

Chair's newsletter

Index

1. The Future of the Industry
3. Chair's Message
4. CAIRP Begins to Rebrand and Refocus
5. The 2013 Annual Conference St. John's, Newfoundland and Labrador
6. Save The Date – Ottawa 2014
7. Member News
8. CQP Update

THE FUTURE OF THE INDUSTRY

The closing session at the 2013 Annual Conference brought together three veteran CIRPs to discuss their views on “The Future of the Industry.”



Bill Courage, FCIRP, Paul Casey, CIRP, Jean-Daniel Breton, FCIRP

Jean-Daniel Breton, FCIRP, Bill Courage, a past Chair and FCIRP, and Paul Casey, CIRP and our current

Chair, provided food for thought in a presentation that included recent bankruptcy and insolvency statistics, commercial sector issues, consumer practice, international trends, educational programs, and the role of CAIRP in supporting its members.

The rate of business insolvencies has decreased steadily from 1999 onwards. Since 2009, markets have generally stabilized, with lower volumes of corporate insolvencies. Business consolidations, fewer new start-ups, refinancing, and the changing nature of business all contribute to keeping the failure rate lower.

The nature of Canadian business is changing, with a reducing manufacturing sector and more investment in technology, intellectual capital and soft assets, which means a continuing preference towards restructuring rather than liquidation, given the volatile value of these types of assets.

Although insolvency professionals will continue to play a key role in restructurings, this role will be continuously challenged by other professionals including unlicensed turnaround managers, investment bankers, restructuring counsel, and secured lenders themselves. CIRPs must differentiate themselves by bringing a full and unbiased array of options and skills to solve complex problems. We need to be trusted advisors to corporate senior management so they can participate in strategic discussions and analysis, rather than be limited to the ‘corporate undertaker’ role.

Consumer insolvency filings have declined since the 2009 spike. While the current trend indicates stability in the number of bankruptcy filings, there has been a consistent increase of proposals filed since 2007. The increased weighting of consumer proposals is expected to continue. Consumer debt has risen steadily and significantly since the early 1980s, while the median income of Canadian households (adjusted for inflation) has stayed flat.



CIRPs in the consumer and small business arena will have to fight for relevance in a world where their service is being seen as more of a commodity. High debt loads, coupled with low recoveries and transaction costs, are yielding low and nil returns for creditors. Further, CIRPs will continue to be challenged by debt consultants, and will need to stay ahead of the curve in branding and delivering value. CIRPs must continue to demonstrate their unique skills and relationships to add certainty of outcome and credibility to consumer insolvency situations.

Internationally, the “too big to fail” premise has been under examination, with the possibility of failure of large financial organizations and accompanying global economic fallout. Sovereign debt issues are growing, with deteriorating credit quality at the national and municipal levels, creating solvency problems and discouraging global economic recovery. INSOL International continues to study cross-border insolvency issues with a view to streamlining processes in the corporate Model Law and to developing protocols for consumer issues.

CAIRP membership remains steady at around 950, with an average member age of 52. Looking forward, and considering expected retirements and career changes, there is a concern that the rate of new membership will not meet replacement rates for future needs.

CAIRP’s future was envisioned in its 2012 Strategic Plan. The four pillars of that plan are Professional Recognition, Advocacy, Education, and Volunteers. With respect to education, the Association has introduced the CQP, a competency-based program designed to provide candidates with sufficient depth and breadth of core knowledge, as well as the ability to apply that knowledge. CAIRP is confident the CQP will make our educational offerings, and indeed our profession, more attractive and relevant.

Panelists also discussed adding post-certification programs in the future. Such programs would help our members to maintain and develop reputations as trusted advisors and go-to professionals for insolvency and restructuring advice.

Casey concluded the presentation by saying, “I’m in my 25th year as a specialist in insolvency and restructuring work, and I am as proud of what I do today as I was on the day I qualified. We add value, on a real-time basis, and have earned our trusted reputation before the courts and the regulators.”

For the future, CAIRP will continue to support its members by increasing the visibility, awareness and image of our profession, and by enhancing the public’s confidence in the CIRP designation.

(Chair’s Message from page 3)

From an overall economic point of view, we will be looking at an environment of limited growth, potential interest rate increases, and the continuing risk of pension and retirement funding crises for businesses and individuals. Interestingly, consumer and business insolvencies in Canada decreased by 3.0 percent and 6.4 percent respectively for the comparable 12-month periods ending June 30, 2013, making it difficult to predict future needs for insolvency and restructuring advice in the coming quarters.

