

Taken in by a smooth-talker's words

Couple face financial and marital problems after husband is lured by a bankrupt ex-criminal into a business that failed



KAREN
53, Desperate wife

HER world fell apart when her 15-year-old daughter was knocked down and killed by a bus three years ago.

Karen, 53, and her husband, Peter, were still coming to grips with the death of their only child one year on when Peter was approached by a business acquaintance, Simon, to join him in starting a new renovations and interior design venture.

It was an attractive proposal: Peter, having been in the business for more than two decades, would be project manager and lend his experience and expertise; while Simon, an eloquent salesman, would bring in the business as well as run it.

Simon had just got out of jail for a white-collar crime and as he had been declared a bankrupt, he was unable to register the venture in his name. He convinced Peter to use his name.

Said Karen, who works in a health and wellness centre: "He was a very good salesman and an absolute smooth-talker ... I was totally against the idea after I knew of his

background, but Peter thought he had turned over a new leaf and should be given a second chance.

"Ever since my husband set up the business with him, my life is in total turmoil."

While she understands that the couple's experience with Simon cannot be generalised, the long trauma she has gone through has left her bitter.

In the unfolding months, creditors came knocking, salaries were owed and lawyers' letters flooded the mailbox of the couple's home. On top of all these, Peter was also owed three months' salary.

All this was too much for Karen to take. She endured sleepless nights, praying that things would get better. Her frustrations spilled over to the marriage.

"We quarrelled everyday. I want to divorce but my religion forbids it. I also don't want to punish my husband as it's not his fault. I'm suffering in pain, anger and fear. If it's going to continue like this, I'll really go crazy," said Karen, a Catholic, as she broke down in tears.

"I gave my husband an ultimatum: Do you want to drive us to desperation and end up sleeping on the streets?"

Peter finally decided enough was enough and pleaded with Simon to let him get out of the business, which was suffer-



UNCERTAIN FUTURE: Having endured the trauma of her husband's failed business and their marital woes, Karen is now at a loss as to what to do next.

ing losses. But it was only in March last year, when Peter told Simon he had to go overseas to help a friend with his warehousing business, that Simon got his aged mother to take over the company.

They brought in the lawyers to sort out the financial mess, including an \$11,000 debt owed to a supply firm.

They managed to work out a settlement under which Simon was to pay \$500 a month to the creditors.

Karen's husband then left for Indonesia where he is now based and comes back once a month for a week.

For more than a year, everything appeared to have blown over. Said Karen: "We thought we were being freed and life would be back to normal."

But it was not the end of the story yet, she said. Three months ago, she received a letter from a finance company demanding outstanding payment of more than \$1,600 for a lorry which the business had bought on a hire-purchase basis.

She also got a letter from their lawyers saying that Simon had defaulted on the payment to the creditors.

While Karen has been paying off the debt, she is refusing to take responsibility for the vehicle loan.

The finance company wanted to repossess the vehicle but, as it found out, it is currently with the traffic police after apparently getting involved in an accident.

When Peter called from overseas, Simon simply said he had no money to pay.

Peter then flew home last month to meet Simon but the meeting never took place — Simon kept postponing it until Peter had to fly back to Indonesia.

Driven to her wits' end, Karen decided to look for Simon's mother.

Any hopes she had that his mother would understand her plight faded when she was greeted at the door with a torrent of verbal abuse.

Said Karen: "His sister was scolding me and telling me to leave them alone. She said, 'My mother is so old. Will you be responsible if anything happen to her?' I don't understand. Who is the one suffering now? Who is going to be responsible for the mess my life is in now?"

— AS TOLD TO LOH CHEE KONG

WHAT LAWYERS SAY:

Does Karen have a way out?

Mr Vijai Parwani, principal partner of Parwani & Co, said: "Assuming it was a sole proprietorship under the name of Peter, then Peter would be liable for all the debts of the business incurred when he was the owner of the business."

If Peter had signed the hire-purchase deal with the finance company, he would also be liable to satisfy the amount owed.

Said Mr Parwani: "Even if Peter's wife had informed the finance company that the business was sold to Simon's mother, it would not make a difference unless Peter, Simon's mother and the finance company

had entered into a Novation Agreement, whereby the parties had agreed to transfer the liability."

Depending on the terms of the sale of the business, he added, Peter could seek an indemnity from Simon's mother in the event of a claim from the finance company.

Lawyer Leonard Loo, from Leonard Loo & Co, also noted: "If Simon was a bankrupt when he enlisted Peter to operate a business where Simon was effectively the man behind the scenes, this is an offence under the prevailing bankruptcy act, for a bankrupt to be involved in the operation of a business."

**NUS BUSINESS SCHOOL'S
NEW DEAN PLANS
\$20-MILLION BUILDING**

33

A move towards making childcare centres accessible to all

Letter from **CHRISTINE CHEN**
President, Association for Early
Childhood Educators (Singapore)

I REFER to the letter "Will my child be safe at a childcare centre?" (Sept 10-11), in which Ms Patricia Koh said cost is a key factor for low-income families to send their children to these centres.

Dr Mohamad Maliki Osman, Parliamentary Secretary of the Ministry for Community Development, Youth and Sports, made his comments at a seminar organised by the ministry and the Association for Early Childhood Educators (Singapore) (Aeces). The one-day conference deliberated

on how everyone, including infants, children with special needs, parents and grandparents, can be included in childcare centres. The issue of additional subsidy was also addressed.

With regard to Ms Koh's concern about the centres that are not accessible to parents, we are promoting, through this seminar and other ways, to develop an inclusive culture. With this culture, parents and grandparents become part of the childcare centre and together with the teachers, they will ensure the best care for the children.

The Aeces has formulated a Code of Ethical Conduct for professionals in the field. It outlines professional responsibili-

ties and obligations to children, families, community and colleagues and staff.

The association was started by a group of professionals in 1990. Its mission is to promote quality programmes for young children and their families through continuous professional development of early childhood educators. It orientates student teachers to the Code of Ethics at its premises in Hougang.

There are many people who want the best for their children, from the Government to parents, grandparents, principals, supervisors and teachers. All of us have a part to play in ensuring that our young children get the best.

**PEACHTREE
ACCOUNTING SOFTWARE**
> 28 years SEP 2005 PROMOTION

\$420*
1 user

\$840*
5 users

Free Delivery *After upgrade rebate

Call **6844 8626**
sblanco@singnet.com.sg

Peachtree Solutions
540 Sims Ave #03-01