



Statement from the Board of Directors of the Roberts/Smart Centre

May 8, 2009

The Board of Directors of the Roberts/Smart Centre has determined that the organization has reached a critical point in its history. After serious consideration and with great regret, the Board has approved a process that may ultimately result in the winding up of the Centre's operations.

This has been an extremely difficult decision. The Board, with the support of staff, has been working to preserve the long-term sustainability of the Roberts/Smart Centre for more than three years, since the restructuring of late 2005 and early 2006. Throughout this time, we have been keenly focused on the need to control spending and to be fiscally responsible, while maintaining and enhancing the quality of the mental health services we provide to youth in our community. We have explored a number of options to diversify services to better meet client and community needs. We have worked to build partnerships and have developed good governance practices and strategies for the organization.

Our services remain high-quality and extremely valuable but we do not have the financial capability to continue to deliver these services. The funding structure under which we have been operating – unfortunately – will not sustain our operations moving forward.

On May 6, 2009, the Roberts/Smart Centre Board of Directors passed a resolution (below) authorizing the commencement of bankruptcy proceedings for the organization, on or after May 30, 2009. Legal counsel has advised us that using this process is the best way of dealing with the untenable financial situation arising from our funding structure. If invoked, it will allow us to avert full insolvency, to support the honouring of financial obligations, including to employees, and to provide the time to find new placements for our clients. In this way, it will provide more tools to minimize the impact of ending the operation.

The Board of Directors remains committed to being open and transparent, and wanted to inform employees and other stakeholders about the steps we are taking, as soon as possible. An exercise is being undertaken to ensure that all other options are considered before the process described in the resolution is set into action.

The Board reiterates that it deeply regrets having to make this choice and that its members recognize the importance of children's mental health services to our community. It is our hope that, through collaboration and creative thinking, the services provided by the Roberts/Smart Centre will be able to continue in some form to serve our high-needs youth.

On May 6, 2009, the Board of Directors of the Roberts/Smart Centre unanimously passed the following resolution:

PROPOSAL PURSUANT TO THE *BANKRUPTCY AND INSOLVENCY ACT*

The Chair reported that the company is in financial difficulties and no longer able to meet its obligations generally as they become due.

After discussion, on motion duly made, seconded and unanimously carried, it was RESOLVED THAT:

1. the Corporation is hereby authorized to make a proposal pursuant to the *Bankruptcy and Insolvency Act* on or after the 30th day of May, 2009 (the "Proposal");
2. Doyle Salewski Inc. or such other person as Patricia Day, or such other member of the board that she may designate from time to time, may decide be appointed as trustee;
3. Patricia Day, or such other member of the board that she may designate from time to time, is hereby authorized for and on behalf of the Corporation to execute, under the corporate seal of the Corporation or otherwise, and file the Proposal and to make such additions, deletions and changes as he/she may approve (which additions, deletions or changes may be effected by means of an instrument amending the Proposal), and execution in such manner shall be conclusive evidence of such approval and that the Proposal and any amending instrument relating thereto, when so executed and filed, are instruments authorized by this resolution and shall be valid and binding on the Corporation; and
4. Patricia Day, or such other member of the board that she may designate from time to time, is hereby authorized and directed from time to time to execute or cause to be executed, under the corporate seal of the Corporation or otherwise, all such other documents and to do all such other acts as in such persons discretion may be necessary or desirable to give effect to this resolution and to perform the obligations of the Corporation under the Proposal.