However, we will be ready. Members and your Board are continuing to advocate a fair, transparent and effective system of insolvency and restructuring administration throughout Canada. Our current activities include:

- » the comprehensive review of our Standards of Professional Practice;
- » consultation with the OSB on the Oral Board of

Examination process (and examiner support), the Advertising Directive, mandatory counselling, and summary administration draws and tariff;

- » the work of the Consumer and Corporate Advocacy Task Forces to prepare our submissions on BIA, CCAA (and, ideally, CBCA) reform as part of the statutory five-year review of the first two Acts;
- » preparation of our Spring 2014 cross-country Forums, the Toronto Commercial Program, and our 2014 Annual Conference in Ottawa; and
- » the reestablishment of the CRA Liaison Committee.

On behalf of your Association, I wish all members and their families a safe and happy holiday season, and great restructuring work in 2014. To close, a final Hillier quote: *Look after yourself.*

Paul M. Casey, CPA, CA, CIRP ('93)

CHAIR'S MESSAGE

"Values are the basis of any strong organization. Groups with strong values share common goals."

General (Ret.) Rick Hillier

It is my honour and pleasure to present the December, 2013 Chair's newsletter, my first as your Association's Chair. I joined the Association as an articling member 24 years ago, and since then, I continue to be impressed by the professionalism, collegiality, and volunteerism of our members.

I borrowed the above quote from our August, 2013 Annual Conference keynote speaker because it aptly describes the nature of CAIRP and its membership. From our value statement: *CAIRP and its members are committed to professionalism, trustworthiness and objectivity.* I believe all of us share and live this every day.

Perhaps the best example of CAIRP's shared values and goals can be seen at our flagship event, our Annual Conference, held this past August in historic St. John's, Newfoundland and Labrador. The conference was kicked off with an inspiring presentation from General (Ret.) Rick Hillier, former Chief of the Defence Staff of the Canadian Forces, and included attendance from an informal platoon of active servicemen and women representing our army, navy and air force (well done, Derrick!). In the presence of such leadership, passion and courage, I've never been prouder to be a Canadian, nor more aware of how privileged we are. As these brave and dedicated professionals exited, I found myself shaking their hands and saying "thank you for what you do."

Further on you will read Derrick Hutchens' description of our 2013 Annual Conference, which I am confident will whet your appetite to join us in Ottawa in August, 2014. While we are all trained to be careful giving representations and warranties, I guarantee that this year's keynote speaker, also a retired former commander, will build on the momentum achieved by General Hillier.

You need a long-term approach to make short-term decisions.

General Rick Hillier (again, of course)

Your CAIRP Board is pleased with the progress of implementing our 2012 Strategic Plan.

In particular, I want to highlight the work of our Website Task Force, led by Greg Fontaine, and the Media Task Force, led by George Kinsman. The implementation of our ambitious branding strategy is critical to our first Strategic Plan pillar of enhanced Professional Recognition.

This goal is critical to the maintenance and enhancement of our status as "recognized leaders" and "Go-To Professionals" for expertise, information and solutions to insolvency and restructuring.

Work on the Strategic Plan pillar of Education warrants shout-outs to Bea Casey and her CAIRP team, CQP Chair J.D. Breton, CNIE Board Chair Carol McGran, Exam Oversight Committee Chair Catherine Hristow, and the many volunteers from across the country who have invested countless hours in developing and implementing our competency-based CNIE training and exam program. This team has again organized and delivered another successful season of quality and relevant education to our articling students.

Since the implementation of the 2009 Memorandum of Understanding with the OSB that brought the qualification program entirely back in house, there has been continuous change to our pre-qualification programming. Last month, 100 students challenged the second competency-based CNIE on their way to becoming Chartered Insolvency and Restructuring Professionals. Thank you to everyone involved. Bea's Education Programs report follows later in this newsletter.

There is a time to talk and a time to do.

General Rick Hillier (you guessed it)

Looking forward to the next quarter, I am awed by the activities, goals and momentum of CAIRP (thank you, past Chairs).



Paul Casey

↔ (Continued on Page 2)

CAIRP BEGINS TO REBRAND AND REFOCUS

Last spring and summer saw CAIRP start to regroup and rebrand, as we began the process of repositioning our Association and our members in the eyes of the public.

In May, CAIRP hired a public relations firm, Brown & Cohen, to create and execute a strategic communications plan, and in July we welcomed Elizabeth “Beth” Raymer as our new communications manager.



