



OSB *Newsletter*

A Word from the Superintendent of Bankruptcy

Over the last few years, technology has continued to rapidly progress. Because it is ever more user friendly and somewhat cheaper, it has become more accessible to an increasing pool of users. For its part, the OSB has significantly invested in technology with a view of both benefiting from efficiency gains in its operations as well as improving its services and analytical capacity in support of policy and program evaluation and design.

It is worth noting that today, the OSB has roughly the same number of staff as it had thirty years ago yet filing volumes have increased more than 700% since then while the OSB's mandate was expanded twice by Parliament in the 90s. This growth is no doubt a reflection of a changing economy and of its impact on society. It presents an enormous challenge to the regulator who had to recognize that supervising such an increasingly large volume of insolvency estates required more than simply seeking to increase its resource base. At the core of our strategy in meeting this challenge has been significant investments in technology over the years to cope with the sheer volume increase and ensuring that our core resources were focussed on areas of greatest importance to our stakeholders.

In more recent years, we have invested in the development of an e-filing system. The first phase was launched in December 2002, and the final phase released in October of 2005. Over that period of time a majority of trustees began e-filing their estates documentation and revising their internal operations to maximize the benefits of the new process. As of October 2006 the number of estates registered electronically has reached over 80% of all filings across the country. During that period, there was a cumulative increase of over 7000 filings that were registered without having to hire new resources to the process

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functions related to estate day to day supervision. Over the same period, the trustee community has seen two new suppliers of commercial insolvency software enter the market, giving them the choice to select the product most suitable to their operational needs.

The e-filing system has now been tested and proven efficient for both the OSB and external users. While we will continue to look for ongoing improvements, the time has now come to make it the preferred method of filing by rendering its use mandatory. This should not come as a surprise to the trustee community as we have repeatedly indicated since the launch of the first phase that e-filing would become mandatory one day. In fact, through various communications since the spring of 2005, we have indicated that e-filing would become mandatory by the end of 2006 thereby giving much advance notice to allow those not already using

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the e-filing system to familiarize themselves with the system and consider alternatives to acquire a suitable commercial software or develop their own.

Consequently E-filing will become mandatory in two phases: first, as of January 8, 2007, summary bankruptcies and Division II proposals will have to be filed electronically and second, as of June 4, 2007, ordinary bankruptcy and Division I proposals including notice of intention will have to be filed electronically.

This two phase approach recognizes that electronic filing of ordinary bankruptcies and Division I proposals were introduced in the Fall of 2005 with the availability of some commercial software materializing later that winter.

A Directive amending the current Directive 9R2 will be issued shortly to this effect. As we move forward we will continue to work cooperatively with those who have not yet started to file electronically and assist them in familiarising themselves and their staff with the system. As for those already using the system they can rest assured that we will continue to work with them to identify possible enhancements as technological developments continue to occur.

It should be kept in mind that e-filing is only one aspect of our strategy to foster the use of technology to achieve greater efficiency throughout the whole

insolvency system for the benefit of all stakeholders. Already, since November 2004, trustees may conduct most of their banking operations electronically within the framework of Directive 5R2; this includes electronic payments out of their estate trust accounts. More recently, as of July 2006, as a result of revised Directive 8R4, trustees may send, by electronic means, most of the statutory forms (including the creditors information packages at the beginning and at the end of a file) required to be send to creditors.

We are also currently conducting a pilot initiative to allow the keeping of electronic records by trustees with a view of facilitating the search of those records, reducing the paper burden on trustee firms including the warehousing costs associated with paper records. The pilot, which is set to take a full year, will consider various aspects related to electronic record keeping including the related legal aspects, the integrity of those records as well as their security and accessibility. Once the pilot assessment is completed, we will be in a position to determine what amendments to rules, forms or directives may be required to move forward in this area.

In parallel we will continue to explore other avenues with trustees, creditors and the courts to see how we can increase use of technology to improve the efficiency of our insolvency system.



We're on the Move

In August 2002, part of the OSB Headquarters moved to, what was suppose to be at the time, a temporary location at 301 Elgin Street in Ottawa. This is not to be confused with our Ottawa Division Office at 160 Elgin Street. While our mailing address remained 365 Laurier Ave 8th floor, some Headquarters' staff were physically located at 301 Elgin Street.

In an effort to eventually have all Headquarters' staff together in one physical location, the staff at 301 Elgin, as well as some staff members from 365 Laurier, moved to 155 Queen Street, 4th floor, Friday, December 8th.

What this means is that there will be part of the Headquarters' staff located at 155 Queen street and the rest at 365 Laurier Ave West 8th, floor. **The mailing address for all OSB Headquarters staff remains 365 Laurier Ave West, 8th Floor, Ottawa, Ontario, K1A 0C8.**

Please note that the Ottawa Division Office (where local insolvency estates are filed), located at 160 Elgin Street, is not moving nor are any of its staff members.



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Regional comparisons of the number of consumer insolvency cases per 1000 adults in Canada in 2000 and 2005

The number of cases of consumer insolvency¹ per 1000 adults in Canada has risen by 0.3 since the year 2000. However, changes have not been consistent across provinces, nor across the 71 economic regions (ER) and 27 census metropolitan areas (CMA). This article presents a comparative and descriptive analysis of the number of insolvency cases for each of the three geographic groups (province, CMA and ER) for the years 2000 and 2005.

We will not attempt to explain the causes of the changes between 2000 and 2005, nor the differences in levels between regions in the same geographic group. This would require in-depth knowledge of changes in socio-economic conditions in each of the regional markets, as well as a global picture of the financial health of the individuals living there.

The number of insolvency cases per 1000 adults could be used as an indicator of regional risk by creditors

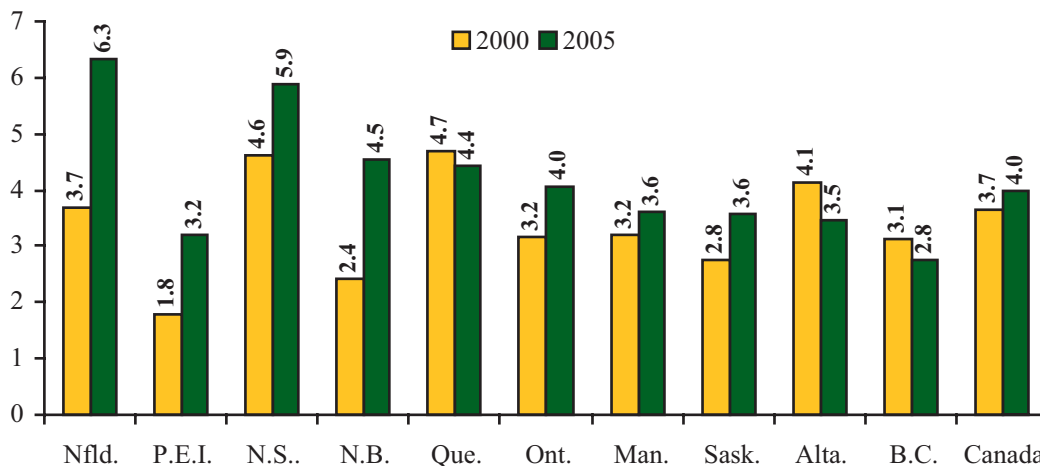
seeking to diversify the risk associated with consumer loan portfolios. It should be noted, however, that regional differences are still marginal.

Provincial comparison

In Canada, the number of insolvency cases per 1000 adults was 3.7 in 2000, and 4.0 in 2005. Despite national growth of 0.3 cases over the period 2000-2005, a decrease was observed in three of the ten provinces: Quebec (0.3), Alberta (-0.6) and British Columbia (-0.3). During that period, the increases in the number of cases per 1000 adults in the Atlantic provinces were 4 to 8 times higher than the national increase of 0.3 cases.

