



## SMART INSOLVENCY SOLUTIONS

# DIRECTOR HAS EXPOSURE THROUGH PERSONAL GUARANTEES

### The tph Difference

It is important to know which creditors have personal guarantees so that decisions that are made concerning creditors during a Liquidation or Voluntary Administration are made with knowledge of what other motivating factors may be at play from both the directors perspective and the creditors.

Directors also need to be advised that paying personal guarantee creditors in preference to other creditors can trigger the preference provisions.

### Common Alternative Approaches adopted by Insolvency Firms

Because of the uncertainties of outcomes with respect to guarantees given, it is difficult to gauge actions by other firms.

It is correct to say however that the guarantee position of creditors in a liquidation should be well understood by the practitioner so that there are no surprises as the liquidator makes decisions during the course of the appointment.




### The tph Smart Solution

There are many moving parts during a liquidation, directors can often feel overwhelmed during the process, **tph** adopts a clear and transparent pathway so that all parties remain informed.

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