

Financial Distress? Our Restructuring Lawyers Can Help Optimize Your Outcomes

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Running a business is challenging, and every company faces ups and downs. Certain warning signs suggest that financial difficulties are becoming serious — and it may be time to seek **legal guidance** from professionals who understand your lenders, your rights and the laws that can help your business adjust and to recover or take other steps that optimize your business outcomes for your stakeholders. Best to act early!



USE THIS CHECKLIST TO SPOT RED FLAGS

Cash Flow Problems

- Struggling to make payroll or pay suppliers on time
- Lines of credit constantly at or near their limits
- Frequent requests for payment extensions or overdrafts

Mounting Debt

- Increasing loans
- Falling behind on tax and employee remittances (GST/HST, payroll, income taxes)
- Creditors calling more frequently or threatening legal action

Operational Warning Signs

- Key suppliers cutting off credit or demanding cash on delivery
- Loss of key customers
- Major customers delaying payments
- Difficulty securing new financing or investors
- Lender pressure or moves to special accounts units
- Negative exchange rate changes
- Supply chain challenges

- Monthly losses
- Slower inventory turns/seasonal inventory surplus

Legal and Regulatory Red Flags

- Lawsuits from creditors or collection agencies
- Notices of garnishment, liens or asset seizures
- Directors or officers becoming personally exposed to liability for unpaid wages or taxes
- Tariff hardship

Business Performance Issues

- Sales or revenue consistently declining
- Shrinking profit margins despite cost-cutting efforts
- Loss of key contracts/key employees
- Key market or competitive changes
- Challenges faced by one or more company divisions

If you recognize several of these warning signs, it's time to act. Things can happen quickly and time may not be on your side...

Early **legal advice** can try to help protect your business, manage creditor pressures, give you an idea of what you may be facing and explore restructuring options while there are still opportunities to control your business future and optimize your business outcomes.

Tip: The sooner you speak with an **insolvency and restructuring lawyer**, the more options you'll have to stabilize your business.

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