In 2005, the Province of Newfoundland posted the highest number of consumer insolvency cases per 1000 adults, with 6.3 cases, compared with 3.7 cases 5 years earlier. British Columbia had the lowest number of insolvency cases per 1000 adults in 2005 with 2.8 cases, compared with 3.1 cases in 2000. Newfoundland experienced the largest increase (2.6) in the number of cases per 1000 adults between 2000 and 2005. In contrast, Alberta saw the greatest decrease (0.6) in the number of cases over that period.

Figure 1: Number of consumer insolvency cases per 1000 adults, Canada and provinces, 2000 and 2005



¹ Consumer insolvency corresponds to all bankruptcies and proposals filed with the OSB by individuals, in which more than 50% of the total debt was related to consumption.

Comparisons across CMAs

The number of consumer insolvency cases per 1000 adults in the 27 CMAs is presented in Table 1. In this table, CMAs are ranked by decreasing number of cases per 1000 adults, as observed in 2005.

In 2005, the Greater Sudbury CMA posted the highest number of cases per 1000 adults (5.7), placing it first. This CMA had the 3rd highest number of cases (4.7) in 2000. In contrast, the Vancouver CMA posted the lowest number of cases per 1000 adults, with 2.3 cases compared with 2.6 cases 5 years earlier.

Between 2000 and 2005, some CMAs experienced a significant change in their ranking. The Abbotsford CMA, which posted one of the lowest numbers of cases per 1000 adults (2.4) in 2005, was among the top 5 CMAs for the number of cases in 2000 (4.4). The Edmonton CMA went from first place in 2000 with 5.3 cases, to 19th place in 2005 with 3.9 cases per 1000 adults. In contrast, the Windsor and Saint John CMAs experienced the largest increases in the number of insolvency cases over the same period. These CMAs both saw growth of 2.4 cases per 1000 adults.

Comparisons across ERs

Taken overall, Table 2 demonstrates a strong correlation between the economic regions and their respective provinces in terms of the number of cases per 1000 adults observed.

In 2005, the South Coast — Burin Peninsula ER (Nfld.-L.) posted the highest number of insolvency cases, with 10.6 cases per 1000 adults. This region also experienced the highest growth in the number of cases, with an increase of 7.7 cases per 1000 adults. In 2000, this region ranked 47th out of 71 ERs, with 2.9 cases per 1000 adults. Other ERs, like Notre Dame — Central Bonavista Bay (Nfld.-L.), Saint John — St.-Stephen (N.B.) and Moncton — Richibucto (N.B.) experienced significant increases in the number of cases per 1000 adults. It should also be noted that the regions of Cape Breton (N.S.), Outaouais (Que.), the North Shore (N.S.) and Abitibi-Témiscamingue (Que.) ranked among the 10 regions with the highest number of cases per 1000 adults in 2000 and in 2005.

In 2005, the ERs of the Northwest Territories, Southeast (Man.) and Yukon Territory each had fewer

Table 1: Number of consumer insolvency cases per 1000 adults, CMA, 2000 and 2005

Census Metropolitan Area	Number of cases per 1000 adults		CMA Ranking	
	2005	2000	2005	2000
Greater Sudbury (Ont.)	5.7	4.7	1	3
St. John's (Nfld.-L.)	5.5	4.4	2	7
Saguenay (Que.)	5.4	4.1	3	13
Windsor (Ont.)	5.1	2.7	4	23
Halifax (N.S.)	5.0	4.3	5	10
London (Ont.)	4.9	4.6	6	4
Ottawa - Gatineau (Ont./Que.)	4.8	4.2	7	11
St. Catharines - Niagara (Ont.)	4.7	3.6	8	17
Oshawa (Ont.)	4.5	4.4	9	6
Saint John (N.B.)	4.4	2.0	10	26
Montréal (Que.)	4.3	4.9	11	2
Sherbrooke (Que.)	4.2	4.0	12	15
Kingston (Ont.)	4.1	4.2	13	12
Regina (Sask.)	4.1	3.1	14	22
Kitchener (Ont.)	4.0	3.6	15	18
Hamilton (Ont.)	4.0	4.0	16	14
Saskatoon (Sask.)	4.0	3.3	17	21
Québec (Que.)	4.0	4.4	18	8
Edmonton (Alta.)	3.9	5.3	19	1
Trois-Rivières (Que.)	3.9	4.3	20	9
Winnipeg (Man.)	3.8	3.6	21	16
Toronto (Ont.)	3.5	2.5	22	25
Victoria (B.C.)	3.3	3.3	23	20
Thunder Bay (Ont.)	3.3	1.8	24	27
Calgary (Alta.)	3.3	3.4	25	19
Abbotsford (B.C.)	2.4	4.4	26	5
Vancouver (B.C.)	2.3	2.6	27	24

than 2 consumer insolvency cases per 1000 adults. The largest decrease in the number of cases (-1.6) between 2000 and 2005 was experienced in the ER of Wood Buffalo — Cold Lake (Alta.). Significant decreases were also observed in the ERs of Athabasca — Grande Prairie — Peace River (Alta.), Edmonton (Alta.) and Lanaudière (Que.).

Table 2: Number of consumer insolvency cases per 1000 adults, ER, 2000 and 2005

Economic Region	Number of cases per 1000 adults		ER Ranking		Economic Region	Number of cases per 1000 adults		ER Ranking	
	2005	2000	2005	2000		2005	2000	2005	2000
South Coast - Burin Peninsula (Nfld.-L.)	10.6	2.9	1	47	Kitchener - Waterloo - Barrie (Ont.)	4.0	3.2	37	40
Cape Breton (N.S.)	8.8	6.4	2	2	Edmonton (Alta.)	4.0	5.3	38	5
Notre Dame - Central Bonavista Bay (Nfld.-L.)	7.8	3.5	3	34	Gaspésie - Îles-de-la-Madeleine (Que.)	3.9	3.8	39	25
Outaouais (Que.)	7.6	7.6	4	1	Red Deer (Alta.)	3.9	3.5	40	33
North Shore (N.S.)	6.2	4.7	5	10	Côte-Nord & Nord-du-Québec (Que.)	3.8	3.5	41	31
Northeast (Ont.)	5.8	4.2	6	18	Saskatoon - Biggar (Sask.)	3.7	3.0	42	44
Abitibi-Témiscamingue (Que.)	5.6	4.7	7	9	Regina - Moose Mountain (Sask.)	3.7	2.9	43	49
Avalon Peninsula (Nfld.-L.)	5.5	3.8	8	26	Lethbridge - Medicine Hat (Alta.)	3.7	3.8	44	24
Annapolis Valley (N.S.)	5.3	4.6	9	11	Toronto (Ont.)	3.6	2.7	45	53
Southern (N.S.)	5.3	3.0	10	45	Muskoka - Kawarthas (Ont.)	3.5	3.4	46	37
West Coast - Northern Peninsula - Labrador (Nfld.-L.)	5.2	3.9	11	22	Parklands & North (Man.)	3.4	2.5	47	56
Halifax (N.S.)	5.1	4.4	12	17	Bas-Saint-Laurent (Que.)	3.4	3.4	48	38
Laurentides (Que.)	5.0	5.9	13	3	Côte-nord & Nechako (B.C.)	3.4	2.5	49	57
Windsor - Samia (Ont.)	4.9	2.7	14	52	Northwest (Ont.)	3.4	2.1	50	66
London (Ont.)	4.9	4.5	15	14	Vancouver Island and Coast (B.C.)	3.3	3.7	51	28
Kingston - Pembroke (Ont.)	4.9	4.4	16	16	Thompson - Okanagan (B.C.)	3.3	4.0	52	20
Moncton - Richibucto (N.B.)	4.8	2.4	17	59	Calgary (Alta.)	3.3	3.4	53	36
Southwest (Man.)	4.7	3.1	18	41	Prince Edward Island (P.E.I.)	3.2	1.8	54	69
Fredericton - Oromocto (N.B.)	4.7	2.9	19	48	Chaudière-Appalaches (Que.)	3.1	2.9	55	50
Saguenay - Lac-Saint-Jean (Que.)	4.6	4.0	20	21	Banff - Jasper - Rocky Mountain House (Alta.)	3.0	3.4	56	35
Cariboo (C.-B.)	4.6	4.8	21	8	Athabasca - Grande Prairie - Peace River (Alta.)	3.0	4.2	57	19
Saint John - St. Stephen (N.B.)	4.5	2.1	22	65	North Central (Man.)	2.9	2.2	58	64
Laval (Que.)	4.5	4.9	23	7	Northeast (B.C.)	2.8	3.1	59	42
Montréal (Que.)	4.5	4.5	24	12	Kootenay (B.C.)	2.8	2.2	60	63
Ottawa (Ont.)	4.4	3.4	25	39	Camrose - Drumheller (Alta.)	2.7	3.0	61	46
Campbellton - Miramichi (N.B.)	4.4	2.3	26	60	Stratford - Bruce Peninsula (Ont.)	2.7	2.6	62	54
Lanaudière (Que.)	4.4	5.6	27	4	Swift Current - Moose Jaw (Sask.)	2.6	2.2	63	62
Centre-du-Québec (Que.)	4.3	3.5	28	32	South Central (Man.)	2.5	1.6	64	71
Hamilton - Niagara Peninsula (Ont.)	4.3	3.8	29	23	Interlake (Man.)	2.5	2.5	65	58
Capitale-Nationale (Que.)	4.2	4.5	30	13	Yorkton - Melville (Sask.)	2.4	1.8	66	70
Prince Albert & Northern (Sask.)	4.2	3.1	31	43	Lower Mainland - Southwest (B.C.)	2.4	2.8	67	51
Edmundston - Woodstock (N.B.)	4.1	2.6	32	55	Wood Buffalo - Cold Lake (Alta.)	2.1	3.7	68	29
Estrie (Que.)	4.1	3.7	33	30	Yukon Territory (Yn)	1.7	2.1	69	67
Montréal (Que.)	4.1	5.0	34	6	Southeast (Man.)	1.6	2.0	70	68
Winnipeg (Man.)	4.0	3.8	35	27	Northwest Territories (N.W.T.)	1.3	2.3	71	61
Mauricie (Que.)	4.0	4.5	36	15					

