APPENDIX C · THE BROKE(N) PART(S)

Templates & Scripts

What to actually say to a lender, a spouse, a team, a vendor, and the person at a conference who asks the question you dread.

Rules of engagement. These govern every conversation in this appendix and every one you have outside it. Do not litigate in public. Do not attack individuals. Do not overshare details. Do not claim it was all fraud unless a court has said so. Keep it steady: resolved, lessons learned, guardrails now.

The Lender Call

Buy time, reduce panic, keep your integrity. You are not begging. You are presenting a plan.

BEFORE YOU CALL

Know your cash on hand, weekly burn, next payroll date, and what you can pay right now. Decide your ask before you dial: interest-only, forbearance, deferral, covenant waiver, or a temporary modification.

CALL OPENING	“Hi [Name]. I am calling early because I do not want surprises. We are under short-term cash pressure and I am taking action. I want to talk through a short-term plan and request a temporary modification so we stay aligned.”
STATE THE SITUATION	“Here are the facts. Revenue is [up or down] because of [cause]. We have cash of $[X], payroll on [date], and we can make a payment of $[Y] now. I am not asking you to ignore the issue. I am asking for a structured path through it.”
SHOW ADULT BEHAVIOR	“We have already frozen discretionary spend, cut [specific], and tightened collections, and I am working with [CPA, attorney, turnaround advisor]. We are building a thirteen-week cash forecast.”
THE ASK, SPECIFIC	“My request is [interest-only for ninety days, or forbearance through a date, or a covenant waiver] while we execute. In exchange I will provide weekly reporting on cash, collections, and progress against the plan.”
IF THEY PUSH FOR FULL PAYMENT	“I hear you. The reality is that forcing a full payment now increases default risk. A structured modification improves your recovery odds. I am asking you to work with me while I protect cash for payroll and operations.”
IF THEY ASK ABOUT BANKRUPTCY	“I am considering all options responsibly. My focus is avoiding unnecessary damage and maximizing repayment outcomes. I am engaging qualified counsel to evaluate the pathways.”
CLOSE	“What is the process and timeline on your end, and who needs to approve this? I will send a one-page summary and a weekly reporting cadence today.”

Follow-up email, same day. Subject line is Short-term plan and temporary modification request. Three bullets only. The facts, what you have already done, and the ask. Attach the one-page snapshot.

The Spouse Conversation

Stop the isolation. Preserve the marriage. Keep it real without dumping chaos.

BEFORE YOU CALL

No phones. Sit down. Twenty minutes. No alcohol.

OPENING	"I need to talk about something hard. I have been carrying it alone, and that is not fair to you or safe for us."
THE TRUTH, PLAINLY	"We are under financial pressure that I cannot quietly muscle through. Here is the current reality. [Short facts.]"
WHAT I AM NOT DOING	"I am not hiding it anymore. I am not making desperate moves. And I am not letting shame drive decisions."
WHAT I AM DOING	"Here is the plan for the next seventy-two hours. Stabilize cash, talk to the attorney and the CPA, build the one-page snapshot, and choose a path based on facts rather than fear."
WHAT I NEED FROM YOU	"Calm partnership rather than panic. A weekly thirty-minute money meeting. And agreement on immediate spending cuts without resentment."
PERMISSION	"You can be angry or scared. I get it. But I need you with me, and I am going to lead this responsibly."
CLOSE	"Can we do this together? Tonight I want to answer questions. Tomorrow I want to book the calls and build the plan."

Telling Your Team

Use this when the situation is serious enough that silence has started doing the talking for you.

BEFORE YOU CALL

Do not promise outcomes. Promise information. That is the only thing you can actually deliver.

