

# jackson smith

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## **Extending time for compliance with a bankruptcy notice may give a last chance to save a business >>**

Mr B is a developer on the North Coast of New South Wales. On 25 March 2004 AMP Finance Limited obtained a judgment against him for over \$5 million.

The bankruptcy notice was dated 24 June 2004. On instructions from Mr B we made an application to extend the time for compliance with the requirements of the bankruptcy notice from 27 July 2004. On 27 July 2004 the matter was adjourned to 10 August 2004.

On 10 August 2004 we made another application to extend the time for compliance still further. Mr B gave sworn evidence that he was actively involved in attempts to gain refinancing for the companies of which he is a director for the purpose of paying the debt owed to the AMP. It was argued that an act of bankruptcy may make it next to impossible for him to obtain finance.

Judge Branson listened to the arguments and gave Mr B one last chance by extending the time for compliance until midnight 17 August 2004. Mr B's prospects of getting longer time would have been improved had he obtained a stay of the Supreme Court judgment pending the hearing of the appeal which was set for 5 November 2004.

If an extension of the time for complying with a Bankruptcy Notice is needed it is best to put as much information as possible before the Court about the appeal against the judgment that is being relied on and get a stay of that judgment if at all possible.

Mr B did not pay out the AMP in the time given by the judge but still hopes to do a deal with the AMP.

I hope that this is of interest and value to you and to your clients.

**Peter Jackson,**

Partner,

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