

NABT TALK[®]

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Interesting Assets: Find 'Em, Liquidate 'Em



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By John A. Palumbo

You just left the 341 meeting and you have a thousand things on your mind, including getting back to the office in order to get some things done before the end of the day. On your list – returning half a dozen phone calls, reviewing and responding to too many emails, and finalizing dinner plans. But something keeps tumbling around in your head – one of the assets from an earlier case that you find interesting, but your left wondering how to liquidate it in order to make a meaningful distribution to creditors. So let's get started. Below you will find ten strategies to boost your salability of assets in a profitable and timely manner.

1. Boost Your Internet Listings at bankruptcsales.com

NABT is an outstanding venue to list your assets for sale, and very effective. However, without a good description, the appropriate documents, and clear photographs or images, you're wasting your time by not giving your asset a fair chance to sell itself. Take the extra time and effort to post thoroughly. Then sit back and wait patiently for the inquiries.

2. Learn how to write copy

Let's face it – you can't sell all of your assets face to face or over the phone (and if you are, you are greatly limiting yourself to the traffic that other online and print media can offer). Therefore, it doesn't matter how well you've mastered the spoken word, learning to write good copy is imperative. You will always be faced with the difficult task of catching the buyer's attention

amongst the clutter of advertisements and other assets/investments. With excellent copy writing skills, you will be much more effective and amazed by the inquiries you receive, whether from eBay, your local newspaper, or NABT. For help, seek advice from a number of experts who've written books on how to write great copy: *Breakthrough Advertising* by Eugene Schwartz; *Ogilvy on Advertising* by David Ogilvy; *My Life in Advertising and Scientific Advertising* by Claude Hopkins; *Method Marketing* by Denny Hatch.

3. eBay on eBay

Some trustees find eBay to be a very successful way to auction off the more simple assets. However, selling on eBay is a skill that must be acquired. Before you list on eBay, study eBay. Research what others are listing, the copy and photos they're posting, whether or not they've set a reserve and how they calculate shipping. Focus also on the key words they've chosen to use in the title in an effort to increase SEO (Search Engine Optimization). Visit www.ebay.com/education for free tutorials and suggestions on how to increase your sales. If you don't have a few months to spend learning the site, hire someone who knows what they are doing to get you started and walk you through it for a small fee. Help is everywhere, but begin right at the source and learn about eBay on eBay.

4. Notice the sale NOW!

Too often, trustees will receive an offer, but hold off on noticing the sale in hopes of receiving a higher bid. In the meantime, the asset could deteriorate and lose value. If you receive a reasonable offer, notice the sale and notice it NOW! If the asset is worth more money, the debtor or associates of the debtors will come out of the woodwork. The longer you wait, the more you risk running into problems, so I suggest you get the ball rolling!

5. 10 Quick Timeshare Strategies

Most Bankruptcy Trustees will eventually have to dispose of a timeshare condominium. For strategies proven to increase your chances of creating money for the estate and effectively eliminating the timeshare, refer to my article "Ten Strategies to Triumph Over Timeshares," which is available at www.Chapter7Assets.com.

6. Should you shop 'till you drop?

It's natural to want the highest bid possible for the estate and there are many assets that warrant shopping for competing offers that will net the estate the most money. However, there are assets that will require more sophisticated buyers who are willing to take on higher risk for unusual assets. I would suggest that shopping an offer should be extremely limited to those cases where you know there will be competing bids. Otherwise, don't shoot the hand that feeds you. When you finally get an interested party in those unusual or complicated asset cases, refer back to Number 4 and notice the sale NOW!

7. FU, FU, FU, FU!!

Alright, calm down ... it's not what you're thinking. Follow Up is the key to getting things done in this business. Follow up with debtors. Follow up with buyers after you've sent the information, again after they've looked at it, and then again after they've placed a bid. Success will come from taking the initiative and following up.

8. Dialing for dollars

This falls in line with Number 7 and the importance of follow up. Oftentimes, sending an email is not enough! It's okay to pick up the phone and call potential buyers – in fact, it might be the only way you can actually get a hold of them. Don't be afraid to call them, tell them what you have, send them the information, and then call them again. Don't depend on email alone.

9. Lower your threshold

A lot of cases become no asset cases because the trustee is holding out for a high threshold. While that may seem prudent in certain situations, over the years I have learned that some of the most profitable trustees are the ones that lower their thresholds in order to make things work for the case. When in doubt, lower your threshold. Sometimes you just have to take a risk in order to get more money. By lowering your threshold you may find that you can get more money out of the asset in the long run once you get some competitive bidding going.

10. Create more paper?

Next time you have a case where the asset has the highest value to the debtor and it calls for more than just a few payments stretched out over a few months, consider increasing the price of the asset by structuring a secured or unsecured promissory note for the asset over a much longer period of time. Then sell the paper to the open market. Oftentimes, it will be much easier to find a private investor willing to buy the paper than to try to sell an asset that may have marginal value in the open market. The debtor may be glad to pay a few hundred dollars each month for the next 5-6 years in order to keep ownership of the asset. Creating more sellable paper will generate immediate distributions for the estate. If you have questions in setting up the paper or for guidance on making the paper sellable in the open market, you are always welcome to contact me.

If you follow some of these 10 guidelines, you'll surely be able to make more meaningful distributions to creditors and create better opportunities for each asset case. ☺



About the Author

John Palumbo is the principal of Bankruptcy Asset Management, based in Jacksonville, FL, and one of the nation's leading authorities on the evaluation and liquidation of unusual assets in bankruptcy. His uncanny ability to recognize value in items oftentimes deemed unworthy has transformed his asset analysis into an extraordinary art form. To speak with John personally, contact him at 904-641-2043 or PalumboJ@aol.com.