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The COLLECTOR

George Abodeely's
On-Site Associates
specializes in
recovering
delinquent
debts for law firms

By **Alexei Oreskovic**
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When a pair of Littler Mendelson partners decamped to a new firm last summer, they left their former colleagues with an unexpected going-away present: about \$1.2 million in outstanding accounts receivable.

Some of the bills, which were owed by a number of hospital clients, were as old as six months past due — a point at which many firms consider writing off the debt. After a few initial attempts at recovering the money proved unsuccessful, Littler Mendelson sought outside help. The firm handed the job to George Abodeely, whose On-Site Associates business specializes in recovering delinquent debts.

“I think they worked on it for the last six months and probably collected about 75 percent of the dollars so far, and we expect we’ll get a full recovery,” says Littler Chief Financial Officer Robert Domingues.

Results like these have made Abodeely a household name in the Bay Area bar. Despite every lawyer’s inherent reluctance to let an outsider tinker with their client relationships, firms like Littler; Gordon & Rees; Carroll, Burdick & McDonough; and



JASON DOY

NO THUMBSCREWS HERE: George Abodeely of On-Site Associates says he gets results through finesse, experience and diligence rather than brute force.

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Squire, Sanders & Dempsey regularly turn to Abodeely for help with their most difficult-to-collect bills.

While Abodeely also works with other types of businesses, such as banks and asset-based lenders, law firms now account for 80 percent of his business. During the past 13 years, he says, he's hunted down more than \$175 million in overdue bills from thousands of law firm clients. While there are plenty of general bill collectors who offer their services to law firms, few can match the trust and market share that Abodeely has established among Bay Area firms.

"He's persistent," says Littler Chief Operating Officer Harry Lewis. "In many cases the clients are willing to pay; they just need to be pressured."

But don't mistake Abodeely for some barrel-chested thug who plies his trade with thumbscrews and baseball bats. The 52-year-old Abodeely says he gets results through finesse, experience and diligence rather than brute force, and he stresses that there's no room for what he calls the "bill-collector mentality" in his operation.

"We remain professional at all times," says Abodeely. "If I ever hear one of my people speak inappropriately to a client, I'll fire them."

As proof, he points to the fact that in all his years of collecting on behalf of law firms, he's never had a single complaint about his tactics.

"That doesn't mean we're chumps, it doesn't mean we're naive," he says. While Abodeely can be tough when necessary, he says there's no reason to be overly aggressive when working for law firms.

As it turns out, collecting unpaid bills for law firms is a much different game than recovering money for a traditional business. While there's little question about who owes what when a factory manager has signed a delivery receipt for a truckload of ball bearings and still hasn't paid for it a year later, things aren't always as clear-cut with legal services.

Fee disputes over things like quality of work are not uncommon. And the fear

that a client who has been pushed too hard to pay up might hit back with a malpractice suit means that attorneys often walk on eggshells when managing their bills.

Even if there isn't a dispute holding up a payment, attorneys often don't want to jeopardize their relationship with a client by appearing rude or pushy.

In fact, most law firms don't even want

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On-Site Associates

the client to know that they've handed the matter over to an outside collection agency, which is why On-Site Associates works transparently. Letters to clients are made on the law firm's letterhead, rather than on On-Site's letterhead, and phone calls are made on behalf of the law firm.

On-Site's five full-time employees work closely with the law firm's internal staff and billing partners to identify the most significant bills and develop a strategy to collect payment.

Abodeely can "go in and look at the portfolio and make a reasonable prediction as to whether it can be collected, and if so, how much," says Richard Rogan, Jeffer, Mangels, Butler & Marmaro's managing partner in San Francisco. Rogan used On-Site Associates at his former firm.

"There are a lot of people who collect accounts receivable on an everyday basis. George is the guy to turn to for the difficult or more careful job," Rogan

says.

In fact, On-Site Associates will not go after any bills worth less than \$2,500. Since his firm works on commission, he explains, it's just not financially worthwhile to work on jobs that fall below that line. On-Site's take ranges from single-digit commission percentages for relatively fresh, and easier to collect, bills, to about 20 percent for older bills.

"The sooner you get it to us, the less money you're going to pay," says Abodeely. "If you give us some 2-year-old stuff, you're going to pay out the nose."

Originally from West Virginia, Abodeely began his career as a credit manager for the Fuller O'Brien paint company, eventually moving to Foremost McKesson. Over the years, he has collected unpaid bills from a spectrum of debtors — from individuals to multinational corporations.

But the succession of troubled technology startups, many of which ran up huge legal tabs during the boom times, represents the biggest challenge he has come across in his experience collecting for law firms. "When they go under, they basically vaporize," says Abodeely. "Once that financing gets pulled, they just hit a wall, and overnight they're suddenly unable to pay you."

In order to prevent excessive losses from such debtors, Abodeely suggests keeping in close contact with startup clients that are showing signs of instability. Of course, that's not all that different than Abodeely's general philosophy for recovering payment.

"The key to collection is consistency," says Abodeely.

"If you call a client up and say 'you've got to pay,' and then he doesn't hear from you for a couple of months, you're Chicken Little. But if he knows he's going to hear from you every week, every month without fail, he'll pay you."

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