintain its goal of providing the unparalleled service the factoring industry expects from a solutions partner.

Phone: (972) 722-3700 • www.factorhelp.com
Emaildwdelson@factorhelp.com
IFA Members receive a discount of 10% on their consulting fees and 5% discount on all FactorHelp products in the IFA store.

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With over 150 factors and growing, Ansonia Credit Data is the leading provider of affordable business credit reports. They understand the unique needs of all Factoring companies. With no set-up or annual fees, Ansonia’s reports feature real-time access to a global database on companies of every size, industry and market segment. Whether you’re looking at a company in the USA, Canada, Mexico or beyond, Ansonia credit reports are priced at a low $8 with a substantial discount offered for participation in our AR data exchange.

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D&B is your source for the best business insight in the world. D&B’s global database contains the deepest, broadest, most rigorously quality-assured business insight available, covering more than 210 million businesses worldwide. With this insight, D&B has been enabling companies to Decide with Confidence™ for more than 170 years.

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IFA Member Benefits: New & Returning customers: receive DISCOUNTS off D&B solutions. Discount is for IFA members that are not current D&B customers or have been gone for a period of one year. Existing customers: receive discounts on other D&B solutions not under contract. (ie: Hoovers, Supply, DNB Modules)

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FUNDING

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RMP Capital Corp. is a best-in-class provider of Rediscounting Lines of Credit to Independent Factoring Companies with portfolios from $250,000 to $3,000,000. Understanding the needs of the Independent Factoring Company is the driving force behind a funding program which has helped clients build their operations and grow their portfolio. With over 10-years of industry experience, RMP Capital Corp. prides itself on taking the time to understand its client’s needs, which helps its clients realize their potential and achieve their goals. From providing capital to providing support, RMP Capital Corp has the solution for you.

Phone: 611-738-0047 • www.rpmcapital.com
IFA Member Benefits: RMP Capital Corp. will pay your IFA membership yearly dues.

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50 Words Marketing, LLC

50 Words is a marketing outsourcer firm for companies that either do not have a marketing department or that need to add more manpower to their existing marketing team. They serve as your dedicated marketing department.

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IFA Member Benefits: IFA Members will receive five free hours of marketing services with the purchase of any marketing service. (Offer to new clients only)
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Gateway provides purchase order funding for importers, distributors, wholesalers and exporters nationwide. They will work with a client’s current or perspective factor, ABL lender, bank and private lender. Gateway can fund 100% of the cost of pre-sold finished goods in transactions from $25,000 to $4,000,000. They will do one off transactions and one off transactions that are not currently funded by their competitors. “Financing Growth for Entrepreneurs.”

Phone: 703-548-2882
www.gatewaytradefinance.com

IFA Member Benefit: Gateway will pay a 12.5% referral fee on completed transactions on all deals brought to them by IFA members.

*RMP Trade Credit, LLC*

RMP Trade Credit is the leading source of small ticket Purchase Order Financing. They do deals from $5,000 to $2,000,000 per month. They consider larger deals with participation. RMP Trade Credit closes deals faster than any other competitor. Their staff has over 100 years of manufacturing, importing and exporting experience to help their clients with their needs.

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Established in 2002, CFC is the premier provider of human talent to the factoring industry. CFC’s goal is to provide their clients with the best available human capital and the most current industry information to assist in accomplishing their growth potential.

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IFA members will receive a 10% discount off of the retail rates of their signature state and county account monitoring product.

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IFA Members receive 25% discount off Each Monthly Unlimited Extension, and either: 10% off On-Demand Call Recording or 10% off Company Call Recording. Or, buy VoiceMail Transcription, Get On-Demand Call Recording free.

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**IFA CALENDAR OF EVENTS**

**JUNE 5**
Factoring Construction Receivables Webinar / 1pm PDT

**JUNE 17 - 18**
AE-LO Training Planet Hollywood Las Vegas, NV

**JUNE 20 - 21**
Law and Business of Factoring Planet Hollywood Las Vegas, NV

**JULY 15 - 16**
Meeting for Women in Commercial Finance Planet Hollywood Las Vegas, NV

**SEPT 11 - 12**
Transportation Meeting Hyatt Regency Milwaukee, WI

**SEPT 11 - 12**
AE/LO for Transportation Factors Hyatt Regency Milwaukee, WI

**OCTOBER 14 - 15**
Sales & Marketing Training Class Planet Hollywood Las Vegas, NV

**OCTOBER 17 - 18**
Advanced Factoring Symposium Planet Hollywood Las Vegas, NV

**JANUARY 22 - 24**
2014 Presidents & Senior Executives Meeting Frenchman’s Reef & Morning Star Marriott Beach Resort St. Thomas, US Virgin Islands

FOR DETAILS ABOUT IFA EVENTS, PLEASE VISIT WWW.FACTORING.ORG
Leigh Lones CEO, Bibby Financial Services America

Infusing Charitable Giving Into the Culture

“Personally and professionally we all have a responsibility to give back,” said Lones. “Whether it is corporate stewardship or to fulfill a personal desire, volunteering is important. At Bibby Financial Services we encourage everyone to take part in a charitable activity at least monthly, even if it means taking time off of work.”

