



“Including a Sense of Urgency In Your Offer to Settle Commercial Debt”

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The Solution component of the Settlement Letter is the part where you tell the creditor, or their representative, how you intend to deal with the outstanding creditor claims.

For example, you would indicate in the letter that the total number of claimants has been divided into 3, 5, or 10 (whatever works for the situation). The letter will also explain that a financial settlement will be presented to each claimant in each group.

Each claimant shall then have forty-eight hours to accept or reject the settlement offer. The letter states that: “Should an offer be rejected by a claimant, that claim shall not be reviewed again until all claimants, in all claimant groups, have responded to the settlement offer.”

The letter will then state that any potential for second-round offers will be on a first-come, first-served basis, assuming funds remain available for a settlement. Please understand that if you only have one creditor, this will not be applicable.

The psychological impact of the entire letter is elicited in this portion of the fax to the creditor. One has just outlined that the amount of money owed to the existing number of creditors far exceeds your ability to honor such debts. However, in an attempt to “do the right thing,” a scenario has been devised to provide some payment to as many creditors as possible.

Most importantly, a sense of urgency has been established implying that only a short window-of-opportunity exists for the claimants since the funds available for settlement will be exhausted soon, especially once your position becomes public.