RISK PROTECTOR

Your First Line of Defence Against Director Liability, ATO Enforcement and Asset Exposure

BUSINESS & DIRECTOR RISK IDENTIFIER TOOL — NO. 9

Creditor Pressure Warning Signals Check

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WHAT THIS TOOL DOES — AND WHAT IT DOES NOT DO

Creditor attacks rarely happen without warning. The signals are almost always there first — overdue payment demands, legal letters, informal pressure calls, stop-supply notices and escalating communication that individually seem like routine business pressure but collectively signal something far more serious is building. Most directors underestimate these signals, manage them reactively and fail to recognise that a creditor who is preparing to move legally does so systematically, methodically and with legal tools that can reach your personal assets very quickly once activated. This tool is designed to help you see those signals before they become enforcement actions.

This is not a diagnostic. It does not measure the severity of what it finds or tell you how to respond. What it does is reveal whether creditor pressure warning signals are already present in your business or personal position — signals that, left unaddressed, create a direct pathway from creditor pressure to personal asset seizure. Your score at the end will tell you whether this needs to go further.

1	Read each question and tick **YES**, **NO** or **UNSURE** honestly. Consider every creditor — suppliers, lenders, landlords, the ATO and any party owed money by the business.
2	The **RISK column** shows the consequence level if your answer is NO or UNSURE. HIGH means a direct creditor enforcement pathway is present or developing. MEDIUM means a warning signal that needs monitoring.
3	Count your NO and UNSURE answers in the Score Summary at the end. Your HIGH risk gap total is your most important result.
4	If RED or AMBER risk gaps are present the next step is clear, free and waiting for you at the end of this tool.

SECTION 1 — Current Creditor Position

Are all creditor relationships currently within normal trading terms — or is pressure already building?

#	Question	YES	NO	UNSURE	RISK
1	Are all trade creditors and supplier accounts being paid within agreed terms — with no accounts currently overdue, on extended terms or subject to stop-supply notices?	☐	☐	☐	HIGH
2	Is your business free of any current overdue payment demands, formal letters of demand or creditor ultimatums requiring immediate payment?	☐	☐	☐	HIGH
3	Are all lease obligations — commercial premises, equipment and vehicle leases — fully current with no arrears, default notices or lessor communications about your payment position?	☐	☐	☐	HIGH
4	Are all bank and finance facilities operating within approved limits with no overdrawn accounts, covenant breaches or informal bank conversations about your financial position?	☐	☐	☐	HIGH

5	Is your business free of any creditor who has placed your account on a cash-only or prepayment basis due to concerns about your payment history?	☐	☐	☐	MEDIUM

SECTION 2 — Legal Threats & Formal Demands

Has any creditor moved from informal pressure to formal legal steps — and do you understand what those steps mean?

#	Question	YES	NO	UNSURE	RISK
6	Has your business received a Statutory Demand — a formal legal demand under the Corporations Act requiring payment within 21 days or presuming insolvency?	☐	☐	☐	HIGH
7	Has your business received a wind-up application or a threat of wind-up proceedings from any creditor in the last 12 months?	☐	☐	☐	HIGH
8	Has your business received any garnishee notice — from the ATO, a court or a creditor — directing a third party to redirect funds owed to your business to a creditor instead?	☐	☐	☐	HIGH
9	Have you or your business received any solicitor’s letter, legal proceeding, court application or formal legal threat from any creditor in the last 12 months?	☐	☐	☐	HIGH
10	Is your business completely free of any current judgment debt, court order or registered default that a creditor holds against it?	☐	☐	☐	HIGH

SECTION 3 — Personal Asset Exposure from Creditor Action

If a creditor moves against your business, which of your personal assets are in the firing line?

#	Question	YES	NO	UNSURE	RISK
11	If your largest creditor obtained a judgment against your business tomorrow, are you confident that your personal assets — home, savings, investments — are protected from that judgment?	☐	☐	☐	HIGH
12	Are all personal guarantees you hold on business facilities fully understood — including which creditors could call them and under what circumstances?	☐	☐	☐	HIGH
13	Is your family home held in a structure that is completely quarantined from your business creditor exposure — not exposed through personal guarantees or director liability?	☐	☐	☐	HIGH
14	Have any creditors made direct contact with you personally — rather than through the company — about outstanding business debts in the last 12 months?	☐	☐	☐	HIGH
15	Are you aware of whether any creditor has registered a security interest against your personal or business assets on the Personal Property Securities Register (PPSR)?	☐	☐	☐	MEDIUM

SECTION 4 — Creditor Escalation Signals

Are there signs that a creditor relationship is moving from pressure to formal enforcement — and are you recognising them?