Elizabeth Raymer,
CAIRP's Communications Manager

CAIRP's Strategic Communications Plan was approved that summer, with the following objectives:

- » To differentiate Trustees in Bankruptcy from the competition (credit counsellors, debt management companies)
- » To increase understanding of the role of Trustees in Bankruptcy and the CIRP designation
- » To raise the profile and create awareness of Trustees in Bankruptcy so that they become the go-to source for the consumer market (the key area in which the competition is currently operating with greater success).

The Plan includes a media relations campaign, which has so far seen a 2013 annual conference media advisory sent out, and monthly “pitches” to the media on a variety of consumer and corporate topics.

Media pickup of CAIRP's stories to date includes an interview on the growing rate of insolvency among seniors, by Rob Carrick for The Globe and Mail's website; a weekend story in the Financial Post in late August on the same topic; and two Alberta interviews (one print, one television) of two members in late October on the topic of consumer proposals.

We've also been making headway with redeveloping CAIRP's website to give it a new look and feel, which we hope will make it more engaging for members and the public alike. Quebec firm Vignola Communication Marketing, which successfully redesigned the Quebec association's website in 2012, was selected in October, and is expecting to have our new website launched early in 2014.

While our website will undergo a complete overhaul, you can expect to see our old logo and the blue and green colours with which you're familiar. But we also wanted your input as to what you, our members, wanted to see on our new website, and to that end we sent out a questionnaire in early November asking how often you found our present site and what you wanted from the new one (and thank you to all those who took the time to respond).

CAIRP is also going social! In July, our communications manager, Beth Raymer, launched a CAIRP Company page on LinkedIn, posting industry news articles to it, and a Group page is planned for 2014 on which members can converse with each other. This fall, Twitter and Facebook accounts were also launched, though we don't anticipate active posting and tweeting until the new year. We look forward to interacting with you on social media, so please connect with and follow us, as we bring interesting news, developments and discussion forums to you, our members.

Social media is about engagement, and we hope that this – along with our new website, to be launched this winter – will help you feel more engaged with and connected to CAIRP. Follow along with us, and stay with us for what we hope will be an exciting ride, as CAIRP shows its new face and fully enters the digital age.

The 2013 Annual Conference

St. John's, Newfoundland and Labrador

By Derrick J. Hutchens, CIRP, Chair, 2013 Annual Conference

"What a time we had at the 2013 Annual CAIRP Conference!"

More than 220 general CAIRP members, presenters, and corporate partners were treated to some of Newfoundland's finest hospitality at the 2013 CAIRP Annual Conference at the Sheraton Hotel Newfoundland in St. John's, from August 15th to 17th.



Rick Hillier & Derrick Hutchens

Kicking off the conference was the inspiring speech by General Rick Hillier (Ret.), former Chief of Defence Staff for the Canadian Forces, who spoke to us about leadership in tough times: a topic that all general members can relate to, whether they

are involved with a corporate insolvency file or a consumer debtor situation. In attendance by special invitation were thirteen uniformed personnel of the Canadian Forces Base—St. John's, from various units of the army, navy and air forces, who reminded all of us of the freedoms we enjoy today.

The keynote address was followed by that of Dr. Warren Jestin, Senior Vice-President and Chief Economist of Scotiabank, who presented us with a global and national economic update. We were then brought up to date on some international insolvency activities through an informative presentation by James Sprayregen, President of INSOL International.

The technical program was structured so that four breakout sessions were geared to the consumer practitioner, and another four to the corporate practitioner. We were successful in obtaining some very talented and interesting speakers to discuss current hot topics, and thanks to all of you.

Our final plenary session, about the future of our industry, was presented by William Courage, Jean-Daniel Breton and Paul Casey, three of our senior association members, and what a session it was. The "boys" did a superior job in attempting to look into the crystal ball and see where we as an association

(and profession) are headed. It is fair to say that delegates went away with considerable food for thought; wow!

Although a representative of the Office of the Superintendent of Bankruptcy was not able to attend this year's conference, CAIRP appreciates the strong participation of the OSB in the 2013 Forums this past spring, and looks forward to welcoming the Superintendent to the 2014 Annual Conference in Ottawa.

There were annual general meetings for the CIF and CAIRP, and a presentation by Guylaine Houle, outgoing Chair of our Association, outlining the highlights and activities of the past year.

Wrapping up the conference was the Chair's banquet dinner and dance, which included remarks from the incoming Chair, Paul Casey, on the initiatives and future plans of the Association.

Our social program was second to none, including a welcome reception on the opening night, and fun and informative afternoon activities that were enjoyed by all: golf on two separate courses, a Signal Hill and Cape Spear tour, and a birds-and-whales boat tour. And on Friday evening all were on hand for the "Rally in the Alley" George Street Pub Crawl: a night that will be forever remembered!

