

KREKELER LAW REPORT



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MARCH MADNESS...

Whether it's the big upsets or game-winning comebacks, the NCAA Basketball Tournament lives up to its nickname: March Madness. This madness, however, is not just found on the ball court, but also with American employees. It is estimated that 81.5 million workers will use at least one hour of their company's time to fill out basketball brackets. This analyzing, strategizing, and often luckily picking of teams will cause employers to lose as much as \$2.1 billion. Although that is a significant cost, employers should embrace the madness because it provides a positive company culture that boosts employee morale, making a happier and more productive workplace for all. Especially in Wisconsin, where Wisconsin is in this year's "Sweet Sixteen". Let the madness begin! ON WISCONSIN!

...AND GAMBLING

The office pool is a form of gambling. The American Gaming Association says a total of \$10.4 Billion will be bet on the Tournament, but only \$295 Million will be bet legally at sports books in Nevada.

Most people pay cash in their office pools, but gambling through sports books or in casinos sometimes leads to large debts. These debts may be owed the casino itself, as with casino markers. More commonly, though, the gambler will use credit cards or convenience checks, or even home equity loans, to get the money to place bets.

These debts might not be dischargeable in bankruptcy. Cash advances totaling over \$950 within the 70 days prior to a bankruptcy filing are presumed to be non-dischargeable. So are consumer debts totaling over \$675 for luxury goods or services incurred during the 90 days prior to filing. This does not mean these debts cannot be discharged, but it does mean that a strategy must be employed to get that discharge. *(continued on Page 3)*



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WHAT IS AN AUTO ACCIDENT WORTH?



We study auto accidents. We try to keep track of what awards juries make and what settlements are reached. The following is a fairly recent list of such awards and settlements.

<u>Rear End Collision</u> Injuries included diseased nerve roots, cervical spine damage, aggravated neck pain.	\$563,190.84 jury verdict	Net to Client: \$371,706
<u>Toddler run over by grandmother</u> 2-year-old exited vehicle driven by grandmother and was run over. Insurance company engaged in bad faith, denying claim initially.	\$147,500 court-approved settlement after suit	Net to Client: \$98,334
<u>2010 Woman broadsided</u> After vehicle ran a stop sign. Injuries included a rotator cuff tear and right shoulder pain.	\$62,215.61 after jury trial	Net to Client: \$16,500
<u>2008 Driver failed to stop for traffic signal</u> And collided with driver resulting in \$80,000 medical injuries to driver.	\$250,000 settlement after suit filed	Net to Client: \$80,372
<u>2011 Uninsured motorist collided with plaintiff's vehicle</u> Insurance company covered \$75,000 to settle. Plaintiff rejected offer and after a jury trial received an award of more than \$158,000.	\$158,000 after jury trial	Net to Client: \$50,000
<u>2013 Van vs. pickup truck crash</u> This accident originated in Texas where Plaintiff's van was hit head on by a truck making an illegal pass. The plaintiff had his spleen and part of his colon removed. His wife suffered injuries to her right leg.	\$700,000 settlement after mediation	Net to Client: \$462,000 minus costs and medicals
<u>2011 Crash involving mother and 3 kids</u> Results in settlement of \$370,000. Offending vehicle travelled over the center line. Mother tried to avoid the crash but the vehicles collided. The mother received cuts to the face, broken ribs, and a broken nose.	\$370,000 settlement after suit	Net to Client: \$180,923
<u>2011 De Pere truck collision</u> The defendant rear-ended a semi-truck. Plaintiff suffered neck and back injuries.	\$75,000 settlement after mediation	Net to Client: \$32,378
<u>2011 Highway rear-ender</u> A motor vehicle rear-end accident in Milwaukee County caused injuries to the plaintiff that defendants denied. The jury awarded the plaintiff just \$2,966 in past medical expenses and \$1,500 in past pain.	\$4,466 after jury verdict	Net to Client: \$4,466 minus attorney's fees

These results do not guaranty your results, but they do provide some guidelines, and they help us negotiate with the insurance companies. Call us if we can help anyone you know.



BANKRUPTCY IN IRELAND

We are all Irish one day each year. That goes for lawyers who file bankruptcy cases as well.

Ireland recently changed its bankruptcy laws and shortened the time before which individuals can obtain a discharge of debt. Those laws had been unchanged for more than a century, during which it took people 12 years to qualify for a discharge.

In 2013, this period was reduced to 3 years, and that restriction has now been cut to only 12 months.

Here in the U.S., debtors can obtain relief almost immediately, and obtain a full discharge in less than 4 months.