Lones sees volunteering as a way for all of the company’s employees – new hires and veterans -- to become a tight-knit group that shares a common goal.

“People are drawn to band together and help causes after seeing the suffering of others. For example, I’ve been a supporter of charities that raise funds for cancer research, having lost family members and close friends to the disease,” said Lones. “One particularly tough loss was a close childhood friend who passed away due to breast cancer, leaving a 2-year-old daughter and 4-year-old son. You can’t experience this and not try to help.”

Although Lones has been involved in raising and donating funds across many groups, she is most passionate about charities that benefit children.

“Children can’t control their environment and without loving, caring parents they are left to manage their lives with limited support,” said Lones. “Over the years I’ve spent time visiting various shelters throughout the Atlanta area and the ones that support children, like the Atlanta Children’s Shelter, have made a big impression upon me.”

Currently, Lones is very active in supporting the North Atlantic Soccer Association’s (NASA) Select/Academy Programs through her time and the company’s donations to the organization. NASA’s primary goal is to help develop children of all skill levels in soccer. The organization contributes to the community and provides valuable life experiences to thousands of children each year.

“I thoroughly enjoyed sports growing up and am a firm believer of the positive effect it has on children. It helps kids stay healthy, teaches values, and provides a safe place to socialize. I’ve encouraged my own children to participate in sports and soccer has become a family favorite. Our donation to NASA provides financial aid for lower-income households so children from families of all income levels have a chance to participate,” said Lones.

Our Atlanta office employees attend weekend soccer tournaments, passing out water bottles and meeting the kids. This emphasis on volunteering has led the North American company to become active in its parent company’s “Giving Something Back” program. The Bibby Line Group provides a company match for funds raised from individuals and offices.

Said Lones: “A key element of ‘Giving Something Back’ is supporting what our employees are passionate about, so the company doesn’t pick the charities, our employees do. For that reason we’ve helped a wide range of organizations.”

Across the North America, Bibby Financial Services employees have donated to American Cancer Society, St. Jude’s Children Hospital, Montini High School, the Special Olympics, the Nashville Little League Association, Happy Endings Animal Shelter, the American Red Cross – Hurricane Sandy Relief, Meals on Wheels, the Vanderbilt Children’s Hospital, the National Breast Cancer Foundation, Habitat for Humanity, and many more.

“Whether it’s time or money, it’s encouraging to see our employees work so hard and give up their time for others. It’s been inspiring to see so much involvement across the whole company,” said Lones.

This year, the Giving Something Back program has raised about $400,000 worldwide, including the funds matched by the Bibby Line Group. Since the program’s inception in 2007 employees across the globe have donated over $6.4 million to more than 800 charitable causes. •
us that this makes a real difference in their conference experience. Rosanne Doyle from WSA enjoyed attending the sessions too and reported that she thought there was lively & informative dialogue and enjoyed the event.

The conference attendees reported that the Exhibit Hall was awesome, there are many vendors supplying superior goods and services to our industry. Sentinel Portfolio Solutions introduced their monitoring services to the conference attendees this year and were quite popular as was Bayside Business Solutions who not only provided attendees with WIFI codes for internet access.

The Closing Event held Friday evening at nightclub LIV gave us all a chance to party and dance in one of the top nightclubs in the world. The food featured at this event was scrumptious and the salsa music a perfect pairing to end the Miami event.

Because our attendees get so much value out of the Idea Exchange, we continue to host this on Saturday morning. Bert says that this is the reason so many people report that they stay over one more night, so that they can sit with their peers and learn and share in such a way that makes our community so strong.

There just isn’t enough space in this magazine for me to list everyone who helped to make this year’s event memorable, so my apologies for that. The speakers, the panel members, the sponsors and exhibitors, everyone worked together to make the event go smoothly; what a treat to be a part of such an awesome group of folks. I guess I should just give a shout out to our whole industry and everyone who attended for being the exciting and professional entrepreneurs you are. I think that you all are the real successes, and your participation at the event is what made it a memorable event for us all.

