



# Problem Solvers Inc.

Here at SDS, we aim to be professional problem solvers. Rather than *talking* about eliminating your debt, we *do* something. We set out to create a settlement plan that fits your unique situation. Dealing with debt is stressful, and can be scary. That's why we believe it is important to equip you to take initiative and to be a strong participant in your program. The combination of our guidance and your participation paves the way for success.

## c.initiative

Client initiative is very important to our program. Working hard for you is what we do, and the more communication we have, the better. It is essential that you keep us updated on all account information that you receive, so that we know how to proceed in the best direction for you. Our MSRs are here to partner in with you in efforts to make this program work for *you*.



In addition to client initiative, it's essential to recognize the importance of timing to the success of your program. Not only do we need to know about your account information, it is also important *when* we know. Send in any information that you receive as *soon* as you receive it. Also, if you need to change your draft date, call and e-mail us at least five days in advance.



Though excess creditor calls, sticking to a budget, and the stress of getting rid of debt all seem like huge problems, we remain solution focused in the midst of it all. Our goal is to prevent debt from holding you back any longer than it already has by getting the best settlements possible. Problems are not a stop sign; they only highlight something that needs to be fixed.

**[2] Client of the Month: David & Janet; Profile of a Hardship: What is a hardship?**

**[3] May Interview: Roger Knauf opens up about why debt settlement can really benefit consumers.**

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# Client of the Month

Our clients rock. Each month it is our privilege to honor an SDS client who chooses guts and commitment to the program in the face of extreme challenge. Debt settlement requires perseverance. We hope this story spurs you on in the face of your own challenges.



Sometimes, hardship seems to have a domino effect – such is the case for May’s client of the month, David and his wife Janet.

At the same time that his wife suddenly lost her executive-level job of 10 years, David was also diagnosed with bladder cancer. David underwent surgery to remove the tumor, followed by nearly one year of chemotherapy. This was one debilitating year. The chemo worsened David’s chronic Chron’s disease, preventing him from working. As a result, his finances spun out of control, and he knew he could either file bankruptcy or find a reputable debt settlement company to help him eliminate debt and get on the road to recovery.

After a long struggle to find another job, David’s wife Janet finally took a job that

paid 30% less than what she previously made.

Then, in the midst of struggling to make ends meet, David was diagnosed with another malignant bladder tumor that was removed in October 2009.

Despite a 30 yearlong credit history and an illness that forced him into disability, David’s creditors refused to show him any compassion. He finally decided to work with SDS. He was an active participant throughout his program, staying in communication with his MSR, and sticking to a budget in order to provide funds for settlement. SDS settled his last account in June 2010, bringing light in a very dark situation.

We are proud to honor David and his wife Janet as May’s Client of the Month.

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Most of our clients have severe financial hardships, and settlement is their last option before bankruptcy. Hardships both prevent a consumer from paying debts, and help SDS negotiate with your creditors. However, you may be so used to your circumstances that you don’t see them as a hardship. Be sure to talk with your MSR about your situation, so we can help you to the best of our ability. Here is a more in depth look at common financial hardships:



Many clients’ medical bills prevent full payment of debts. Even if they had an emergency fund, it’s not always enough to cover severe illnesses or injury. Further, many end up with medical hardships while unemployed, or unable to work due to poor health. They may also place an extra burden on their caregivers.



As of March 2011, the national unemployment rate is 9.2%. Unemployed clients typically use any savings quickly and resort to charging routine expenses. Or, they pay late and their interest rates rise, making it harder to pay. They may depend on government assistance, and face extra strain in important relationships.



One study shows that 49% of female baby boomer caregivers suffer from financial hardship, as this burden tends to fall heavily on low-income women. In fact, the value of informal care given by women equals between \$148-\$188 billion annually. Many in this situation greatly benefit from debt settlement.

## Profile of a Hardship

# An Interview with Roger Knauf: The Benefits of Settlement



Bankruptcy is difficult for everyone involved; and, May's interviewee, Roger Knauf, is an advocate of debt settlement as a viable alternative to bankruptcy. Mr. Knauf spent nearly 12 years with the Debt Buyer's Association (DBA), holding the positions of Director, President, and Executive Director. During this time, Mr. Knauf recognized the potential benefit of debt settlement to consumers, and has helped establish good relationships between debt buyers and debt settlement companies. The bottom line is that when practiced correctly, debt settlement may offer real relief for consumers who need it most.

**Superior:** Tell us a little of your background. What attracted you to the debt buying industry?

**Roger Knauf:** Our family had always been in the collection business, so it was a natural migration into debt buying. I entered the debt buying industry in its pioneer days, in 1996.

**S:** When did you first hear about debt settlement? Was there ever a time that you held an antagonistic attitude toward debt settlement?