Conclusion

Over the period 2000-2005, the number of consumer insolvency cases per 1000 adults varied widely across provinces, CMA's and ERs. In that same period, the province of Newfoundland experienced the largest

increase (2.6) in the number of cases, and Alberta experienced the largest decrease (0.6). Although there are significant differences from one region to another in terms of the number of cases per 1000 adults, these differences are nonetheless marginal.

Regional comparisons of the number of business insolvencies per 1000 businesses in Canada in 2000 and 2005

The number of business insolvencies¹ per 1000 businesses² in Canada has decreased by 1.7 cases since 2000. This observation is consistent with the downward trend in the number of business insolvencies filed with the OSB that began in 1996. Despite this almost generalized downward trend, increases in the number of cases per 1000 businesses were observed in some regions of Canada, and in some industrial sectors. We can also observe significant changes over the past 5 years in the relative positions of regions and industrial sectors.

This article describes the major changes observed in the number of business insolvencies per 1000 businesses across provinces, census metropolitan areas (CMA), economic regions (ER) and industries classified by the North American Industry Classification System (NAICS) between 2000 and 2005. We will not attempt to explain these changes given our limited knowledge of the economic activity

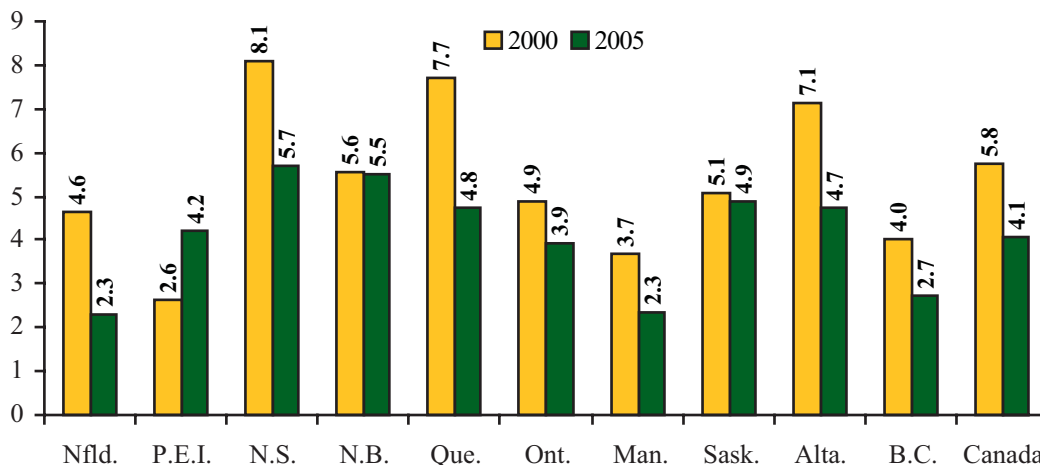
and situation in each regional market and industrial sector. However, we do know that in general, changes in economic activity, fluctuations in the exchange rate, changes in competitiveness or regulations in some activity sectors and even globalization of markets can impact on the number of business insolvencies. The degree to which each region is affected depends on the industrial composition of its economic activity. For example, an increase in the exchange rate should have a much greater impact in a region whose industrial activity is highly geared towards exports.

The number of insolvencies per 1000 businesses could be used as an indicator of risk by creditors seeking to diversify the risk associated with commercial loan portfolios. It should be noted, however, that regional differences are still marginal.

Provincial comparison

Over the period 2000-2005, the number of business insolvencies per 1000 businesses decreased in 9 of the 10 provinces. Only Prince Edward Island experienced an increase (1.6 cases per 1000 businesses) over that period. Among the provinces with the largest decreases in the number of cases are Quebec (-2.9), Alberta and Nova Scotia (-2.4) and Newfoundland (-2.3).

Figure 1: Number of business insolvencies per 1000 businesses, Canada and provinces, 2000 and 2005



¹ Business insolvency corresponds to all bankruptcies and proposals filed with the OSB by corporations and individuals for which more than 50% of the total debt was related to the operation of a business.

² We use the total number (with and without payroll) of businesses listed in the Statistics Canada Business Register. This is because we suspect that in our statistics, a majority of individuals with debts related to the operation of a business are self-employed or operating micro businesses with no payroll.

The decrease recorded in Newfoundland brought its number of cases per 1000 businesses to the same level as that of Manitoba: 2.3 cases, the lowest level observed in 2005. It should be noted that in 2000 and 2005 Nova Scotia posted the highest number of cases per 1000 businesses.

Comparisons across CMAs

The number of business insolvencies per 1000 businesses across the 27 CMAs is presented in Table 1. In this table and those that follow, regions are ranked in descending order of the number of cases per 1000 businesses, as observed in 2005.

In 2005, the Trois-Rivières CMA posted the highest number of business insolvencies per 1000 businesses (8.7) of all the 27 CMAs, while St. John's (Nfld.-L.) posted the lowest number of cases (1.9). The four CMAs that recorded the most cases per 1000 businesses in 2005 were among the five highest in 2000, i.e., Trois-Rivières, Halifax, Québec City and Saskatoon.

Between 2000 and 2005, the Saguenay CMA recorded the largest decrease in the number of cases per 1000 businesses. This CMA had 15.4 cases per 1000 businesses in 2000 and only 5.2 cases in 2005, which corresponds to a reduction of 10.2 cases per 1000 businesses. The Sherbrooke and Greater Sudbury CMAs also experienced noteworthy decreases in the number of business insolvencies — 4.9 and 4.5 cases per 1000 businesses respectively. The Saint John and Regina CMAs are the only two that posted increases in the number of cases per 1000 businesses.

