



## National Spinal Cord Injury Association

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### STATEMENT

TESTIMONY BY THOMAS H. COUNTEE, JR., ESQ., EXECUTIVE DIRECTOR, THE NATIONAL SPINAL CORD INJURY ASSOCIATION, BEFORE HOUSE JUDICIARY COMMITTEE, PENNSYLVANIA STATE LEGISLATURE, MONDAY, JULY 19, 1999

Good morning, Chairman Gannon and other Representatives:

My name is Thomas H. Courttee, Jr., Executive Director of The National Spinal Cord Injury Association (NSCIA), a national non-profit organization, headquartered in Silver Spring, Maryland. NSCIA has seven chapters in Pennsylvania: in Monroeville, Altoona, York, and right here in Philadelphia, the NSCIA Delaware Valley SCI Association (Bruce McElrath). The Association's President is Jack Dahlberg, who is a quadriplegic.

On a personal note, I have close connections to Pennsylvania: my paternal forbears lived in Philadelphia, Pennsylvania. My father taught for several years at Lincoln University in Lincoln and I worked several summers picking berries in that town. My goddaughter lives in Philadelphia, where I also own property. Forty-one years ago in 1958, I sustained a diving accident on the Chesapeake Bay, rendering me a quadriplegic. I am an attorney and I served 15 months as Legislative Counsel in the Ford White House. It is a pleasure and honor to come to Pennsylvania to testify on S.818.

Today, I represent over 5,000 members of the National Spinal Cord Injury Association and thousands of other spinal cord injured persons, many of whom benefit from structured settlements, including several hundred in Pennsylvania. The National Spinal Cord Injury Association has no business or tax-effect stake in the outcome of this proposed legislation, S.818. However, the Association is deeply interested in the health, safety and welfare of persons with catastrophic, traumatic and/or debilitating injuries, many of whom are Association members and receive structured settlements.

NSCIA is deeply troubled at the emergence of factoring companies that convince injury victims, including persons with disabilities, to sell structured settlement payments for a deeply discounted cash lump sum. Such transactions completely undermine the long-term financial security of a structured settlement and threaten the very livelihood of an otherwise extremely vulnerable population - those of us with disabilities. And the steep financial discounts that disabled Americans often are persuaded to accept would be unacceptable to any fair-minded person.

Factoring companies increasingly prey upon the weakest, most gullible and most vulnerable in our society. I assume many of you have seen the television ads soliciting calls from those who have recently suffered severe injuries. We believe that at present, the emerging "gray market" of factoring companies is largely unregulated, unresponsive to the needs and best interests of recipients of structured settlements and unconscionable in their slick, high pressure marketing practices and unethical legal maneuvers and stratagems such as the use of a confessed judgment against the victim in a distant court to garnish the victim's payments. S.818 focuses on protecting those covered by structured settlements, and protect the settlements themselves by matching federal proposals.

One last point, Mr. Chairman, I have come here to let you see the type of catastrophic injury affected by this bill and to put a human face on this legislation, not as the beneficiary of a structured settlement, but as a leader of, and advocate for, severely disabled persons who have. In 1982, the intent of Congress, the social purpose if you will, was to encourage those who receive monetary settlements growing out of catastrophic injuries, to accept periodic payments to safeguard the uncertain futures they face. Factoring companies' intent, on the other hand, is simply to cheat severely injured persons out of their money. The goal of S.818 is to protect consumers by regulating factoring transactions and companies, not putting them out of business. However, S.818 does nothing to help those who have already been taken advantage of; we need this legislation to guide those who may be taken advantage of in the future. You can, and should, stop this outrage. Sound public policy and simple decency would indicate that as legislators, you have no choice but to do the right thing.

For all these reasons, The National Spinal Cord Injury Association respectfully recommends and strongly urges your support of S.818, The Pennsylvania Structured Settlement Act, which would provide needed protection from the predatory practices of these factoring companies.

Thank you for the time and attention you are devoting to this critical issue and the opportunity to appear before you. I will be happy to answer any questions you may have about the Association or our interest in this matter.