

## Show Me The Money!

### Sports Agent Leigh Steinberg Files for Chapter 7 Bankruptcy

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Earlier this week [ESPN reported](#) that NFL sports agent Leigh Steinberg filed for [chapter 7 bankruptcy](#). Mr. Steinberg was the inspiration behind the movie Jerry McGuire and represented many high profile athletes including Steve Young, Troy Aikman, and Ben Roethlisberger. There are things that can be learned from any bankruptcy filing, but particularly a high profile chapter 7 bankruptcy filing shows us the following:

#### **Anyone Can End Up in Bankruptcy**

I recently met with one of my bankruptcy clients and she told me that one of the many things the bankruptcy process had taught her is to withhold her judgment of other people. She said that she never imagined that she would be in this situation and had always been very successful. But, a job loss, reduction in income, or an unexpected medical problem and any of us could be in the position of needing bankruptcy.

Leigh Steinberg was undoubtedly a wealthy man who, according to the ESPN article, had been dealing with family issues and personal substance abuse problems. No matter how much money you have or how successful you are, if things go bad, you too may need the [protection that bankruptcy can provide](#).

#### **High Income People Can File Chapter 7 Bankruptcy**

If you have done any research on the internet on chapter 7 bankruptcy you no doubt have learned that [you must pass a means test](#) to be able to file a chapter 7 bankruptcy. Essentially the means tests looks at your household size and your income. If you make more money than the typical household of your size in your state, you will likely have to file a [chapter 13 bankruptcy](#).

However, there are [a few loopholes](#) in the bankruptcy law. The means test only applies to those people whose debts are primarily consumer debts. This means that if your debts are mostly business related, you can qualify for a chapter 7 bankruptcy filing. While I don't have any specifics on Mr. Steinberg's case, from what is written on the web it sounds like most of his

debts are business related and thus even if he is still making good money, he can qualify for a chapter 7 bankruptcy.

### **Debt Collectors Don't Play Nice**

Like many of the people I work with, bankruptcy was not Mr. Steinberg's first option. In an [ESPN article](#) he stated that had delayed filing for bankruptcy "because of my moral and legal obligation to people who advanced me funds or performed services in good faith. But the constant and aggressive collection efforts and press initiatives undertaken by creditors have harassed my family and prevented me from working to be able to pay these debts."

More than ever creditors rarely work with people to come to a reasonable resolution to a debt problem. In the past creditors may have been more willing to accept payment plans or work with people who had fallen behind. Nowadays most creditors will aggressively attempt to collect on a debt for a period of time and then if they can't collect they will simply sell it to a [debt buying company who will then start the cycle over](#).

These aggressive collection actions by creditors have forced many people to seek the protection that the bankruptcy court provides. Immediately upon filing your bankruptcy case the court will issue an order that stops all collection efforts against you. This means that you can go to work without the worry of threatening calls at work, you won't have to worry about [garnishment](#) or [lawsuits](#) or your family being harassed by debt collectors.

My clients generally have one thing in common: they have had some significant change in their life that has resulted in them being unable to pay the bills. My clients are rich and poor, highly educated and relatively uneducated, and come from almost every walk of life. If you are dealing with a debt situation that you never envisioned being in, give me a call. We can put together a game plan and help you get back on track and become debt free. I can be reached at (480) 420-4028 or via email at [john@skibalaw.com](mailto:john@skibalaw.com).

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