Comparisons across ERs

In 2005, the Outaouais ER recorded the highest number of business insolvencies, with 9.3 cases per 1000 businesses. This region also posted the highest number of cases (13.0) per 1000 businesses in 2000. In contrast, the South Central ER in Manitoba only had 1.1 cases per 1000 businesses in 2005, ranking it 71st, compared with 69th in 2000 with 2.3 cases.

Between 2000 and 2005, fifty-nine ERs experienced decreases in the number of cases per 1000 businesses. Among them, the decrease was 5.0 cases or more per 1000 businesses in Cape Breton (N.S.), Saguenay — Lac-Saint-Jean (Que.), Abitibi-Témiscamingue (Que.) and Chaudière-Appalaches (Que.). An increase in the number of business insolvency cases was observed in the dozen other ERs. Of these, four had increases of

Table 1: Number of business insolvencies per 1000 businesses, CMA, 2000 and 2005

Census Metropolitan Area	Number of cases per 1000 businesses		CMA Ranking	
	2005	2000	2005	2000
Trois-Rivières (Que.)	8.7	11.4	1	2
Halifax (N.S.)	7.2	9.4	2	4
Quebec (Que.)	7.0	10.5	3	3
Saskatoon (Sask.)	6.7	8.5	4	5
Regina (Sask.)	6.2	6.0	5	17
Thunder Bay (Ont.)	6.0	6.4	6	15
Saint John (N.B.)	5.8	4.2	7	24
Ottawa - Gatineau (Ont./Que.)	5.8	6.7	8	13
St. Catherines - Niagara (Ont.)	5.7	7.2	9	11
London (Ont.)	5.4	6.7	10	14
Windsor (Ont.)	5.3	7.3	11	9
Kingston (Ont.)	5.3	5.8	12	19
Saguenay (Que.)	5.2	15.4	13	1
Hamilton (Ont.)	5.0	6.0	14	18
Oshawa (Ont.)	4.8	7.5	15	7
Calgary (Atla.)	4.7	7.2	16	10
Edmonton (Atla.)	4.7	7.6	17	6
Montréal (Que.)	4.4	6.4	18	16
Kitchener (Ont.)	3.4	4.9	19	22
Toronto (Ont.)	3.2	3.9	20	26
Abbotsford (B.C.)	2.8	5.3	21	20
Sherbrooke (Que.)	2.5	7.3	22	8
Victoria (B.C.)	2.4	4.5	23	23
Greater Sudbury / Grand Sudbury (Ont.)	2.3	6.7	24	12
Vancouver (B.-C.)	2.1	3.1	25	27
Winnipeg (Man.)	2.0	3.9	26	25
St. John's (Nfld.-L.)	1.9	5.0	27	21

more than 1 case per 1000 businesses. These were: Saint John — St. Stephen (N.B.), Prince Edward Island, Campbellton — Miramichi (N.B.) and Interlake (Man.).

Comparisons across NAICS industrial sectors

The Accommodation and Food Services sector had 9.3 business insolvencies per 1000 businesses in 2005, making it the industrial sector with the highest incidence. In contrast, the Public Administration sector posted the smallest number of cases per 1000 businesses, with 0.4 cases.

Table 2: Number of business insolvencies per 1000 businesses, ER, 2000 and 2005

Economic Region	Number of cases per 1000 businesses		ER Ranking		Economic Region	Number of cases per 1000 businesses		ER Ranking	
	2005	2000	2005	2000		2005	2000	2005	2000
Outaouais (Que.)	9.3	13.0	1	1	Annapolis Valley (N.S.)	4.2	8.2	37	11
Mauricie (Que.)	8.4	11.7	2	3	Prince Edward Island (P.E.I.)	4.2	2.6	38	68
Halifax (N.S.)	7.3	9.2	3	7	Chaudière-Appalaches (Que.)	4.2	9.2	39	8
Capitale-Nationale (Que.)	7.1	9.9	4	5	Lanaudière (Que.)	4.2	7.5	40	15
Red Deer (Alta.)	6.5	6.7	5	20	Kitchener - Waterloo - Barrie (Ont.)	4.2	5.1	41	42
Campbellton - Miramichi (N.B.)	6.3	4.9	6	51	Centre-du-Québec (Que.)	4.1	8.9	42	9
Saint John - St. Stephen (N.B.)	6.1	4.4	7	55	Laurentides (Que.)	4.1	6.8	43	19
Saguenay - Lac-Saint-Jean (Que.)	6.0	12.7	8	2	Moncton - Richibucto (N.B.)	4.0	5.6	44	37
Edmundston - Woodstock (N.B.)	6.0	6.6	9	23	Parklands & North (Man.)	3.9	5.0	45	48
Côte-Nord & Nord-du-Québec (Que.)	5.9	8.7	10	10	Kootenay (B.C.)	3.6	4.8	46	52
Lethbridge - Medicine Hat (Alta.)	5.8	8.1	11	12	Kingston - Pembroke (Ont.)	3.6	5.4	47	40
Laval (Que.)	5.7	6.1	12	29	Athabasca - Grande Prairie - Peace River (Alta.)	3.5	6.6	48	22
Gaspésie - Îles-de-la-Madeleine (Que.)	5.7	6.0	13	31	Swift Current - Moose Jaw (Sask.)	3.3	3.3	49	65
Fredericton - Oromocto (N.B.)	5.7	7.1	14	17	Muskoka - Kawarthas (Ont.)	3.3	5.0	50	46
Northwest (Ont.)	5.6	5.5	15	39	Toronto (Ont.)	3.3	4.0	51	59
Yorkton - Melville (Sask.)	5.4	4.9	16	50	Montérégie (Que.)	3.2	6.3	52	27
Northeast (Ont.)	5.4	6.4	17	25	Cape Breton (N.S.)	3.1	9.8	53	6
Regina - Moose Mountain (Sask.)	5.4	5.0	18	45	Southwest (Man.)	3.1	3.8	54	61
Cariboo (B.C.)	5.3	4.9	19	49	Estrie (Que.)	3.0	7.8	55	13
Southern (N.S.)	5.3	6.5	20	24	Camrose - Drumheller (Alta.)	2.9	5.4	56	41
Saskatoon - Biggar (Sask.)	5.3	6.7	21	21	West Coast - Northern Peninsula - Labrador (Nfld.-L.)	2.9	4.2	57	58
Hamilton - Niagara Peninsula (Ont.)	5.2	6.3	22	28	Vancouver Island and Coast (B.C.)	2.7	5.0	58	47
North Shore (N.S.)	5.1	5.5	23	38	Northwest Territories (N.W.T.)	2.6	3.1	59	67
Wood Buffalo - Cold Lake (Alta.)	5.1	5.6	24	36	Stratford - Bruce Peninsula (Ont.)	2.6	3.8	60	62
Ottawa (Ont.)	4.9	6.1	25	30	Notre Dame - Central Bonavista Bay (Nfld.-L.)	2.4	5.0	61	44
London (Ont.)	4.9	5.7	26	34	Interlake (Man.)	2.3	1.2	62	71
Calgary (Alta.)	4.9	7.2	27	16	Lower Mainland - Southwest (B.C.)	2.2	3.3	63	63
Windsor - Sarnia (Ont.)	4.9	5.9	28	33	Winnipeg (Man.)	2.1	3.9	64	60
Edmonton (Alta.)	4.8	7.7	29	14	Avalon Peninsula (Nfld.-L.)	2.0	4.6	65	53
Prince Albert & Northern (Sask.)	4.7	4.6	30	54	Southeast (Man.)	1.9	4.4	66	56
North Coast & Nechako (B.C.)	4.6	4.3	31	57	South Coast - Burin Peninsula (Nfld.-L.)	1.8	5.1	67	43
Montréal (Que.)	4.5	6.4	32	26	Yukon Territory (Y.T.)	1.8	1.4	68	70
Thompson - Okanagan (B.C.)	4.4	5.7	33	35	North Central (Man.)	1.7	3.3	69	64
Banff - Jasper - Rocky Mountain House (Alta.)	4.4	6.9	34	18	Northeast (B.C.)	1.5	3.3	70	66
Abitibi-Témiscamingue (Que.)	4.4	10.4	35	4	South Central (Man.)	1.1	2.3	71	69
Bas-Saint-Laurent (Que.)	4.3	5.9	36	32					