Many, many thanks go to our corporate partners, without whose financial support we would not be able to do everything that we were able to do; THANK YOU.

To everyone who attended the conference, thank you for your participation, for we could not have done it without you, either.

Last but not least, thank you very much to all the 2013 Annual Conference Committee members: Chantal Gingras, Noel Andrews, Greg Gosse, Nancy Snedden, Mark Yakabuski, Bea Casey, Ali Hemani, and my "right hand" event planner, Emma Flood. A special thanks also goes to Adam Hutchens, our golf coordinator.

As Chair, I had a blast hosting the 2013 Conference. Again, many thanks to everyone who attended and made it the success that it was.

CAIRP 2014 ANNUAL CONFERENCE SAVE THE DATE!

CAIRP looks forward to welcoming you to Ottawa for CAIRP's 2014 Annual Conference! Taking place at the Fairmont Château Laurier, next year's conference will run from Thursday, August 14th through Saturday, August 16th.

CAIRP members and industry practitioners from across the country will once again have the opportunity to meet and mingle, and take part in a series of informative, thought-provoking professional development sessions, delivered by a faculty of esteemed experts. Stimulating breakout sessions will provide additional forums in which to network, learn and exchange ideas.

The exciting agenda will kick off with a keynote address by Paul Wells, senior columnist for *Maclean's* magazine. It will close with what is sure to be the highlight event: Chris Hadfield, the first Canadian to walk in space and command the International Space Station, will address attendees of the Chair's Gala. Commander Hadfield (Ret.) is an outstanding speaker and has much to share with CAIRP members in what promises to be a spectacular evening.

The conference will feature sessions including:

- » Issues arising from creditor's meetings, such as substitution of trustees, filing a proposal versus for bankruptcy, the implication of debt consolidation in order to control the vote, and deferred claims. The presenter is Sylvain Vauclair, an insolvency lawyer practicing with the Woods firm in Montreal. The session is expected to interest both consumer and corporate practitioners;
- » Understanding the fundamentals of credit scores and sharing scores with clients, presented by Equifax Canada;
- » Restructuring professional sports teams, presented by John O'Toole, a partner in Borden Ladner Gervais LLP in Ottawa;
- » Issues arising from the rail disaster and subsequent bankruptcy of the Montreal, Maine and Atlantic Canada Company, presented by Andrew Adessky, a Trustee and partner in Richter Consulting in Montreal.

The conference's social program will allow delegates to explore the great city of Ottawa, our national capital. Golfers will have plenty of time to enjoy an afternoon game at the Outaouais Golf Club, an expansive semi-private golf course that was home to the 2012 CPGA Championship.

The full conference and social program agendas will be available soon; so mark the date on your calendar, and we look forward to welcoming you in Ottawa next August!

UPCOMING EVENTS

CAIRP Commercial Program is taking place on Thursday March 27, 2014 in the Toronto Region Board of Trade's Ballroom. The full program agenda and registration information will be announced soon.

CAIRP Insolvency and Restructuring Forums will be taking place from May 5 to 26, 2014. Our popular Insolvency and Restructuring Forums are back with new member breakfasts, informative sessions and continuing education credits. We will be visiting six cities across Canada.

Halifax: Monday May 5
Winnipeg: Thursday May 8
Vancouver: Monday May 12
Calgary: Tuesday May 13
Toronto: Thursday May 15
Montreal: Monday May 26

Venues will be announced soon.

If you would like your event to be promoted in the next Chair's Newsletter, please send the full details to: natalie.richard@cairp.ca

MEMBER NEWS

Please note that Bylaw Number One of 2013 was approved by Corporations Canada and our membership categories changed as follows:

- » General members are now MEMBERS
- » Life members are now LIFE ASSOCIATES
- » Articling members are now ARTICLING ASSOCIATES
- » Corporate members are now CORPORATE ASSOCIATES

New Life Associates

Frank J. Jaglowitz,
Hassan A. Jaffer,
Murray Rea Godbold,
Graham Pearson,
Stanley J. Ruthen,
Jacques Roy,
Robert Fontaine,
Marc Châtillon,
Robert Bougie,
Gilles Gagnon.

New Members

Johanne Dubé,
Peter Chisholm,
Ilya Margulis,
Andrew Smith,
Robert Joseph Zanni,
Joel Ross,
Richard Hamilton.