**RK:** I was asked to speak at a debt settlement conference in 2008. And yes. I had mixed feelings about accepting that first invitation because I knew that many of our DBA members were not fond of the settlement industry. Our view was that debt settlement firms lured consumers into their programs through television and radio ads, convincing them to discontinue paying their debts and save money in a separate account which would later be used to settle their debts at a deep discount. We believed it was a scam for debt settlement firms to take all of the consumers' savings as fee income rather than settle their debts.

**S:** Has your personal view of settlement changed over the last five years?

**RK:** Yes. There are always two sides to every story and now, as I better understand the industry, there are a couple of things that have caused me to change my feelings. First, I think the vast majority of debt settlement firms provide a great service to consumers who have experienced a financial hardship. Unfortunately, a few bad apples-as there are in most industries- coupled

with a lack of regulation, soured the overall view of debt settlement. There is no place for firms whose primary business goal is to collect fees instead of providing a necessary service to the consumer. But I think the recent FTC ruling will help to eliminate those firms and allow the reputable ones to continue their work. In this economy, many Americans have found themselves in tough financial situations due to the loss of jobs, diminished home equity values, etc. Many consumers rely on experienced debt settlement professionals to assist them. I commend those consumers who take personal responsibility to repay a large portion of their debts as an alternative to bankruptcy.

**S:** How does the increasing cooperation between debt buyers and settlement firms benefit the consumer?

**RK:** Most debt holders now realize the benefits. We have all heard the stories about court systems being bogged down by the increasing number of lawsuits against consumers in debt cases. My hope is that by communicating with each other and working together, we can further limit the number of costly and unnecessary lawsuits being filed against consumers who are making an effort to pay voluntarily. Filing suit against this segment of consumer accounts serves no purpose and forces many of them into bankruptcy. Nobody wins when that happens.

**S:** How do debt buyers view consumers enrolled in settlement programs?

**RK:** Probably better today than a few years ago,

### Continued...

but there are undoubtedly still those who feel like the debt settlement consumer is taking the easy way out.

**S:** How has the debt buying industry's view of settlement firms changed over the last five years?

**RK:** Some debt buyers may still view them as the enemy, but many have embraced the idea that working with debt settlement provides a valuable tool in helping to provide better liquidations to portfolio purchases. The leaders of the various trade groups have done a nice job educating both sides about the advantages of communicating and working together for the benefit of the consumer.

**S:** If you could pass a message to each consumer enrolled in a settlement program, what would it be?

**RK:** Thank you for doing the right thing! Write a testimonial about your positive experience and send it to your congressional representative and the debt settlement company that helped you.

Creditors and debt buyers collect on a very small percentage of the debts they own. Approximately 85-90% of all debt charged off goes uncollected, leaving the rest of us to pick up the tab. Imagine the benefit to society if those same people used debt settlement programs to repay the debt they incurred. Also, consumers who have a good experience with debt settlement company should not be afraid to spread the word. Though it's not an easy conversation to have, so many people are stuck in unemployment and other financial hardships, barely able to make ends meet. In fact, 40% of people find themselves in financial situations they never would have predicted. Debt settlement may greatly benefit those consumers.

**S:** And what you do you do now since you've stepped down from being the Executive Director of the DBA?

**RK:** I am back in the debt buying business with an emphasis on the debt settlement niche. One of the companies compiles debt settlement consumer data in a secure environment. We seek to negotiate reasonable settlements in mass with settlement companies, in a streamlined manner.

## Laughing Matters

**Q: Why did God create economists?**

*A: In order to make the weather forecasters look good.*

**A doctor tells a woman she has 6 months to live. She asks, "What can I do doctor?" He says, "Marry an economist and move to western Kansas." She says, "Will that make me live longer?" He says, "No, but it will make 6 months seek like a really, really long time.**

## Recipe of the Month

**Baked Tilapia with Garlic Butter:**

**Ingredients:** 1 tbsp. butter, 1 tsp. garlic- finely minced, 4 dashes lemon pepper, 2 dashes cayenne pepper, 1 dash paprika, 2 tilapia fillets

**To Create:** In saucepan combine butter, garlic, lemon pepper, cayenne, & paprika. Heat over low heat until butter melts and starts simmering. Remove from heat. Brush a little of the butter mixture in the bottom of a shallow banking dish, then place tilapia fillets on the buttered dashes of lemon pepper to top fillet. Bake at 350 degrees for 9-12 min, until tilapia flakes easily with a fork.

## Our Blog *Rocks*

To get more great tips on saving money, as well as a place to share your feedback, visit our blog at <http://blog.superiordebtreief.com/>

## Refer-a-Friend

If you are interested in our Refer-a-Friend program, which offers great incentives, please contact one of our customer service representatives. Not available in all states.

Make Friends & Get Smart...

