

MAINE STATE LEGISLATURE

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February 12, 1957

To Wallace Brown, Supervisor of Financial Responsibility
Re: Agreement between Judgment Creditor and the Debtor.

We have received a letter from Stanwood E. Holt, Esquire, in which he requests that a client of his be issued a conditional license to operate a motor vehicle, pending completion of the Wage Earners Plan under Chapter 13 of the Bankruptcy Act. It appears that the client was involved in an automobile accident, as a result of which judgment was obtained against him in the amount of \$2,068.81. It is indicated that the judgment creditor will accept monthly payments to pay off the amount of the execution. The question involved is whether or not the State can disregard one requirement of the Financial Responsibility Law, Section 75-II, paragraph B, subparagraph 1, which section requires a written release in the case of an accident, or sufficient security to satisfy any judgment or judgments for damages resulting from such accident.

Following the principles set forth in an opinion of this office dated December 17, 1946, we are of the opinion that an agreement between the judgment creditor and the debtor, whereby the judgment creditor agrees to accept payment under the Wage Earners Plan, while not such a release as the statute contemplates, can be treated as such to the end that the license may be restored to the operator.

Such a solution is a proper one when it is assented to by the judgment creditor, as the law requiring security is for the benefit of the injured party and may be waived when such waiver is a benefit to the judgment creditor.

We are of the further opinion that you should be presented with proof that such plan meets with the approval of the judgment creditor before the license is restored.

James G. Frost
Deputy Attorney General

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