

What to Expect at Signing

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Licensed Insolvency Trustee

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This guide will help you understand the process of embarking on your decision to start fresh – to deal with your debts so you can begin to accumulate wealth free of burdensome debt - by meeting with Ken Rowan & Associates Inc. and executing your consumer proposal or bankruptcy documents.



Who you will meet

You will meet with a Licensed Insolvency Trustee, an individual who has been licensed by the Canadian federal government as one who is knowledgeable and experienced with the insolvency of both individuals and corporations. Our Licensed Insolvency Trustee (“LIT”) is Ken Rowan, who is also a Chartered Professional Accountant, Chartered Accountant, and a Canadian Insolvency and Restructuring Professional.

You may also meet with Chris Rowan, a Chartered Insolvency and Restructuring Professional who is an Estate Manager with Ken Rowan & Associates Inc. Chris recently took his oral exam to become a Licensed Insolvency Trustee and awaits the board’s decision.

Confirm your choice of options

We will confirm the process you have chosen – a bankruptcy proceeding or a consumer proposal to creditors, and will clarify any questions you have.

We will gather further information

The information we require at this stage includes:

- Government picture ID;

- Income support such as pay stubs or bank statements;
- Credit cards;
- Confirmation, even verbal, that you have an account with a financial institution to which you are not indebted;
- Bills, statements, demand letters from collection agents and lawyers, court orders and garnishment notices;
- If you own a home, paperwork showing the total mortgage debt and the mortgage papers; and
- An initial filing fee.

We also prefer to receive the following information at this time, although these can be provided soon afterward:

- Recent bank statement;
- Motor vehicle registration papers showing ownership and vehicle identification number;
- Documents to support investments, including RRSPs, RESPs, insurance policies, etc.
- If we will be preparing your tax returns, relevant information to enable this; and
- If you became separated or divorced within the last five years we may wish to see documents regarding family assets, family debts, and obligations to pay spousal support and/or child support.

You may be concerned about persons calling you. Give us their telephone number so we can call them and ask them to stop their collection activity.

Much of this information can be provided to us electronically. You may scan or take a picture of the documents with your phone and email them to us at ken@debtsgo.com

The paperwork

The documents we will sign, and of which you will receive a copy, are:

	<i>Consumer Proposal</i>	<i>Bankruptcy</i>
Memorandum of understanding <ul style="list-style-type: none"> • This MOU is a detailed summary explaining how the process works and is usually given to you in advance, to read over and to confirm your choice of options. 	X	X
General affidavit <ul style="list-style-type: none"> • This affidavit highlights for us some key factors such as the size of your family unit, transfers of assets, debts to payroll lenders, marital status and okaying our email communications. 	X	X

	<u>Consumer Proposal</u>	<u>Bankruptcy</u>
<p>Monthly budget</p> <ul style="list-style-type: none"> This is the starting point of your future cash flow and itemizes your expected monthly average receipts and disbursements. 	X	X
<p>Statement of Affairs</p> <ul style="list-style-type: none"> Like a balance sheet, this is a summary of your assets and a detailed listing for your debts, and also includes commentary regarding recent asset transfers, causes of financial problems, etc. 	X	X
<p>Assignment</p> <ul style="list-style-type: none"> In a bankruptcy, the assignment of your "property" to the Licensed Insolvency Trustee pursuant to the <i>Bankruptcy and Insolvency Act</i> is the legal act of your becoming bankrupt. It is a simple but effective two sentence document. 		X
<p>Consumer proposal</p> <ul style="list-style-type: none"> This is your offer to all of your unsecured creditors to settle your debts. 	X	
<p>Personal information / privacy release</p> <ul style="list-style-type: none"> Personal privacy legislation mandates that we obtain your consent to us collecting, using, and disclosing your personal information 	X	X
<p>CRA tax form T1013</p> <ul style="list-style-type: none"> Although usually unnecessary in consumer proposals, this form "Authorizing a Representative" allows us to obtain information online at CRA's website regarding your taxes and permits us to file your returns. 		X
<p>Assessment Certificate</p> <ul style="list-style-type: none"> This acknowledges that you have met with our individual Licensed Insolvency Trustee and that your reasonable options as well as the merits and consequences of each have been explained to you. 	X	X

	<u>Consumer Proposal</u>	<u>Bankruptcy</u>
Notice confirming duties <ul style="list-style-type: none"> • There are certain sections of the <i>Bankruptcy and Insolvency Act</i> that must be provided to you. These sections concern your duties, the property you have assigned to us, the types of debts from which individuals are not released when they receive their discharge, and the offence provisions. All of these sections are included in the MOU above. 		X

How your chosen option interacts with your circumstances

These filings can result in several consequences, that may nor may not be of any concern depending on your circumstances, some of which are short-term issues. If they are relevant, we will discuss these with you, possibly and including:

- Possible loss of actual, near term inheritances;
- If you lose your right to sponsor someone for immigration purposes;
- The possible loss of all credit cards;
- The effect on your credit rating and the ability to obtain new credit;
- Possible inability to obtain a new student loan;
- Possible loss of tax-loss-carry-forwards;
- Uncertainty of cost;
- The result of non-payment to us;
- The expected duration of this process;
- The amount of your expected payments; and
- The possible loss of some assets or your repurchase of them from us.

How you can make payments to us

An initial cash payment will be made at this time. The Canadian government charges a fee to allow the filing of your bankruptcy or proposal papers.

We will discuss your future payments and how they can be made – by cash, by cheque, or online – and when those payments should start. Most of our clients set us up as an online payee to simplify the payment process for both of us.

How you can provide reports to us

In the bankruptcy process (not proposals), it is necessary for you to provide to us monthly reports of your income and expenses. To make this easier for you, there are at least four ways you can do this:

- Fill in blank reports we can give you, in which case you can provide your reports by fax, by mail, in person, or you can scan them or take photos and then email them to us. This form is available at <https://debtsgo.com/wp-content/uploads/2016/02/monthly-report.pdf>
- We have an online fillable pdf at [debtsgo.co/resources](https://debtsgo.com/resources) <https://debtsgo.com/wp-content/uploads/2016/02/SRD-extended.pdf> that you can complete, save and then send to us as monthly an attachment in an email. Send these to info@debtsgo.com ;
- We can give you an Excel spreadsheet to be updated on your computer and sent to us. For your financial planning, we believe this is the very best way to understand and manage money matters. You would complete this spreadsheet and email it to us monthly; and
- You can call us each month and tell us the figures.

Whatever option you choose, we will need your regular paystubs and possibly other supporting information each month.

The next steps

This process is about getting you relief from your debts. Although we have obligations to file paperwork, prepare and issue notices, review creditor responses, consider your assets, etc., we want to relieve you of the stresses you may be experiencing.

- With Ken, you may exchange text messages and emails so you are set up to enable immediate and effective communication;
- We will make arrangements for your first counselling session with us – your chosen office, day of week, and time of day;
- We will discuss the steps that will be taken to deal with garnishments and collection agents;
- You can expect a written summary of the most significant issues to be mailed to you very soon after signing.

At Ken Rowan & Associates Inc., Licensed Insolvency Trustee, we try to make your journey through the bankruptcy process or the proposal process as simple and effective as possible. If you have questions, please sure to reach out to us at ken@debtsgo.com or by phone at 604-531-4186.

Offices at:

#210, 2411 – 160 Street, Surrey BC V3Z 0C8

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