Table 3: Number of business insolvency cases by industrial sector, NAICS, 2000 and 2005

NAICS industrial sector	Number of cases per 1000 businesses		NAICS ranking	
	2005	2000	2005	2000
Accommodation and Food Services	9.3	13.4	1	2
Manufacturing	9.1	9.5	2	4
Transportation and Warehousing	7.4	11.0	3	3
Utilities	6.9	3.5	4	13
Construction	6.0	7.4	5	6
Retail Trade	5.9	8.8	6	5
Arts, Entertainment and Recreation	5.0	5.7	7	8
Information and Cultural Industries	4.6	15.2	8	1
Mining and Oil and Gas Extraction	4.5	5.4	9	10
Other Services, except Public Administration	4.0	5.5	10	9
Administrative and Support, Waste Management and Remediation Services	3.9	7.1	11	7
Wholesale Trade	3.7	4.6	12	11
Educational Services	3.0	3.2	13	14
Agriculture, Forestry, Fishing and Hunting	2.5	2.4	14	16
Professional, Scientific and Technical Services	1.8	3.2	15	15
Health Care and Social Assistance	1.6	2.2	16	17
Finance and Insurance	1.5	1.4	17	19
Real Estate and Rental and Leasing	1.4	1.8	18	18
Management of Companies and Enterprises	0.7	0.6	19	20
Public Administration	0.4	4.4	20	12

Between 2000 and 2005, sixteen of the twenty industrial sectors registered a decrease in their number of business insolvencies. The most significant decreases were observed in Information and Cultural Industries (-10.6), Accommodation and Food Services (-4.1) and Public Administration (-4.0). The Utilities sector is the only one to experience a significant increase in the number of cases per 1000 businesses, rising by 3.4 cases since 2000.

Conclusion

The number of business insolvencies per 1000 businesses decreased between 2000 and 2005. This observation is consistent with the downward trend in the number of business insolvency filings that began in 1996. Despite this overall trend, some regions and industrial sectors have experienced significant increases in the number of business insolvencies per 1000 businesses, notably the Saint John — St. Stephen (N.B.) region and the Utilities sector.

Insolvency Case Law

Our surveys show that readers are very interested in our caselaw summaries. Below are a few that we felt were worthwhile noting. If you have any decisions that you feel might be of interest to our readers, please submit them to the coordinator, who will ensure that summaries will be prepared and published in both official languages.

Please note that the summaries are not substitutes for the actual decisions.

ERRATUM

In the last edition of the OSB Newsletter (2006-8), we listed the decision of *Raymond Chabot Inc. v. Canada (A.G.)* as having been heard by the Court of Appeal.

It was in fact a Superior Court decision that was the subject of an appeal. The citation should have been: 2005 JQ 3781.

The appeal has since been heard. A summary will be in the next Newsletter.

In the Matter of Coates (Re)

Court of Queen's Bench of Alberta The Honourable Justice Burrows

Citation: 2006 ABQB 201; 2006 CarswellAlta 324

Facts: At the end of 2005, the Government of Alberta decided to pay its citizens a sum of money in the form of a non-taxable bonus for their role in building the province. To that end, the government amended its provincial income tax act and created a fiction of law under which citizens of Alberta who met certain conditions set out in the amendment — which meant practically all citizens — were eligible for a payment of \$400 as a refund of surplus income tax payments. A sum of \$400 was also paid for every dependent child.

The issue arose as to how to treat this money in a bankruptcy context, and pursuant to subsection 34(1) of the *Bankruptcy and Insolvency Act* (BIA), the

Alberta Association of Insolvency and Restructuring Professionals (AAIRP) appeared before the Court to seek guidance. As the question was the same for almost 2 000 bankruptcy estates in Alberta, the AAIRP randomly chose to present the file of Ms. Coates. Ms. Coates had two dependent children at the time of the refund, and therefore received \$1,200. As this was a request for instructions rather than litigation, the AAIRP did not take a set position on the subject. However, to ensure that the two parties in the matter were represented, the AAIRP was there on behalf of the creditors and the OSB, and the bankrupt's lawyer presented arguments on her behalf.

Issues: Should the \$400 refund be considered an asset that is exempt from execution or seizure within the meaning of paragraph 67(1)b) of the BIA, or as income within the meaning of section 68 of the BIA?

If the refund is considered to be income, does this qualification also apply to the refund paid for each dependent child?

Decision: The \$400 refund constitutes an asset that is exempt from execution or seizure within the meaning of paragraph 67(1)b) of the BIA.

Discussion: If the refund is considered to be an asset within the meaning of paragraph 67(1)b) of the BIA, it is exempt from execution or seizure by the trustee. This means that the bankrupt may keep it because it is not part of the creditors' common pledge. On the other hand, section 68 of the BIA requires that a bankrupt only retain from income "that which is necessary to enable the bankrupt to maintain a reasonable standard of living". If, in a bankruptcy proceeding, the trustee has already established the income level for a bankrupt, and the \$400 refund is added to the income later, the bankrupt should be obliged to hand it over to the trustee for the benefit of the creditors.

The intention of the Government of Alberta was to give its citizens and their dependent children a gift. The fiction of law of a refund for surplus tax was created solely as a way to justify the amendment to the provincial income tax act. In a bankruptcy context, it should not in any way have the effect of characterizing the \$400 as income and subjecting it to execution or seizure by the trustee. Bankrupts are therefore allowed to keep the sum of \$400.

In the Matter of Cardwell (Re)

Court of Queen's Bench of Saskatchewan Registrar Herauf

Citation: 2006 SKQB 164; 2006 CarswellSask 213

Facts: Both applicants had filed a consumer proposal. At the time of their proposals, they each still had outstanding student loans. The applicants performed their proposals and received a certificate to that effect. However, at least one of the student loan creditors subsequently initiated proceedings against the debtors for the repayment of the loans and interest on the late period, including the period of the proposals.

The applicants allege that in accepting the consumer proposal, the creditors *ipso facto* agreed to discharge them from their student loans.

Issues:

A) What is the effect when a creditor of a student loan accepts the debtor's consumer proposal?

B) In the applicant's case, should the Court base itself on subsection 178(1.1) of the *Bankruptcy and Insolvency Act* (BIA) and determine that paragraph 178(1)g does not apply to the debtor? To answer that question, we must ask 1) is such relief available for a debtor making a consumer proposal, and 2) what factors must be considered before allowing such relief?

Decision:

A) The application was rejected. The creditor must expressly consent to the discharge from student loans provided for in paragraph 178(1)g for this type of debt to be extinguished; the simple fact of accepting the proposal is not enough. In this sense, the debts mentioned in subsection 178(1) are treated in the same way in a bankruptcy as in a consumer proposal.

B) The application was rejected, because the conditions set out in subsection 178(1.1) have not been satisfied.

Discussion:

A) Pursuant to paragraph 178(1)g, student loans are included among the debts from which the bankrupt is not discharged at the end of the bankruptcy, if the bankruptcy arose before the studies were completed or within ten years of their completion. According to subsection 66.28(2) *in fine*, the same principle applies equally in the case of a consumer proposal, unless the creditor consents to the discharge of certain debts. At issue is the interpretation of the expression "unless the creditor assents thereto".

The Court agreed with the position of the respondents, who submit that the expression "unless the creditor consents thereto" is ambiguous and could very well be open to either interpretation, but that the *Slaney (Re)* case (2004), 4 C.B.R. (5^e) 95 (B.C.S.C.), on which they base themselves, confirms that the creditor who accepts a proposal is not deemed, *ipso facto*, to be consenting to the discharge of debts set out in subsection 178(1).

