

## FAQs

### Q1

If I have cashflow problems personally or in my business, how can I afford to pay for advice from an insolvency expert?

A1

LB insolvency director offers a FREE consultation which will seek to identify the problem areas and recommend solutions. Any recommended options will be costed and a fee quote given. It is more than likely the insolvency expert is prepared to accept instructions on the basis of being able to draw his fees at a later date from future funding, future income or asset realisations. Q2

I am worried that if I consult an insolvency expert, I will find suddenly that he takes decisions out of my control and I will lose my business to liquidation. A2

You should not be tempted by the popular publicity of debt consolidation offers, but consult a qualified Licensed Insolvency Practitioner. As with Lake Bushells own business recovery/insolvency director, he has professional obligations to ensure full and impartial advice is given where liquidation and closure feature only as a last resort. He would take no steps to contact your creditors, bank or others without your prior agreement. Thankfully the majority of creditors nowadays recognize the merits of supporting an ailing customer and most sensible rescue proposals presented by an insolvency expert would receive consideration. Q3

Is a formal arrangement (IVA/CVA) with creditors best for me? A3

Because creditors vote on this and it needs to be registered at Court, creditors normally have confidence in the Insolvency Practitioner who controls it. It will normally be attractive if it offers more to creditors than they would obtain from your liquidation/bankruptcy. You will need to be honest in your Proposals, demonstrating that you can sell surplus assets, or earn sufficient in future, or obtain a loan to fund your payments plans. Ask yourself whether you can live in this "straight jacket" for the term of the IVA/CVA. It is necessary to appoint an Insolvency Practitioner to act as Nominee/Supervisor of an IVA.