#	Question	YES	NO	UNSURE	RISK

16	Have any creditors reduced your credit limit, shortened payment terms or requested additional security or personal guarantees in the last 12 months?	☐	☐	☐	HIGH
17	Have any creditors referred your account to a debt collection agency, external solicitor or credit recovery specialist?	☐	☐	☐	HIGH
18	Has any creditor made contact with your customers, bank or other business partners about your payment position or financial status?	☐	☐	☐	HIGH
19	Are you aware of any creditor conducting their own investigations into your financial position — including ASIC searches, property searches or credit checks?	☐	☐	☐	MEDIUM

SECTION 5 — Fraudulent Conveyancing & Asset Transfer Risk

Could any asset transfers or structural changes you have made be challenged by a creditor as an attempt to defeat their claim?

#	Question	YES	NO	UNSURE	RISK
20	In the last two years, have you transferred any significant assets — property, business assets, investments or funds — out of the company or out of your personal name while creditor pressure was present?	☐	☐	☐	HIGH
21	Are you confident that all asset transfers made in the last three years were conducted at market value, for genuine commercial reasons and with proper documentation — such that they could not be characterised as an attempt to defeat a creditor claim?	☐	☐	☐	HIGH

YOUR SCORE SUMMARY

Count your answers and enter the totals below. Your HIGH risk NO and UNSURE answers are the most important number on this page.

✓ YES ANSWERS	✗ NO ANSWERS	? UNSURE ANSWERS
________ *questions ticked*	________ *questions ticked*	________ *questions ticked*

HIGH RISK QUESTIONS ANSWERED NO OR UNSURE — QUESTIONS 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 20, 21

My count: ______ out of 18 HIGH risk questions

Each HIGH risk gap means a creditor enforcement pathway is either already active or is developing. Creditor enforcement moves faster than most directors expect — from informal demand to garnishee order or wind-up application can happen in weeks once formal legal steps begin.

WHAT YOUR SCORE MEANS

Score	What It Means
0 HIGH gaps	No obvious creditor enforcement warning signals are present based on your answers. Review this tool every 12 months or immediately if any creditor relationship changes, a payment is missed or a formal communication is received from any creditor or their representatives.

1 to 3 HIGH gaps	Real creditor pressure warning signals are present. These signals are the early indicators of a creditor who is considering or preparing formal enforcement action. Once a creditor moves from informal pressure to legal steps — a Statutory Demand, a garnishee or a wind-up application — the options available to you to protect your personal position reduce dramatically. The structural complexity involved in managing a creditor threat correctly goes well beyond what most directors can navigate without specialist help.
4 to 8 HIGH gaps	Multiple serious creditor enforcement signals exist simultaneously. Each one creates an independent pathway through which a creditor can reach your business assets, your personal guarantees and ultimately your personal assets. When multiple creditors are applying pressure simultaneously the situation can escalate to formal enforcement across multiple fronts at the same time. This requires forensic structural intervention — not just debt management advice.
9 or more HIGH gaps	Your creditor exposure is at a critical level across multiple enforcement pathways simultaneously. Legal tools available to creditors — Statutory Demands, garnishee orders, wind-up applications and personal guarantee calls — can be deployed quickly and concurrently once the decision to enforce is made. At this level of exposure your personal assets are directly and imminently at risk. The window to act proactively to protect your position is closing and every day without specialist intervention reduces your options further.

IF YOUR SCORE HAS IDENTIFIED RED OR AMBER GAPS

The creditor pressure warning signals this tool has helped you identify do not sit in isolation. They connect directly to your personal guarantee obligations, your ATO position, your business structure and your director liability. A creditor who moves to formal enforcement does not distinguish between business assets and personal assets once a guarantee is called or a wind-up is filed. Understanding your full structural position is the only way to know how exposed you really are — and how much time you have left to act.

There is one clear, free and completely confidential next step available to you right now.

The Risk Protector A13 Structural Exposure Assessment

The A13 is the only free forensic structural assessment of its kind available to Australian directors. It examines your creditor exposure in the full context of your entity structure, your trust, your ATO obligations, your personal guarantees and your director duty position — and tells you precisely what the structural gaps are, how serious each one is and what a solution pathway looks like.

HOW TO GET STARTED — IT IS FREE AND THERE IS NO OBLIGATION:

Visit **www.riskprotector.com.au** and click the **GET MY FREE A13 ASSESSMENT** button.

We will send the A13 Structural Exposure Assessment form directly to you.

No obligation. No cost. Absolute discretion.

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This tool is a self-awareness resource only. It is not a diagnostic, not advice and does not replace a professional structural assessment. Risk Protector Pty Ltd provides strategic advisory services only. Not legal or financial advice. Covered by $50M Professional Indemnity Insurance.

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