B) Subsection 178(1.1) applies equally in the case of a proposal, even if only the term "bankrupt" is used. The case of *Canada v. Snopko* (2004), 48 C.B.R. (4^e) 41 (S.C.Ont.), in which the opposite was ruled, should not be followed in Canadian law. Therefore, consumer debtors who satisfy the conditions set out in subsection 178(1.1) have the right to apply to be discharged from their student loans if they have not been a student for the last ten years, just like a bankrupt in the same situation. However, in the case of Mr. Cardwell, the Court concluded that the criteria of subsection 178(1.1) were not satisfied, notably because of his lack of good faith with regard to his financial obligations, and in view of his prospects for professional advancement.

In the Matter of Impact Tool & Mould Inc. (Trustee of) v. Impact Tool & Mould (Windsor) Inc. (Receiver of)

Ontario Court of Appeal The Honourable Justices Blair, Rouleau and Simmons

Citation: 2006 WL 35841 (Ont. C.A.); 2006 CarswellOnt 1523

Facts: Impact Tool & Mould Inc. (Impact) and Unique Tool & Gauge Inc. (Unique) are business rivals, both of them manufacturers of plastic injection moulds in the Windsor area. Unique obtained a judgment of \$600,000 against Impact, which forced Impact's management to have an interim receiver appointed for the company. The interim receiver sold Impact's assets and then placed it in bankruptcy. Unique therefore found itself to be not only a competitor of Impact, but also its largest ordinary creditor. The company that bought Impact's assets is called Impact Tool & Mould (Windsor) Inc. (Impact Windsor) and is run by the same people as Impact.

As per the normal bankruptcy process, inspectors were appointed to supervise the proceedings on behalf of the other creditors. One of the inspectors, Mr. O'Brien, was also a representative of Unique. This raised concerns, on the part of both the management of Impact Windsor and the interim receiver, that Mr. O'Brien could use the information contained in the documents in Impact's file to the benefit of Unique.

The trustee asked the registrar to order Impact (Windsor) and the interim receiver to produce the documents in the Windsor file. The registrar ordered that these documents be provided to the trustee, but restricted the trustee's power to give them to the inspectors and creditors. The trustee appealed the registrar's decision, and was rejected by the Superior Court judge. Finally, the trustee appeared before the Ontario Court of Appeal to have the restrictions on inspector and creditor access to the documents annulled.

Issue: Can the Court restrict the power of a trustee in bankruptcy to allow the inspectors and creditors access to the debtor's files when there is a risk that the information found in the files could be used for other purposes — notably competition — than the administration of the bankrupt's estate?

Decision: The appeal was upheld, the Superior Court judge's order was cancelled, and the registrar's order was amended to eliminate the restriction on the inspectors' and creditors' access to documents. However, the use they make of these documents must be limited to the sole purposes of administering the bankrupt's estate and affairs.

Discussion: Cases where a court can restrict the power of a trustee to permit inspector and creditor access to a debtor's files are rare. The general principle is that the inspectors and creditors have a right to consult the debtor's files, and the case at hand is no exception. It is important to distinguish between the inspectors' and creditors' right of access to the files, and the use they make of these files once in their possession. These are two different principles that should be analyzed differently. In the case at hand, the ruling should have been about the right of access to the debtor's files, and the registrar did not conduct a proper analysis in limiting access on the strength of a presumption as to use. The Ontario Court of Appeal chose instead to allow access to the files but to limit use to the sole purposes of the administration of the bankruptcy proceeding.

In the Matter of Oliver (Re)

Court of Queen's Bench of Manitoba Registrar Sharp

Citation: 2005 MBQB 204, 15 C.B.R. (5th) 249, 197 Man. R. (2d) 33

Facts: On August 30, 2003, Ms. Oliver gave the keys to her vehicle to Mr. Kowal, even though she knew that he did not have a driver's licence and had consumed alcohol. While driving Ms. Oliver's vehicle, Mr. Kowal was involved in a collision with a pedestrian, and the pedestrian was killed. On June 3, 2004, the suit for damages brought against Mr. Oliver and Mr. Kowal was settled out of court by the insurance company, Manitoba Public Insurance Corporation (MPIC), for \$200,000, i.e., \$100,000 per defendant. When MPIC then sued Ms. Oliver for reimbursement, she declared bankruptcy.

Basing itself on subsection 181(1) of the *Bankruptcy and Insolvency Act* (BIA), MPIC asked the Court to annul the bankruptcy because it constituted an abuse of process in the sense that the debtor was not acting in good faith. According to MPIC, the debtor had sufficient income to pay her creditors, and a proposal should be substituted for the bankruptcy. The debtor opposed the motion.

Issues: Generally speaking, how should an application to annul a bankruptcy be reviewed? Based on that analysis, should Ms. Oliver's bankruptcy be annulled?

Decision: The application was rejected.

Discussion: MPIC did not successfully prove that there was abuse of process on the part of the debtor. The Court based itself on *Wale (Re)* (1996), 45 C.B.R. (3d) 15 (Ont. Bkcty) in stating that a court has sufficient power to annul a bankruptcy pursuant to subsection 181(1) of the BIA, but that such power should be exercised only under limited circumstances. The Court adopted the position of Justice O'Conner, in *Wale*, to the effect that nothing prevents a debtor from declaring bankruptcy with the acknowledged intention of avoiding a creditor's claim. The debtor's intention is of little importance, except where there has been abuse of process and fraud. When considering a motion to annul a bankruptcy, the Court must take into account all of the circumstances. This implies a case-by-case analysis, and there are no specific criteria. In this instance, the Court came to the conclusion that Ms. Oliver's debts really were disproportionate to her

income, even before MPIC brought the action against her for reimbursement. The fact is that Ms. Oliver was already insolvent prior to the remedy, which eliminates the possibility of abuse of process.

In the matter of Brochu v. Canada (Attorney General)

This decision is under appeal.

**Quebec Superior Court
The Honourable Justice St-Julien**

Citation: 2005 CarswellQue 11776

Facts: The applicant, Mr. Robert Brochu, is a trustee in bankruptcy. In 1998, a disciplinary inquiry was commenced by a senior analyst from the Office of the Superintendent of Bankruptcy (OSB) without any complaint having been lodged against Mr. Brochu or his employer, corporate trustee PricewaterhouseCoopers Inc. The applicant was only informed that there was an investigation on May 30, 2000. While the analyst's report sets out various offences under section 247 of the *Bankruptcy and Insolvency Act* (BIA), the Superintendent of Bankruptcy rejected the Senior Analyst's accusations against the applicant and his employer. In the Superintendent's opinion, the analyst's investigation demonstrated in particular a lack of thoroughness, which is why his report could not be considered.

Pursuant to section 215 of the BIA, the applicant subsequently asked the Court for leave to sue the defendants (the Senior Analyst, the Associate Superintendent, and the Superintendent of Bankruptcy) for civil liability.

Issues: Under what conditions can the Court allow an action against the Superintendent of Bankruptcy? Have those conditions been met in the case at hand?

Decision: The application is denied. The conditions under section 215 of the BIA have not been met.

Discussion: Section 215 of the BIA stipulates that a person wishing to sue the Superintendent of Bankruptcy must first be given leave by the Court. This leave is subject to two conditions: production of an affidavit in support of the motion, and the existence of a reasonable cause of action. In this case, neither of the conditions was met. First of all, the applicant did not produce an affidavit. Secondly, the Court concluded that there was no reasonable cause of action against the defendants.

The defendants work for a disciplinary agency — the OSB — which confers on them immunity for actions taken in good faith in the context of their duties. In *Métivier v. Mayrand* [2003] R.J.Q. 3035, the disciplinary process prescribed by the BIA was recognized as being quasi-judicial, which implies a certain restraint on the part of courts reviewing the legality of decisions resulting from such a process, unless there is evidence of bad faith, malice, fraud or collusion on the part of the disciplinary agency. In the case at hand, the Court was unable to find any trace whatsoever of bad faith in the actions taken by the defendants.

