

Small Business's Destroyed by Predatory Funding

By Jerry Bush, Jr.

(Former owner of JB Plumbing and Heating of Virginia, Inc.)

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My father built JB Plumbing and Heating of Virginia, Inc. 30 years ago so he could give a good life for his family. When I graduated high school, I was given a work truck and tools so I could one day support my family like he did. My father served in the army and when his term was done, he came out and started to be a plumber. He had to do everything from scratch. He was never given anything. As I took more interest in the company, we incorporated in 2008. We had a very strong company and when the house market crashed, it hurt us pretty bad but we had a good name and never had to look for work. We started to do more commercial work. We mainly done all new work and sometimes you would have to wait up to 60 days to get your money and a year after the job was completed to receive your 10% retainage. When we done a large project in 2015 and was not paid around \$350,000 this put us in a bad position as we tried to fight this contractor, we had personal guarantees that we had to pay suppliers and other subs in which this caused us to have judgements.

I went to our bank, Wells Fargo and they turned us down for loan but the gentlemen told me he knew some brokers and within a week I received a call from a broker telling me they could help me. I was at a point where I was hoping to win the lawsuit with the contractor who owed us money plus, I had to keep payroll going and jobs because of contracts. The broker said we can get you a better deal in 45 days that you have to earn their trust. So, I said ok. They sent me the contract and I have never seen a confessions of judgment before and asked about it and they said this is just there in case you run or change accounts and that they never use them and they will work with you, then they will do a funding company call from the lender as if the broker told you everything and they will work with you if you run into problems. Nobody explained what all they can do if they want to. 35 days go by and I am paying my daily's and the broker comes back and said hey, I have a sweet deal. I found another company will be there for the long haul and I said my contract says if I take another funding, I will go into default. They would respond saying, no, you are good, we got you.

Then when the time came around for the first one to end, the funding company's would call and say hey, you ready to renew and you tell them no, they go into your account and see you are working with somebody else and they force you to renew or default so then they got you and you start to have two daily's then you get deeper and next thing you know they are taking \$18,000 out daily. They know every day how much you bring in and everything else. They mostly all made hundreds of thousands off of us and the amounts the judgements showed was where they went back started the advance again. Example: if you had \$10,000 left and the advance was \$50,000 but the contract amount was \$70,000, they would take the \$10,000 and add \$70,000 because they said it's in the contract to restart then add legal fees up to \$34,000 or more then the judgements show \$114,000 plus the \$60,000 they already have taken out. This is a good reason for them to pay people like the New York marshals because they can and will force to get it.

When the time came where I needed help to try to get the payments reduced because I did not want to take anymore or funds was too tight because \$18,000 daily added to \$90,000 weekly. I asked for reduced payments from Yellowstone and they would only make you take a new funding contract with no money in return but you would still get charged up to the 400% others like Last Chance and Main Street. They would give you reduce payments for 5 days then come back in a week or so with no warning and make them up. August 7, 2018 when I had to make a choice to keep getting deeper or close doors, I warned all of the funding companies it was going to happen. That Tuesday, I had to tell my employees and my father it was over as I had to tell all the contractors as well. To watch my fathers face, to watch my 20 employees and everybody else still haunts me.

The chain reaction was awful, personal guarantees, frozen accounts, certain people holding our equipment and tools for hostage, our name smeared, I was to the end. The funding companies even took my fathers retirement and money that was in his account from social security around the end of August 2018. I had companies tell me two ways out. Win the lottery or the day you die we can't come after you. When all of this was going on before I closed doors and after my wife was going through cancer, one day in January 2018, I didn't want to renew the loan but the gentlemen from one of the funding companies, Yellowstone said if I did not, he would default me. I told him I was with my wife for her chemo treatment, his words were, I will send flowers to make her feel better.

The day when I was at my dark place, I said I would win. I would not let them take from my family no more. I sat on the bank and said to myself. I want to see my son grow up. I want to be there for my family but I can not take care of them if I will never have anything. They were right, and if I was gone, they can't come after me no more. I was not looking for a way out. I was looking for a way to fix it. I did it. It was my fault. I said my goodbyes on Facebook, begging people to make sure my family was ok and did the hardest thing I ever done and took the pills. I did not want to do this and I really hid myself in the heavy woods and went to sleep but as I look now, I was lucky and was found.

My second chance, after about a month, I started to fight again. Seeing my father at age 70 back to hard labor and not the best health and finding out how these companies was making millions. Pictures of them in sport cars, fancy trips, tables full of cash that they have taken from people all over the country, every man, every woman and every race. I started to make calls, sending emails, anything. No local news would hear me because nobody ever heard of this before and nobody could understand, even local lawyers.

I had one lawyer from New York connect me to Bloomberg News and the story came out but still missed a lot of details, but this was a very good start and when the story came out the funding companies hit harder. They did all kinds of crazy things. They sent letters to a credit card which was Discover card and asked and received any kind of bank account numbers to find any bank I use to they could freeze them. So, with this, I can never have a bank account and will have judgments on my record and paying of personal guarantees that happen after we closed doors and have a father who has to work the rest of his life.

What I would like to see is number one. That these companies to be investigated due to the way they handle things, the threats, the use of other names and accounts that show no records they are legit. Ways to solve these issues. Everybody has there right in court. Stop the confession of judgements. Educate the public better. No state or city officials should have the right to make money off companies like this. People should not be able to have companies like this if they been charged with federal charges.

I want changes to help others. I don't want nobody to go through this. I am not saying all funding companies are bad, but there are plenty that has went too far because there is no regulations. Even if I had to sleep in my car and come back to DC, I want changes before it's too late. Trades like ours are already dying when you don't need things like this to make it worse for small businesses that built America and still is building America. Big industrial companies don't bring your flowers, fix your house, repair your car or serve your needs.

Since all of this has happened, I feel like I been given a life sentence. Because of the judgements, I cannot even have a checking account in my name. And as the story has came out, I have had merchant companies done many things to try and get the money back. And have even a couple times taken my fathers social security money which we got some of it back. So, you can imagine not even able to have a debit card is very hard for me every day.

I'm asking for more regulations and investigations to fix this problem. I want to thank the committee, the house, the media and other organizations for their time and support to try and put a stop to this.

CONTACT INFORMATION

Jerry Bush, Jr.

Phone: 540-537-2414

Email: jerrybush76@gmail.com