



Farris lawyer, Thomas Kent features in the February 13, 2009 edition of The Kelowna Daily Courier

Talk About Your Money Problems



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Especially in this battered economy there is no shame in talking about your financial difficulties. “Don’t hide things,” chartered accountant James Gilchrist told the crowd at an Urban Development Institute breakfast in Kelowna, B.C. “Talk to your lenders and creditors, accountant, lawyer and consultant. Be proactive.”

Gilchrist, who works at KPMG in Kelowna, was one of three guest speakers at the session. The other two were Brian Wills of Lynnpeaks Consulting in Vernon, B.C. and lawyer Thomas Kent of Farris LLP in Kelowna.

“We all had a common theme,” said Kent. “In this market developers have to face their problems and not leave it to the last minute.”

While the seminar was aimed at developers, the practical advice dispensed it applicable to all business sectors and individuals. Wills suggested that any business with cash flow problems should make an appointment with their banker immediately. “Now is the time to cut deals with lenders,” said Wills. “The banks may not like it, but they have to be realistic and at least listen, talk and deal if you present them with a possible solution.”

Possible solutions include reduced payments on loans while times are tough, flexibility with line of credit payments or restructuring all debt to reduce monthly payments. Take your consultant, accountant or lawyer with you to that appointment with your banker. “If you arrive with another professional it gives you credibility,” said Kent.

“And if you have a decent plan the banker will be more willing to deal.” Kent also got into the topic of liens on developments by trades and suppliers who are disgruntled or want payment. “Liens have a place,” said Kent. “But they are ridiculously simply to put on in this province and they have become very common.” Kent suggested that developers try to make their own arrangements as quickly as possible with lien claimants so project construction and sales can continue. If not, try to get the case rushed into court within a week to get it resolved.

With the real estate market slowing to a snails pace, Gilchrist is seeing a lot more clients these days with cash flow crises. “It doesn’t have to lead to insolvency or bankruptcy,” he pointed out. “I can help clients work with their lender on solutions.”

About Thomas Kent

Thomas leads the litigation group in the Kelowna office of Farris. He practises Civil Litigation, at trial and on appeal, and has appeared before provincial tribunals in Ontario. He is also a member of The Advocates’ Society of Ontario and sat on the A.D.R. Committee during the development and implementation of mandatory mediation in Ontario.

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