



“Acting With Special Care During a Business Failure”

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Although some assets are protected during bankruptcy judgments, when you are being attacked by creditors (and maybe others who want your assets), this protection may not be enough. Besides losing property indirectly, as discussed above, you may lose property due to criminal actions against you.

If you do not act correctly during the bad times your business is experiencing, you may end up having to liquidate your home to pay your legal fees. If you break laws when you take actions to shore up your failing business, you may be sued in civil court or you may face charges in criminal court. And bankruptcy court will not save you from this type of action.

When you have to sit down and tell your daughter that you are broke and she must attend the community college instead of the university she was planning to attend (or worse, that she has to find a job to help you pay your debts instead of attending college at all), or when your marriage fails because you and your spouse cannot handle the stress of losing everything you own, or when...

It goes on and on, and the picture isn't pretty.

I think you will agree that as the business owner, you stand to lose much more than any of your employees do. Your employees did not commit their personal assets to the business; instead, they have committed their time and dedication and in return you gave them a paycheck. In many ways, they are “even.”

You have much more at risk.



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So why would you sacrifice all of these things so you can shield an employee from a fate (losing their job and having to find another) that is far less terrible than what you stand to lose.