WE C.A.R.E.

The Credit Abuse Resistance Education (CARE) is now in Wisconsin! First created by Judge John C. Ninfo in 2002, CARE helps high school and college students learn more about credit and their finances. Now a national non-profit organization through the American Bankruptcy Institute, CARE programs are all across the United States. These programs include CARE curriculum, or educational materials created by personal finance experts that cover budgeting, credit, and student loans. These educational materials are brought to classrooms where volunteers or experienced professionals in personal finance come in and present to students.

The CARE program in Wisconsin can provide students with the tools they need to make responsible decisions regarding their finances and credit. Please reach out to CARE's Wisconsin Chapter if you know teachers, PTA presidents, and community leaders who would like to have CARE presentations offered in their schools, universities, and organizations.

Contact us for more information or to get involved.



MARCH MADNESS...

...AND GAMBLING

(continued from Page 1) Our ever-growing government also poses a problem in discharging gambling debts. While nothing in the bankruptcy code prohibits discharge of gambling debts or denies discharge to gamblers, the United States Trustee sometimes objects to the gambler-debtor getting a discharge.

These bureaucrats take the position that Debtors with gambling debts should be denied a fresh start if they continue to wager after the case is filed. We disagree and have successfully crafted ways for our clients to get their discharge. But fighting the government can be expensive, so planning in advance is the best way to avoid problems.

When doing that planning, we are sure to think about the following:

- Gambling losses for the 12 months prior to filing bankruptcy must be disclosed.
- Gambling winnings must be disclosed prior to filing.
- What debts were incurred by or for gambling? Were any of these debts cash advances?
- What actions should our client take to avoid investigation or challenges from the U.S. Trustee?

With proper planning, we have never had a client denied a discharge for gambling debts.

----- WHERE'S KREKELER ? -----

The 12th Annual Bankruptcy Insolvency and Creditor Rights (BICR) retreat was March 2nd and 3rd in Kohler, WI. It is the signature event for debtor/creditor attorneys in Wisconsin.

Krekeler Law has regular and year-round involvement with this program. Both David Krekeler and Ryan Blay sit on the Board of Directors for the BICR Section. Eliza Reyes is one of the leads for the planning committee for this event. She spends a great deal of time organizing speakers, topics, materials, and makes sure the conference runs smoothly year after year.

This year, both David Krekeler and David Lange from the firm presented at the conference. Attorney Krekeler participated in a debate about how debtors can keep vehicles after a Chapter 13 case. Attorney Lange participated in a debate that discussed whether income taxes are considered dischargeable if a return is filed late.





UTILITY SHUTOFFS TO BEGIN AGAIN

April 15th is an important time of year. Income taxes are due by April 15th. Leonardo Da Vinci was born on April 15th. But it is also the date the energy shutoff moratorium ends in Wisconsin.

Wisconsin law prevents your heat-providing utility from disconnecting residential service between November 1st and April 15th.

You should know your rights with your utility providers.

- You must be notified before your service is disconnected.
- The notice must clearly state the reason for disconnection, when disconnection may occur, and how to contact the utility.
- The notice must include the dispute procedure.
- The utility must make a reasonable attempt to resolve the problem.
- Disconnections can be delayed for medical or protective services emergencies.

If you're struggling with utility payments, what options are available to you?

- Bankruptcy – A bankruptcy filing can prevent a disconnection or help restore service. Upon a filing, the utility will close the old account(s) and open a new account, typically with a refundable security deposit. The pre-filing debt can be eliminated in a Chapter 7 bankruptcy or repaid in a Chapter 13 or other reorganizing plan.
- Chapter 128 – A petition to amortize debts under this chapter of the Wisconsin Statutes can allow a reasonable timeframe to repay old utility arrears. However, one Milwaukee circuit court case held that the Chapter 128 plan doesn't prevent the utility from continuing a disconnection, and WE Energies will not stop disconnections. This is an open question for most of the state.
- Wisconsin Home Energy Assistance Program (WHEAP). WHEAP helps over 200,000 Wisconsin households each year and provides one-time heating assistance from October 1st through May 15th, a one-time electric assistance, crisis assistance for emergencies, and furnace assistance. Aid is provided based on household size. To seek this assistance go to www.homeenergyplus.wi.gov or call 1-866-432-8947.

Utilities are essential. If you have unpaid utility bills, now is the time to address this problem, before your service is cut.



Have a question? Idea for a future article?

If you ask for it – we will write it!

Contact Deanna at
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