

Case Study – Bankruptcy

Facts

1. The debtor is hopelessly insolvent with no prospect of being able to pay their debts

Reason for this type of Appointment

1. The debtor can take action themselves to start a “clean slate” and put an end to pressure from creditors

Outcome

1. With few exceptions (e.g. Court fines) all debts fall under the umbrella of the bankruptcy
2. The bankrupt is able to move forwards without having to repay the debts existing at the date of their bankruptcy.
3. Bankrupts with high incomes may have to contribute a portion of their income to their trustee in bankruptcy.

Please note that the above is general information only, a meeting with R.E. Murphy & Co staff should be arranged as soon as possible should a client of yours be experiencing any current or possible future financial difficulty. Further information in relation to R.E. Murphy & Co and insolvency in general is available at this firm’s web site at www.remurphy.com.au.