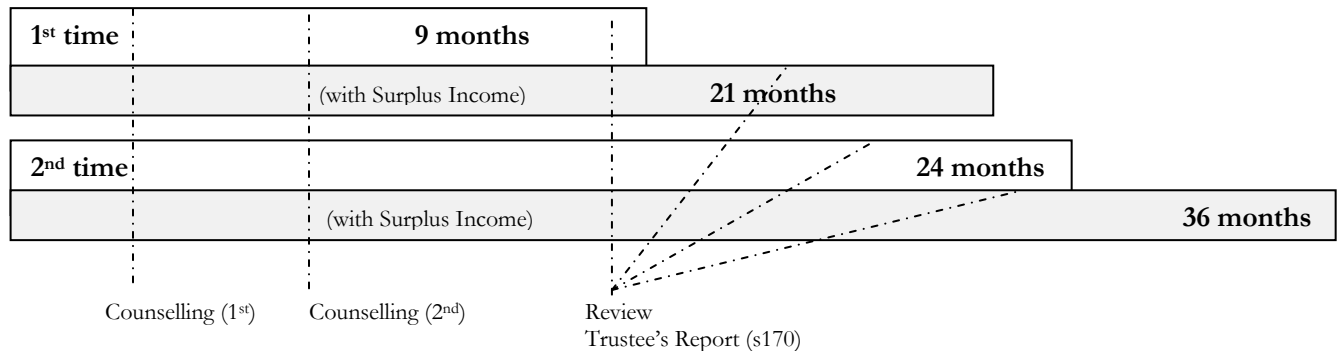


The Bankruptcy Process



Duties of the bankrupt:

- Attend any meeting of creditors, if requested
- Attend two counselling sessions
- Provide tax information
- File monthly statements of income and expenses
- Pay monthly payments for trustee's fees, disbursements and guideline (surplus income) payments, if applicable
- Generally, do all such things as the Act requires and as requested by the Trustee

Assets for creditors:

- Non-exempt Assets
- Guideline (Surplus Income) payments
- G.S.T. Cheques
- Tax Refunds

Options:

- Debt consolidation loan
- Informal Agreement
- Orderly payment of debts program
- Proposal

Automatic Absolute Discharge if:

- Meet all duties, and
- No creditor objections

Mandatory Court Application if:

- Objection by creditors
- Objection by trustee
- Objection by Official Receiver
- 3rd time or more bankruptcy
- High tax debtor (tax debt is > \$200,000 & represents 75% of total unsecured proven claims)

Court Orders for Discharge:

- Absolute
- Suspended
- Conditional
- Sine Die
- Refused

Discharge from bankruptcy releases all debt except:

- Alimony or Maintenance
- Court Fines
- Misrepresentation
- Fraud/Embezzlement
- Student loans (7 years)
- Civil assault claims