Professional Conduct Matters

In accordance with the *Policy on Publicizing Professional Conduct Matters*, we publish, as they become available, summaries of decisions on professional conduct cases. Of course, such summaries are not substitutes for the actual decisions and those interested in learning more about the decisions in this area should consult the full text on our Website (<http://osb-bsf.gc.ca>) under the heading "Trustees" and the sub-heading "Licensing and Professional Conduct".

Any questions regarding the publication of these decisions should be addressed to the Clerk of the Hearing Record Registry, Vivian Cousineau. She can be reached by regular mail at 365 Laurier Ave West, 8th Floor, Ottawa, Ontario K1A 0C8, by phone at 613-941-2694, by fax 613-952-1854 or by e-mail at cousineau.vivian@ic.gc

In the Matter of the Professional Conduct of KPMG Inc. (Nova Scotia)

**The Honourable Benjamin J. Greenberg, Q.C.
Delegate of the Superintendent of Bankruptcy
December 13, 2005**

Facts: In April 1998, KPMG Inc. (the corporate trustee) discovered certain irregularities in estate files administered by its Sydney, Nova Scotia office, specifically with regard to counselling certificates. KPMG Inc. conducted an investigation and promptly forwarded its conclusions to the Office of the

Superintendent of Bankruptcy (OSB). A senior analyst from the OSB investigated and submitted a report setting out a certain number of deficiencies in the administration of estate files in the Sydney office. Among these deficiencies: counselling fees were not promptly reimbursed in cases where no counselling had taken place; the omission to publish Notices of Bankruptcy was not remedied; and generally speaking, employees in the Sydney office were not adequately supervised.

Decision: Based on a draft decision submitted by both parties, the Delegate limited the licence of corporate trustee KPMG Inc. for its Sydney office for a period of four weeks. The trustee will be limited to administering files that were already open before the order came into force. The Delegate also ordered KPMG Inc. to remit to the OSB the sums representing the undistributed assets in six files, to reimburse \$8,892.41 to the estate of one debtor, and to distribute this amount to the creditors within 90 days of the order. Finally, he ordered KPMG Inc. to reimburse \$10,000 to the OSB towards the costs of the investigation.

Discussion: The Senior Analyst's report listed a number of deficiencies in the administration of KPMG's Nova Scotia office. While the professional conduct of the individual trustee responsible for running the KPMG Inc. Sydney office is the subject of another decision, part of the responsibility nevertheless does rest with KPMG Inc. for not having promptly addressed the deficiencies discovered in the files administered by this office. On the other hand, a number of mitigating factors were considered by the Delegate in imposing the appropriate sanctions, including: the cooperation on the part of KPMG Inc. in the file, the fact that KPMG Inc. had recognized that its supervision of the work of the individual trustee in the Sydney office fell below the standard normally expected of a corporate trustee, and finally, the fact that it presented, together with the Senior Analyst, a draft decision that the Delegate found to be fair and reasonable.

In the Matter of the Professional Conduct of Michael J. Connor (Nova Scotia)

**The Honourable Benjamin J. Greenberg, Q.C.
Delegate of the Superintendent of Bankruptcy
December 16, 2005**

Facts: Michael J. Connor is the holder of an individual trustee licence. He was responsible for the KPMG Inc. office in Sydney, Nova Scotia when serious deficiencies were uncovered in the office's operations, first by corporate trustee KPMG Inc. itself, and then by a Senior Analyst from the Office of the Superintendent of Bankruptcy (OSB). On February 16, 2004, the Senior Analyst filed a report setting out numerous flaws in the conduct of the trustee, among them: not having provided the mandatory counselling to bankrupts; having falsified counselling certificates and signed them in the place of the bankrupts; having asked bankrupts to sign counselling certificates when no counselling had taken place; having drawn unauthorized counselling fees; not having published notices of bankruptcy; and having condoned numerous deficiencies in the files. The trustee did not ask for a hearing on the allegations.

Decision: The Delegate suspended the trustee's licence for a period of 15 months. As conditions of reinstatement of the individual trustee, the Delegate ordered him to attend an oral board before the expiry of the 15 months and to take a business ethics course approved by the OSB. Once the suspension period is up, the individual trustee may have his licence renewed, but will be limited to undertaking assessments. The trustee will not be authorized to engage in any other activities normally performed by trustees.

Discussion: The irregularities uncovered in the conduct of the trustee are serious, and require sanctions that reflect that fact. The trustee acknowledges that his conduct fell far short of the standards normally expected of a trustee in bankruptcy, particularly when he falsified counselling certificates, thereby breaching the Code of Ethics for Trustees. The suspension of the trustee's licence is consistent with the seriousness of the offences he committed.

In the Matter of the Professional Conduct of Frank Sheldon Kisluk and Frank S. Kisluk Limited (Ontario)

The Honourable Perry Meyer, Q.C.
Delegate of the Superintendent of Bankruptcy
July 3, 2006

Facts: Mr. Frank Sheldon Kisluk (the trustee) and Frank S. Kisluk Limited (Ontario) (the corporate trustee) were investigated by the Office of the Superintendent of Bankruptcy (OSB). Mr. Abubakar Khan, the OSB Senior Analyst in the file, submitted a report that set out a number of deficiencies on the part of the trustee in terms of the lack of administration of estates that had been open since 1995 and earlier (the aged estates).

On June 28 and 29, 2006, the trustee and Analyst jointly presented a draft decision to the Delegate. There was no hearing on the matter.

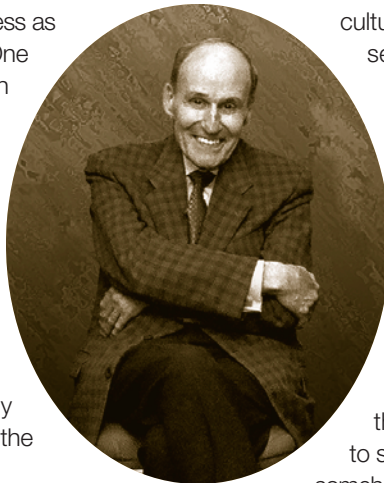
Decision: As per the agreement reached between the parties, the Delegate ordered the trustee to take a series of steps, including: to continue to retain an auditor to monitor the aged estates, to reimburse any aged estate that had suffered a loss, to pass an oral examination in the twelve months following the order, and to not accept any appointments as trustee. The trustee's corporate licence will be cancelled once all of the aged assets have been closed.

Discussion: The Delegate considered the agreement between the parties to be fair, reasonable and consistent with public order.

In memoriam

In 1997, the OSB became an SOA which greatly influenced the way we did business as we worked on a cost recovery basis. One of the key benefits of us being an SOA was setting up an external Management Advisory Board (MAB). Our experience with such a board has been most beneficial and the advice the MAB has given us over the years has been instrumental in the success of some of the OSB's key initiatives. The MAB, which meets four times a year, held its first meeting in June of 1998 and was chaired by Mr. Jean-Claude Delorme. He chaired the MAB until September of this year.

Mr. Delorme was admitted to the Quebec Bar in 1960 and joined the law firm of Martineau Walker in Montreal. In 1963, he was appointed Secretary and General Counsel to the Canadian Corporation for the 1967 World Exhibition (EXPO'67), a position he filled for the next five years. Mr. Delorme worked for organizations such as Standard Brands Ltd, Telesat Canada and Teleglobe Canada. He also served on numerous boards for organizations such as the Conference Board of Canada, Royal Bank of Canada, Comipar, Pargesa Holdings, Pirelli Canada, Axa International, Interprovincial Pipeline Ltd., Canadian Broadcasting Corporation, the National Gallery of Canada, just to name a few. He was also Chairman of the Board and Chief Executive Officer of la Caisse de dépôt et placement du Québec from 1990 to 1995.