Now that the conference is over Bert and Heather are already planning for next year in San Francisco, and the year after that. I’ve already received requests for speakers and panel sessions – we love to hear from anyone who has ideas. Do you have an idea for a speaker, or a panel, or suggestions for future topics/participants for future Point/Counterpoint session? If so, please let us know, we want to make sure we are delivering on what our members and future conference attendees have come to expect from the IFA.
Do’s and Don’t’s When Your Client Files Bankruptcy

The impact of a bankruptcy filing by a factor’s client can be complicated and confusing. Myths about the impact of bankruptcy on factoring abound. This article provides a simple list of the do’s and don’t’s when your client files bankruptcy.

A Bankruptcy Primer

Understanding these do’s and don’t’s requires an understanding of several bankruptcy concepts.

Your client may file under Chapter 7 or Chapter 11 of the Bankruptcy Code. Under both chapters, your client is known as a “debtor”. In Chapter 7, the game is over. A trustee is automatically appointed, the business is shut down, and the trustee liquidates all assets for the benefit of the creditors. In Chapter 11, the business continues to operate under the supervision of the court and a plan of reorganization will be submitted for restructuring of the client’s debts. In Chapter 11, the client becomes not only a debtor but also a “debtor in possession” or “DIP”.

The second concept that must be understood is “property of the estate”, a term defined in § 541 of the Bankruptcy Code. Property of the estate is defined as all legal or equitable interests of the debtor in property. Courts have construed this provision very broadly to include any interest of the debtor in property, no matter how remote or contingent. Is an account receivable purchased by a factor property of the estate? It depends on whether a court determines that the purchase was a true sale or was in fact a loan secured by a security interest in the accounts.

If accounts have been purchased in a true sale prior to the bankruptcy filing, the accounts are not property of the estate and the factor may continue to collect the accounts as if no bankruptcy had been filed. If the transaction is determined to be a loan secured by the accounts rather than a purchase, then the pre-petition accounts are property of the bankruptcy estate and several consequences follow.

Upon filing of a bankruptcy petition, the automatic stay is immediately invoked without any further action. It prohibits commencing or continuing any action against the debtor or property of the estate. Among actions prohibited are taking any action to collect from the client, perfecting a lien, collecting accounts receivable of the client, and crediting and debiting the client’s reserve. Violation of the automatic stay is punished as contempt of the bankruptcy court. Bankruptcy judges have little tolerance for violations and the fines can be substantial for even small violations.

A creditor can file a motion seeking relief from the automatic stay. It must be heard by the Court within thirty days of filing. Grounds for relief from the automatic stay are that the creditor is not adequately protected or that the debtor has no equity in the property and the property is not necessary for an effective reorganization under Chapter 11. Unless the value of the collateral is substantially more than the amount owed to the creditor, the creditor can usually show it is not adequately protected because delay will result in reduced collectability of the accounts. Most motions for relief from the stay are resolved prior to the hearing by a compromise and stipulation with the debtor.

A creditor also needs to understand the difference between pre-petition and post-petition assets. A security interest granted prior to filing of bankruptcy does not extend to assets acquired after filing of the bankruptcy petition, unless acquired with the proceeds of a pre-petition asset. For example, a security interest in all equipment will not extend to equipment purchased post-petition. This concept becomes complicated with inventory and accounts because of their rapid turnover. An account created post-petition by the sale of pre-petition inventory would still be subject to a pre-petition security interest in accounts, provided the transactions can be traced. This becomes more complicated when new post-petition financing is provided and used to purchase inventory.

The Bankruptcy Code generally allows a debtor to choose to assume or reject a pre-petition bankruptcy contract which has not been completed (referred to in the Bankruptcy Code as an “executory contract”). However, an exception is made for contracts to provide financing (like a factoring agreement). They cannot be assumed. In order to provide financing after a bankruptcy petition has been filed, a new factoring agreement must be signed after notice to all creditors of the debtor and a hearing in which the Court approves the new agreement.

Do’s and Don’t’s

1. Actively monitor the court records to determine if your client files bankruptcy. Don’t rely on your client to tell you. He won’t! The best approach is to engage a monitoring service.

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UPCOMING EVENTS

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Wedding Advice and Factoring Relationships

Recently I had the pleasure of attending my niece’s outdoor wedding. It was in a beautiful venue: on a nearby island on a converted farm, with a pond in the distance and tall fir trees surrounding the grassy clearing where we were seated. Before the service started, an eagle soared overhead several times, then swooped up to its nest at the very top of one of the firs to feed its young. Hearing them cheep and added to the very natural scenery, perfect for an outdoor wedding in the middle of May. The sun was shining, the weather ideal, and one couldn’t ask for a better setting.

My niece was radiant: that cute, shy little blonde girl had grown into a dazzling beauty, and everyone agreed she and her husband chose each other wisely. I joined everyone wishing both of them all the best in life, and it was a very happy day.

