

# FORECLOSURE • UNEMPLOYMENT • CREDIT CARD DEBT MEDICAL BILLS • HOMELESS DUE TO NATURAL DISASTERS

**Bankruptcy. When there is no other choice, put your trust in the best  
for a confidential and viable solution.**

## *James T. King, Esq. Law Offices of King & Associates*

**What I see in my practice after 30 years are people walking into my office that I never expect to see. More businesses than ever are in bankruptcy—businesses that have been around for more than 20 years and that had been successful. It's always a difficult decision to see a bankruptcy attorney. I used to discuss with people options and they would be relieved. But now filing for bankruptcy is only part of their problem. They are still going to lose their homes and most have already lost their jobs or know they are about to lose their jobs. Beyond bankruptcy people today are facing other problems in their lives that they are finding impossible to resolve.**

### **The Shocking Rise In U.S. Bankruptcy Cases**

We are not even half way into 2009 and the filing rate of bankruptcy cases in the United States has exceeded the levels just prior to the change in the law in 2005. The filings in the Central District of California increased by 60% in January 2009 over January 2008; increased by 81% in February 2009 over February 2008; increased by 91% in March 2009 over March of 2008; and the anticipated increase for April 2009 will be 100% more than April of 2008. The downturn of the economy has hit everyone in different ways. In my own family one of my daughters was recently laid off from a human resources position with a large aerospace firm. Two other children have homes that are now worth less than the mortgage they owe on the property. And, my son who is a sound editor in the

movie/television industry is growing concerned over the outlook of having less projects this year to work on.

### **A Stagnant Court System vs. Extreme Increase In Caseloads**

The caseload increases in Bankruptcy Courts are managed by Judges and limited court staff help that has not increased according to their workload. On the other hand, consumer bankruptcy firms are increasing their staff, hiring lawyers in anticipation of the new law changes and making room in their offices for a growing staff.

### **Unemployment Translates Into Unmanageable Debt Decreased Property Value and Home Foreclosure**

In March 2009 the California unemployment rate was up 11.2% and approximately two million people were unemployed—913,000 more people than in March of 2008. Los Angeles County's median value of a single family home decreased from \$440,000 in March of 2008 to \$300,000 in March of 2009. Unemployment or the fear of it is hitting hard. The Public Counsel announced a job position for an attorney to assist the new pro bono self-help desk in Los Angeles. The number and quality of the attorney applicants was shocking and overwhelming to the recruiting attorney who was interviewing applicants. Candidates applying for the position had substantially more experience than the job required and higher educational achievements. This particular job in the public sector pays \$50,000 per year.

### **The Shock Over Financial Loss The Pain Over Family Suffering**

As consumer bankruptcy attorneys

our practices have changed drastically.

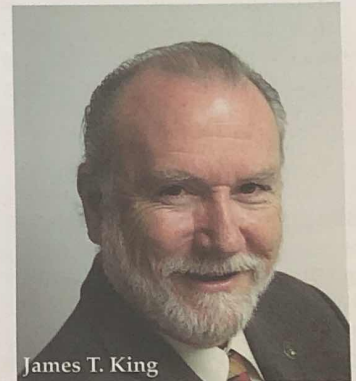
In addition to typical clients who leave our offices with the burden of debt lifted off their shoulders and offering gracious thanks to us for allowing them to sleep once again at night—we are now seeing different clients. In my office we go through much more tissue than we ever did before. Clients leave with tears in their eyes and their heads lowered. Yes, they have made the decision to unburden themselves of debt, but they are losing their homes. Homes that they bought thinking their families would have a comfortable and safe place to live for years and years. Now the reality is that they have no home and no prospects for employment anytime in the near future.

### **Filing For Bankruptcy May Be Only Half The Battle**

The ability to file bankruptcy and alleviate debt is no longer a complete solution to financial problems. As I write this article Senate Bill 61 (allowing Judicial Loan Modification for personal residence mortgages in Chapter 13) is still in committee and negotiations have occurred during the Senate's spring break. We can only hope that the Senate will do the right thing and bring relief to numerous American home owners who need relief at this very difficult time. And, consumer bankruptcy attorneys must be prepared to respond to the needs of these American citizens.

### **From Celebrities To Everyday People...Clients Expect Our Confidentially And Deserve Our Empathy and Understanding At This Most Difficult Time**

In my practice everything that takes place is completely confidential. My staff is highly experienced. They know



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that respect, kindness and understanding are critical at this difficult juncture. Over the years I have represented a number of celebrities, high-profile citizens and everyday people. Each deserves the best that as an attorney I can deliver. Even more important, they deserve my compassion and understanding of the emotional process they will go through as they face their financial problems. Their journey is not something that I have not seen before, but it is one that is completely new to them and the experience I offer I am empathetic towards them. There is an emotional aspect to this that many attorney's don't recognize.

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