

A photograph of a man and a woman, Howard and Sheryl, in a professional setting. The man, wearing a light blue shirt and a dark tie, is looking at a laptop screen. The woman, with blonde hair, is smiling and looking at the same screen. They appear to be in a meeting or collaborative work environment.

Case Study: Professionals Without A Plan

Meet Howard and Sheryl

Howard and Sheryl are both lawyers with 2 kids finishing university

Location: North York Ontario

Howard and Sheryl lived the dream life. They both earned good incomes from their careers as lawyers in downtown Toronto, lived in a nice home in North York and have 2 bright children who are completing their educations at good schools. What they didn't see coming was the fact that they were living on credit, with no plan towards repaying the debt levels they were accumulating.

The Challenge

Neither Howard nor Sheryl could consider bankruptcy as a solution to their debt problems. As lawyers, bankruptcy would jeopardize their professional careers. And with a higher income, their monthly surplus income payments in a bankruptcy would strangle their monthly cash flow.

THEIR DEBTS

Mortgage	\$1,200,000
Secured Line of Credit	\$400,000
Personal Loans	\$300,000
Credit Cards	\$150,000
CRA arrears	\$50,000
Total Unsecured Debts	\$500,000

THEIR ASSETS

House	\$2,000,000
Value for Creditors	\$86,000

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The Solution

Based on Howard and Sheryl's income and the equity value in their home, we estimated that their creditors would receive about \$239,000 if they filed bankruptcy, an option they could not pursue. But by choosing a consumer proposal, they were able to settle their debts with their creditors, manage their budget and, key to them, avoid filing bankruptcy.

Payments

\$4,000 for 60 months

Total Repaid \$240,000

Total Saved \$260,000

Howard and Sheryl's problems began because they had no plan beyond living day to day. They always assumed they could afford their lifestyle and that tomorrow would take care of itself. Sadly they found out soon enough that debts can accumulate beyond the means of anyone. We were able to help them create a plan to settle their debt, keep their home and protect enough of their cash flow to continue to keep their kids in school and keep up with the mortgage payments.

Howard and Sheryl have come to realize that they were in way over their heads. They never saw the light until it was too late; their minimum monthly payments were killing them. This was a hard lesson for them but they have learned from it. As Sheryl said once they knew they had a way out, "never again".

Debt Problems Can Happen to Anyone. Start Your Recovery Plan Today.

Let us help you build a plan to living debt free. If you have any questions regarding a Consumer Proposal, call us at 1-866-747-0660 or contact us through our email by clicking on the contact us button on our website.

We're Here to Help.

Contact one of our trustees at any of our offices across Ontario by calling **1-866-747-0660** or visit **hoyes.com**

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*names and some details changed for privacy

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