The Association welcomes volunteers. We need your contribution and your expertise! If you are a new member and would like to be involved with CAIRP, please contact Adam Fisher, President of the New Members Committee at: adam@harrisandpartnersinc.com

On the Move

Bryan A. Tannenbaum, FCPA, FCA, FCIRP, Daniel R. Weisz, CPA, CA, CIRP and **Brenda Wong**, CIRP have joined Collins Barrow Toronto LLP to launch its new restructuring and recovery services practice.

CAIRP wishes to thank all the members who have retired this year and chosen to remain with the Association as Life Associates. CAIRP values your membership and welcomes your continued volunteering.

Honours & Awards



Steven Welker of BDO Canada receives the 2012 EY Jack Biddell Gold Medal for having achieved the highest mark on the National Insolvency Examination. He is pictured with outgoing Chair Guylaine Houle and new Chair Paul Casey.



Julie Mortreux, CIRP, of Samson Bélair / Deloitte & Touche Inc. in Montreal, received the New Member's Award of Merit.

The criteria and the applications for all the Awards, including the Fellowship, the Keith K. Collins and the Outstanding Volunteer Award can be found online at www.cairp.ca. Please note that the nominations are open from January 1st to April 30th, except for the OVA, which is open for nominations throughout the year.

CAIRP believes in the recognition of members who distinguish themselves from others. If such a deserving individual comes to mind, please let your nomination be known to us!

In each issue, **Rebuilding Success** magazine profiles CAIRP members from across Canada who have made a significant contribution to their communities as volunteers.

If you would like to suggest a member to be profiled, please send the details to:

natalie.richard@cairp.ca

CQP UPDATE

Autumn is a very busy time for CAIRP's education group.

Early September saw 48 articling associates participate in the annual tutorial. This year the exam preparation session at the tutorial was extended from half a day to a full day and a half. Christopher Mediratta, Vice-President, Transaction Advisory Services at EY Inc., led participants through the theoretical basis of competency-based assessment, had candidates answer representative consumer and corporate questions from past exams, guided them through identification of solutions, and then gave insights on how their solutions would be assessed on a competency basis. Participant feedback was very positive, and candidates taking advantage of the enhanced training available through the 2013 Tutorial had approximately double the pass rate of those who were not able to do so.

This year also saw the welcome return to the Tutorial of representatives of the Office of the Superintendent of Bankruptcy: Patricia Alférez, Deputy Superintendent of Bankruptcy; Elizabeth Lang, Director General, Programs, Policy and Regulatory Affairs; and Rebekah Johnston, Assistant Superintendent, Ontario Region, spoke to both French- and English-speaking candidates about the upcoming Oral Board Examinations, including the new format and how best to prepare.

Several presenters agreed to speak in the evening, and so this year's candidates received several additional hours of new content.

The CQP Committee is exploring other avenues to assist candidates in their progress through the CQP Program. A small group, comprising a representative of the OSB, the Chairs of the CIRP Qualification Program Committee and the New Members Committee, and a concerned sponsor are examining the requirement for experience hours that all articling associates must obtain. The goal is to add clarity to the requirements and to find ways

to help guide candidates to the work experience they need to succeed, not only on the CNIE but also at the Oral Board Examinations.

Additionally, the CQP, through the Course Material Review Committee, is reviewing and revising the Sponsor's Manual. Julie Mortreux, Senior Manager, Samson Bélair/Deloitte & Touche Inc., an NIE gold medalist and active and engaged sponsor, is spearheading the review. She is tasked with providing detailed guidelines and suggestions, including what has worked for her and other sponsors with a history of successfully guiding their candidates through the Program.

At the end of September, 30 articling associates challenged the Core Knowledge Exam. Seventy-three per cent were successful, allowing these candidates to proceed to the next stage of achieving their goal of earning the CIRP certification.

October is also a very busy month for educational programming. On October 16th and 17th, 100 candidates — 82 English-speaking and 18 French-speaking — challenged the CNIE at over 20 centres around the country. On October 25th, 31 candidates took the online Insolvency Administration Course Exam with great success. Finally, 52 seasoned practitioners made their way to Toronto to assess the CNIE over a four-day period.

Special thanks are due to all of our amazing volunteers who so generously give of their time and expertise: tutorial presenters, Core Knowledge Exam Board members, CNIE Board members, translation reviewers, exam reviewers, including test writers, and the Exam Oversight and CQP Committee members.

Last but far from least, a special thanks to the assessment center volunteers. All of these dedicated professionals work hard to ensure that the upcoming group of CIRPs meets the competency standards set for newly certified members.