Mr. Delorme also had a keen interest in social, cultural and educational organizations. He served on the boards of Carrefour de la science et de la technologie, the Montreal World Film Festival, Centraide, Montreal Museum of Fine Arts, Youth and Music Canada, The National Ballet of Canada, EXPO'86 and many many more.

He brought to our MAB a broad experience and incredible wisdom. He had the ability to ask the right questions and to quickly narrow in on the real issue. A true facilitator, his ability to synthesize often contradictory views and somehow extract a consensus was unparalleled.

He was also a true gentleman, admired by those who knew him not only for his impressive skills but for the genuine respect and concern he had for others. He was no doubt, one of the most influential people I have had the privilege of working with as Superintendent. Sadly, he passed away on September 7, 2006. While we will remember the values he has left us and will try to emulate these in continuing our work with the MAB, we will truly miss him.

He is survived by his wife Paule Tardif, daughters Catherine and Marie-Ève, as well as his two grandsons, Éric and William.

OSB Youth Education Material Takes Off!

In July of this year, the OSB launched a series of publications aimed at youth with the purpose of educating them about financial matters. We asked you to help us in distributing them. The response has been extremely positive and we would like to thank those who took the time to leaf through the material and are making it available to youngsters in their area. The material is available free of charge (see the order form at the end of this Newsletter).

A Note About OSB Publications

With last year's changes to the distribution services of Industry Canada publications, the OSB has tried a few methods to fulfill the publications' requests of stakeholders. As of now, there is only one way to obtain an OSB publication: through the OSB Headquarters. This means *Dealing with Debt*, all youth publications, *All About Bankruptcy Mediation*, *Inspectors' Handbook*, etc. are available, free of charge, through the OSB Headquarters only. We have attached a listing of all of our publications as well as a form for your convenience at the end of this Newsletter. All publications' request should be sent to Mrs. Margot Parent, at OSB Headquarters, and we will try to get you the publications as quickly as possible. If you have any questions, you can contact Margot by phone at 613-957-8068 or by e-mail at parent.margot@ic.gc.ca

OSB Newsletter

If you have any questions or comments regarding this Newsletter or suggestions for future ones, please address them to the Newsletter Coordinator, Vivian Cousineau. She can be reached by regular mail at 365 Laurier Ave West, 8th Floor, Ottawa, Ontario K1A 0C8, by phone at 613-941-2694, by fax at 613-952-1854 or by e-mail at cousineau.vivian@ic.gc.ca

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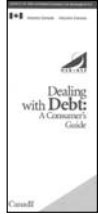
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OSB Publications



Dealing with Debt: A Consumer's Guide to Bankruptcy explains the options available to debtors who face insurmountable debts. It remains the most requested publication at Industry Canada. From April 1, 2005, to March 31, 2006, 65,168 English copies and 25,182 French copies distributed. The publication numbers are: RG64-5/1998-1E (English) and RG64-5/1998-1F (French).

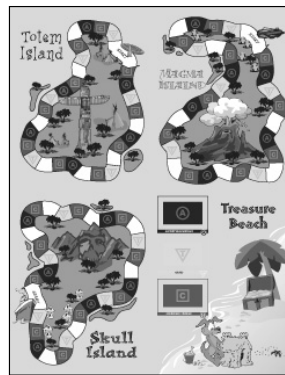


The *OSB Newsletter* is the OSB's main communication tool for stakeholders. Available in bilingual format. There is no publication number for this publication but there is an ISSN series number: ISSN 1705-5237.

Please note that limited copies are available.



All About Bankruptcy Mediation is a pamphlet explaining under what circumstances a debtor may ask for mediation services from the OSB. Available in a bilingual format. The publication number is: RG64-9/1998.



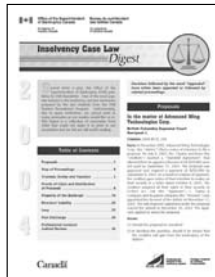
Decisions — Educational Game for Youth for ages 7 to 10 year olds is a game created by teenage volunteers and touches on items such as the difference between a want and a need and the difference between a good and a service. The publication numbers are: Iu76-4/6-2006E (English) and Iu76-4/6-2006F (French).



The *Inspector's Handbook* is a guide for creditors or their representatives who've been appointed as inspectors of an estate. The publication numbers are: Iu76-1/2005E (English) and Iu76-1/2005F (French).

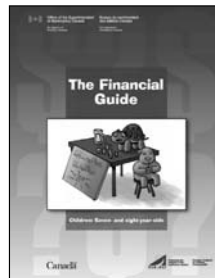


The Financial Guide — Children: Five and Six-year-olds is a booklet for parents of kids of this age group. It contains information on what kids should know about financial matters as well as games and activities to play. It can also be used by educators, babysitters and other adults who have a role in educating children. The publication numbers are: Iu76-4/1-2006E (English) and Iu76-4/1-2006F (French).



The *Insolvency Case Law Digest* for 2004 contains summaries of over 50 court decisions in insolvency matters. Available in a bilingual format. The publication number is: Iu73-2/2004.

This publication will be issued every two years. Next edition is expected in April 2007.

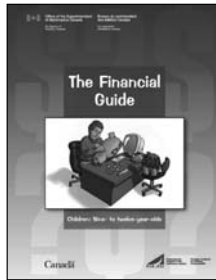


The Financial Guide — Children: Seven and Eight-year-olds is a booklet for parents of kids of this age group. It contains information on what kids should know about financial matters as well as games and activities to play. It can also be used by educators, babysitters and other adults who have a role in educating children. The publication numbers are: Iu76-4/2-2006E (English) and Iu76-4/2-2006F (French).

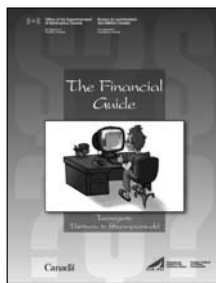


An Overview of Canadian Insolvency Statistics up to 2004 contains interesting insolvency statistics and socio-economic profiles of debtors in Canada. Available in a bilingual format. The publication number is: Iu73-1/2004.

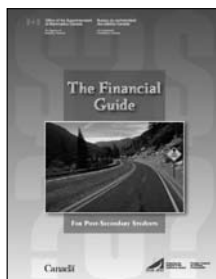
Please note that this is a biennial publication. The next version will be for statistics going up to 2006 and it is expected in the spring of 2007.



The Financial Guide — Children: Nine to Twelve-year-olds is a booklet for parents of kids of this age group. It contains information on what kids should know about financial matters as well as games and activities to play. It can also be used by educators, babysitters and other adults who have a role in educating children. The publication numbers are: Iu76-4/3-2006E (English) and Iu76-4/3-2006F (French).



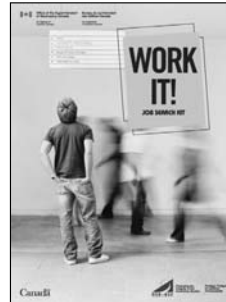
The Financial Guide — Teenagers: Thirteen to Fifteen-years-old is a booklet for parents of kids of this age group. It contains information on what teens should know about financial matters as well as corresponding activities. It can also be used by educators, guidance counsellors and other adults who have a role in educating these teens. The publication numbers are: Iu76-4/4-2006E (English) and Iu76-4/4-2006F (French).



The Financial Guide for Post-Secondary Students is a guide for students about to undertake or who have just begun post-secondary studies. It contains information on how to budget while you're a student, finding an apartment, looking for a summer job, etc. The publication numbers are: Iu76-2/2005E (English) and Iu76-2/2005F (French).



Educational Cartoon Strips is a booklet prepared by teenage volunteers. It contains five cartoons strips with a financial lesson in each one. Available in a bilingual format. The publication number is: Iu76-3/2005.



The *Work It! Job Search Kit* is for adults who would like to organize a workshop for teens who are about to search for a job for the first time. It contains PowerPoint presentations on how to prepare a résumé and covering letter as well as tips on how to succeed an interview. The publication numbers are: Iu76-4/5-2006E (English) and Iu76-4/5-2006F (French).

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