SAY THIS	"I owe you a straight update. The company is under real financial pressure, and I am working through it with professionals instead of pretending it is not happening. Here is what is true today. Your last paycheck cleared, and payroll is my first priority ahead of every other bill, including my own. Here is what I do not know yet, and I will not guess out loud. What I will do is tell you the truth as it develops, before you read it anywhere else. If you have questions, ask me directly. And if you need to make decisions for your own family, I will never hold that against you."
THEN	Stop talking and answer questions. Keep the whole thing under three minutes, and do it in person if you possibly can.

The Vendor You Cannot Pay Yet Call before they call you. The call you initiate is a negotiation. The one you take is a collection.	
SAY THIS	"I want to be straight with you because you have been good to us. We are in a cash crunch and I am not going to pretend otherwise. I cannot pay the full balance today. Here is what I can do. [A specific number] on [a specific date], and a plan for the rest that I will put in writing. What I am asking for is time, not forgiveness. If you need to pause our terms or move us to prepay going forward, I understand. What I am hoping is that when this turns, you will still be the vendor we build with."
THE HARD LIMIT	Never commit to a number you have not already tested against the thirteen-week forecast.

§ The reputation answer

One consistent response for when someone asks about the bankruptcy, the lawsuits, or the article. Short, factual, and not defensive. Pick the version that fits the room and say the same thing every time.

Four Versions of the Same Truth Consistency is what makes it credible.	
FIFTEEN SECONDS, IN PERSON	"Yes, I went through a restructuring season that included legal proceedings. That chapter is closed. The core lesson was building better guardrails, and I operate with more discipline because of it."
EMAIL OR DIRECT MESSAGE	"Thanks for asking directly. I went through a difficult business season that included legal proceedings and a personal bankruptcy process. That matter is resolved. Since then I have built my work with clear guardrails, stronger governance, and conservative risk controls. Happy to share context if it is helpful."
IF THEY CITE AN ARTICLE	"I am aware of the article. It reflects a hard season tied to a prior business. The public version is rarely the full story, but the bottom line is that the matter is resolved and I am operating on a cleaner, more conservative foundation today."
PRE-EMPTIVE, ON YOUR OWN SITE	"I have lived through a business collapse, litigation, and bankruptcy, and I am not ashamed of learning in public. That chapter sharpened me. Better governance, cleaner risk controls, and deeper respect for the people affected by business decisions. Today my work is focused on helping founders grow with guardrails, so the business does not cost them their family, their health, or their integrity."

§ The thirteen-week cash forecast

This is the one document every workout professional will ask for, and it fits on a single page. List the weeks across the top starting this Friday. Money in at the amount you would bet on, not the amount you hope for. Money out in priority order. Ending cash becomes next week's beginning cash. Update it every Friday without exception.

WEEK OF	1	2	3	4	5	6	7	8	9	10	11	12	13
Beginning cash													
Cash actually arriving													
Payroll and payroll taxes													
Rent													
Vendors who can stop you													
Secured debt													
Everything else													
Ending cash													

> If week four goes negative on paper, that is not a forecast problem. That is this week's to-do list.

§ Finding the right lawyer

You need a restructuring or insolvency attorney. That is a specialty, not a general business lawyer with confidence. Look in your state bar's bankruptcy or commercial-law section directory, the American Bankruptcy Institute member directory, and referrals from a CPA or a banker you trust, because they see who actually performs.

ASK THESE FIVE ON THE FIRST CALL

- ☐ How much of your practice is workouts and insolvency? DONE BY ____________
- ☐ Have you handled my industry before? DONE BY ____________
- ☐ Do you or your firm represent any of my lenders, and will you run a conflicts check before we go further? DONE BY ____________
- ☐ What does the first month cost, and what is the retainer? DONE BY ____________
- ☐ Who does the day-to-day work, you or an associate? DONE BY ____________

One red flag outranks every credential. Any firm with a relationship on the other side of your biggest problem. You want a lawyer whose only client in the room is you.

Take these answers to a professional. This worksheet is not legal, tax, or financial advice and does not replace an attorney, a CPA, or a licensed therapist who knows your facts and your jurisdiction.