### ***Demand Letter on an Open Account Template***

If you have an "open account" with the debtor, you will want to send a demand letter substantially similar to the template below. Open Accounts are provided special treatment under Louisiana law, with the benefit to creditors being that they are able to collect interest and attorneys fees as a matter of law.

The critical questions when collecting an open account are: (1) Is the debt an open account?; and (2) Has the creditor taken the correct steps to collect on it, preserving its rights to obtain attorneys fees and interest?

The answer to this first question is discussed in the earlier sections of this *toolkit*. In general, however, contractors are infrequently able to capitalize on the open account laws in Louisiana, which are more ordinarily preserved to other professions and types of accounts. However, construction material suppliers are frequently able to use the open account laws.

Regarding the second question, the Louisiana Open Account law requires that you send a demand letter before qualifying to collect attorneys’ fees and interest. The demand letter must give the debtor information regarding the debt (invoices, contracts, estimates, photographs, etc.), and it must provide them with a certain amount of time to make payment on the account (30 days).

A demand letter in substantially similar form to the following should suffice to start the clock for your company under Open Account laws. Be sure, however, to enclose evidence of the debt with the letter, and to keep documentation to prove that it was sent and to prove exactly what was sent.

#### DEMAND LETTER ON OPEN ACCOUNT TEMPLATE

Date

To: Name of Debtor

Address of Debtor

City, State, Zip of Debtor

Re: Your Company v. Name of Debtor

Amount Due: $\_\_\_\_\_\_\_\_\_\_\_

**SENT VIA U.S. CERTIFIED MAIL**

**PARCEL NUMBER \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**& US FIRST CLASS MAIL**

Dear Debtor:

This letter shall serve as formal written demand for immediate payment in full of the abovecaptioned past due amount.

Documentation verifying this debt is enclosed with this correspondence. Should payment in full not be forthcoming or should arrangements for payment not be made within thirty (30) days from your receipt of this letter, appropriate collection procedures may be commenced against you.

Furthermore, should you fail to make payment in full on this past due account within thirty (30) days as requested, please be advised that in addition to the principal due amount, we will seek attorney fees for the prosecution and collection of this claim in accordance with Louisiana Revised Statute Ann §§ 9:2781.

Sincerely,

YOUR COMPANY

Your Name

Enclosures