During the reception toasts, my other niece, the bride’s sister, spoke a word of advice their grandmother gave for this day. Her grandma (my mom) and my dad were married just a month shy of 66 years at the time of his passing last December. He gave the same advice to my son when he was married a year before. Their advice for their newlywed grandchildren? “Always put the other one first.” My parents did that for 66 years and theirs was the most solid marriage I have ever known.

They clearly cared for each other. They still held hands in their 80’s and 90’s just walking along. Watching them at meals and relaxing together in their assisted living home was touching. And they both said the reason for their happiness together for all those years came down to those six simple words: “Always put the other one first.”

After the wedding was over I was back at work on Monday. As I reviewed the business at hand and the invoices to be funded that day, I thought about my niece’s wedding and how, in a sense, factors have relationships with their clients that parallel marriages. We meet (marketing contact), go through a courtship period when we decide if we want to enter a more formalized relationship (application form and underwriting), and then a honeymoon period (first few fundings) when we’re still getting to know each other and want things to start on the right foot. After that we settle into the regular routine of working together for what we hope will be the long term.

While we don’t have all the benefits of a marriage (love, affection, children and family, daily meals together, years of memories, etc.), working with a factoring client is a marriage of sorts. We commit to a relationship in which we provide resources to our clients, who in turn agree to provide products or services, needed paperwork and assignments. When we work well together, both sides benefit and life is good.

But does my parents’ advice – “always put the other one first” – also apply to us factors and our clients when we get “married”?

While people get married because they want to spend the rest of their lives together, factors and clients join together not for a life-long relationship, but usually for at least some period of time. Like a marriage, a factoring relationship exists for the mutual benefit of both parties. What’s good for one is good for the other, and what is bad for one can not only harm, but even destroy the relationship.

When a married couple does not put the other one first, trouble usually follows. Whether it’s simply being selfish and buying a toy that the other doesn’t appreciate, or going as far as being unfaithful, the other is not being put first and the relationship is harmed to a small or severe degree. Happy marriages – and factoring relationships – are those in which doing the right thing and consideration for the other is the guiding principal; not selfishness and doing what I want no matter what.

When a spouse lies to us, or a client defrauds us (which is lying with money), our trust in the person is lost. If it happens enough in a marriage one spouse will likely leave. If it happens in a factoring relationship even once, the factor very likely will terminate the contract and get a “divorce.” Even if we forgive and continue funding such a client, we’re much more careful after that and once-warm feelings change to distrust and wariness.
My favorite clients are not those who make my company the most money; they are those who are steady and have proven themselves to be honest, trustworthy, and reliable. My favorite clients are those who, if they receive payment for a factored invoice, send it to me without a second thought, even if their finances are tight. Those who keep factored checks because they “needed the money” are those I want nothing to do with after that. They have simply put themselves first, rather than our factoring relationship, and by so doing they have damaged the marriage – in most cases beyond repair.

Likewise, as a factor I need to put my clients first, in a certain manner of speaking. I need to make sure my funds are available whenever they need them (as long as they meet submission deadlines!). I need to meet their funding needs at any time throughout the year, and can’t just go away for a month and leave them high and dry. Doing so would not be putting them first, despite my need for a vacation. That doesn’t mean I need to do everything they ask, like funding an invoice to an uncreditworthy debtor, or giving a loan, or doing anything that would jeopardize my company. By taking protective measures to minimize my risk and keep my company solvent, I am in fact putting my clients first in the sense that I’m making a decision that will keep my business afloat so I can continue to help them in the future. They may not like hearing me say “no,” but doing so is better for both of us and our factoring relationship.

What this all comes down to is putting the other person first, yet doing so prudently and with the big picture in mind. We factors often joke about the “other” golden rule which says, “the one with the gold makes the rules.” Yet we must never forget the original golden rule: “do to others as you would have them do to you.”

That’s not only a good practice in general and good advice for factors in particular; it’s good advice for day to day living for anyone. It’s especially good advice for marriages, particularly those that are just starting out with a young radiant bride and handsome groom in a beautiful natural setting where eagles soar. •

The accounts debtors are slow to change the payment instructions in their computer after the bankruptcy filing. Payments received on post-petition accounts must be tendered to the trustee or DIP. However, don’t assume an account is a post-petition account just because the invoice is dated after the bankruptcy filing. Generally, an account is created when the goods are delivered or the services performed. Investigation is required to determine if an account was created pre-petition or post-petition.

This is a technical area and a Bankruptcy Judge will not hesitate to punish you, even if you acted innocently. If you have any doubt, freeze everything and contact counsel as soon as the bankruptcy petition is filed. •

Information provided in this article is general information only and not legal advice. Readers are encouraged to consult an attorney for specific legal advice.
lien monitoring. tailored to suit factors.