

Welcome back, I know that it has been a while since we put out a Civil Enforcement Bulletin so let's get right to it.

As we all know Alberta has seen some dramatic economic changes over the last year. Oilfield slow-downs/layoffs, the price of crude oil dramatically dropping and of course the exchange rate on the Canadian Dollar being lower than it has in many years. All of these items can have an impact on a debtor's ability to manage their debts and to ensure that payments can be maintained in a timely fashion.

Most Albertan's don't want to miss a car or rent payment, but in situations like Alberta is currently experiencing, it can become a fact of life for a lot of people. Often creditors believe that they are being supportive and helpful by allowing their client's/tenants to postpone payment or by allowing them extra time to bring their accounts/rent up to date. In some cases all they needed was that little bit of extra time to get things under control. Unfortunately though, in most cases that little bit more time can do more harm than good.

If your client or tenant finds themselves in a position where their debt load has exceeded their ability to pay, allowing them to incur more debt, by allowing them to postpone or miss payments, can actually create a situation that the debtor is never going to be able to recover from. It is often easier for someone to arrange payment for one month's missed payment than it is to find a way to cover 3 or 6 month's missed payments.

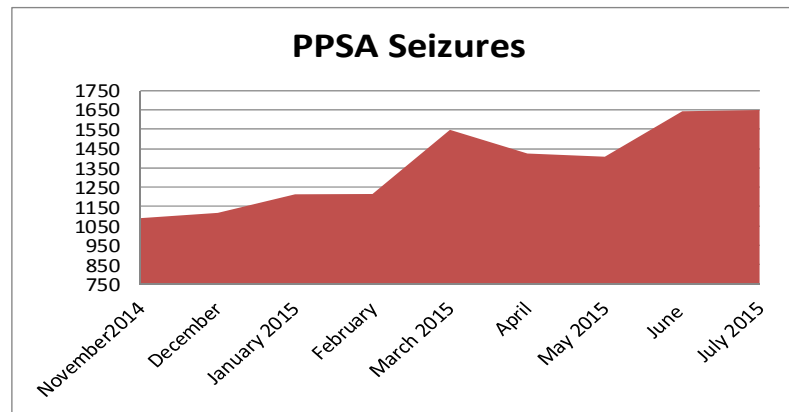
When talking to new clients I often say, "Don't allow your debtor to dig a hole that they cannot get out of". Even when you think you are helping – you can be doing more harm than good and you can be putting yourself into a position where you are going to be unable to collect the arrears at the end of the day or in a position where you will have to take legal action (Judgment) to collect your debt/rental arrears.

Today I would like to share some statistics with you specify with respect to the increased need we are seeing province wide for Civil Enforcement services.

### Personal Property Security Act (PPSA) Seizures

First let's talk at PPSA seizures. The need for seizures to be completed under the Personal Property Security Act (PPSA) has dramatically increased. May to July 2015 saw a total of 4,698 PPSA seizures completed in the Province of Alberta during that 3 month period. This is a 25% overall increase when compared to the same time period of 2014 which saw a total of 3,523 seizures conducted.

That is equivalent to an increase of more than 390 PPSA files per month over the same time period as last year.

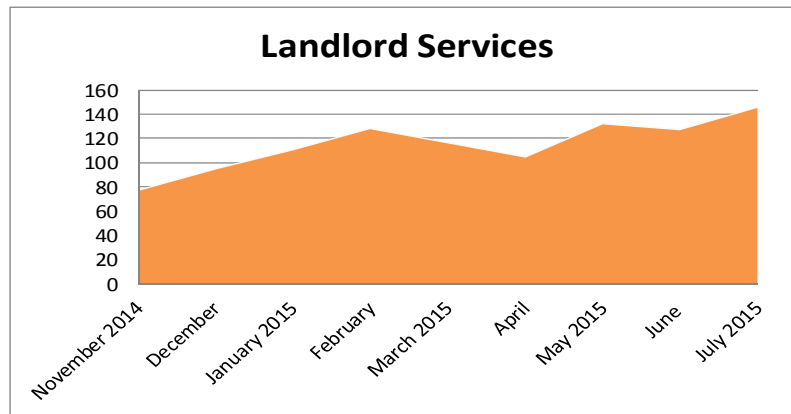


*\*Statistics taken from the annual report of the Office of the Sherriff – Civil Enforcement*

## Landlord Distress Seizures / Orders for Possessions

As noted above often Landlords will allow their tenants just a little more time to catch up their overdue rent. Most landlord files will have arrears in the area of 3 to 6 months before commencing a civil enforcement action (landlord distress or order for possession).

Over the past few months we have seen a steady increase in Landlord Distress Seizures and Orders for Possession. I believe this clearly demonstrates that even with a little more time or postponement of their rent, tenants are finding the hole just gets too deep for them to dig their way out of.



*\*Statistics taken from the annual report of the Office of the Sherriff – Civil Enforcement*

## What is a creditor to do in these difficult economic times?

We have all heard the doom and gloom that we are a long way from seeing the light at the end of the tunnel. At the same time we have all heard that better days are just around the corner.

No matter which side of this debate you are on, if you are a creditor who is not getting paid you need to ensure you are taking steps to protect the monies owed to you before the debtor is in a situation where there is no way they can pay you.

There are numerous options for you as a creditor to protect your rights in the debtor's goods – without actually taking the debtor's goods away from them.

In the Province of Alberta an asset can be seized and left in the debtor's care and possession. I am of course speaking of a Bailee's Undertaking. This allows the debtor to continue to use the asset in the method it was purchased/intended for, yet allows you the protection of a seizure. We can return at any time to remove the asset from the debtor's possession and to proceed with sale or surrender of the same. But in the meantime it shows your debtor you mean business and that you are prepared to take whatever steps necessary to protect your claim. Once an asset has been seized and left on a Bailee's Undertaking, the debtor cannot sell it, dispose of it, devalue it or convert it. If a debtor tries to do so, they can be charged with criminal theft.

The next few months will be interesting in the Province of Alberta. Our new political structure and continuing economy concerns will have all creditors watching their debts closer than ever. Remember there are options out there to protect your interest. Please do not hesitate to give any one of our staff a call to discuss your specific situation. We will be glad to provide you further information or suggestions on how to protect your debt.

**Patricia Wilson**

Director, Civil Enforcement