



October 4, 2006

TO: All Members of Ontario Insolvency and Restructuring Professionals

TORONTO BANKRUPTCY COURT ISSUES

Further to the memos provided by the OAIRP Board of Directors (the "Board") outlining some of the current issues pertaining to the Toronto Bankruptcy Court, the Board would like to advise its members of the following comments.

Division I Proposals

When a Division 1 Proposal incorporates the standard CRA clauses dealing with filing of tax returns and compliance with the Income Tax Act, the Toronto Bankruptcy Court has been requesting that the Trustee and CRA look at the reasonableness of such clauses.

Third Time (or more) Bankrupt's Discharge

The Toronto Bankruptcy Court would like to have a clear picture of the causes of the insolvency and therefore they are requesting that when a third time bankrupt's discharge is being heard that the Registrar(s) have the first two Court files. Of course in some cases the bankrupt received an automatic discharge and therefore the Registrar(s) would like to see a copy of the Discharge Order, Statement of Affairs and other information that may be of assistance to them when dealing with the bankrupt's discharge.

Backing Sheets

The Toronto Bankruptcy Court has advised us that they are now receiving backing sheets, which helps them in dealing with the endorsement.

Affidavits

The Toronto Bankruptcy Court has confirmed that in most cases Affidavits are now being provided as required.

Court Time

In order to use the Court time efficiently when dealing with any matter please ensure to let the Court know if the matter is going to be one-half hour or more.

The Board will continue to apprise its members of changes as they occur. The system will be more efficient, to the benefit of us all.

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