

PRESS RELEASE

For immediate distribution

Preventing Personal Bankruptcy: A Rigorous Process that Requires Professional Support

*“It is imperative that people facing debt problems get a firm handle on every aspect of the matter, so that they can make enlightened decisions”
– Marc Bergeron, Vice-President, Recovery & Reorganization*

Montréal, April 12, 2011 – In response to the report on Radio-Canada’s *La Facture*, broadcast on April 5, 2011 and illustrating the debt-repayment problems that some people may be faced with, Raymond Chabot Grant Thornton acknowledges that these situations are unacceptable and would like to remind people of the importance of owning up to their responsibilities in order to get out of their financial rut.

“We consider the situation of the two people interviewed in the Radio-Canada report to be appalling. Individuals facing tough financial situations need to benefit from astute advice in order to be able to meet their obligations of their own accord, without having to compromise their quality of life,” stated Marc Bergeron, Vice-President, Recovery and Reorganization.

Today, a growing number of Canadians are placing themselves in debt. Moreover, there are a significant number of bankruptcies. In 2010 in Quebec, 39,870 bankruptcies were declared and proposals filed, or 28% of the total number of those filed in Canada. In 1966, for example, there were 4,677 bankruptcies in Canada, according to the Quebec legal network; in 2010, that number soared to 140,234 (including proposals). Moreover, the rate of household debt increased sharply in 2009: the ratio between debts and disposable income was 147% in Canada, whereas it was 100% at the beginning of the year 2000, as recently revealed by a Desjardins Economic Study.

The reality behind this increase in the level of debt of Quebeckers may lead to abuses with respect to the expert support provided to people who are financially at risk. “The information being delivered by a trustee must be transparent and the client must understand clearly enough, without any ambiguity whatsoever, all of the tenets and conclusions of his or her decision, since bankruptcy is not the only solution. In many cases, a reorganization of personal finances, a consolidation of debt, voluntary deposit or consumer proposal may help to avoid bankruptcy. Moreover, remember that a trustee is the only qualified individual capable of providing the set of solutions that will help consumers avoid bankruptcy,” said Éric Lebel, Partner and Trustee-Insolvency and Restructuring Professional.

Raymond Chabot Grant Thornton would like to warn people of the practices of some advisors. “Facing financial difficulty requires that the individual concerned receive strict guidance, which requires extensive expertise and comprehensive knowledge of the insolvency practice on the part of the professional. Every

individual can learn to ease the restrictions of financial pressure, provided that they make use of all of the tools at their disposal to do so. A trustee-insolvency and restructuring professional is there to provide thorough and effective answers to financial concerns. Unfortunately, too many people still contact a trustee only as a last resort, whereas the trustee should be the first person they consult,” concluded Marc Bergeron.

Lastly, there are certain tell-tale signs indicating the existence of a financial problem; so remaining alert is the watchword. Here are some of these signs:

- Are you always borrowing money to make ends meet?
- Do you wait too long before paying your bills?
- Is the number of your creditors constantly increasing?
- Are you unable to make the rent on the first of the month?
- Are you paying too much interest without reducing the capital on your debts?
- Are you using your credit cards for necessity rather than convenience?
- Are creditors harassing you for payment?
- Have creditors threatened to garnish your wages?
- Do you find yourself making SNF cheques?
- Do you cut down on grocery or other essential expenses to make your payments?
- Do you find yourself borrowing on one credit card to make the minimum payment on another credit card?

If you answered “yes” to one or more of these questions, you would do well to consult a trustee. A trustee can help you come up with solutions to your financial problems.

About Raymond Chabot Grant Thornton

Founded in 1948, Raymond Chabot Grant Thornton is a leader in the fields of assurance, taxation, consulting, business recovery and reorganization services. The Firm owes its success to a team of over 2,000 people, including over 225 partners in more than 90 offices in Quebec, eastern Ontario and New Brunswick. The scope of its network has made the Firm the leader in its sector of activities. Additionally, for more than thirty years now, our Firm has also been a member of Grant Thornton International Ltd., providing its clientele with access to the expertise of member and correspondent firms in over 100 countries.

– 30 –

Information: Francis Letendre
 Consultant, Public Relations
 Raymond Chabot Grant Thornton
 Tel.: 514-390-4201
 Cell.: 514-554-1685
letendre.francis@rcgt.com
www.rcgt.com