

WHAT YOU NEED TO KNOW ABOUT LITIGATION

Litigation is the last resort in the collection process and can be expensive and frustrating. *Continental Legal Services* is committed to providing our clients with the best possible results and overall satisfaction with our services and, to make every effort to keep final costs within reasonable limits.

Accordingly, please ensure that you have read and understood the following information:

Collectability (Likelihood of Recovery)

We have made every effort to locate attachable assets or income and have provided our Overall Assessment and Recommendation. Unfortunately, circumstances change and the outcome of litigation is never certain therefore we cannot guarantee that the final result will be to your full satisfaction.

Legal Expenses

In the interest of cost effectiveness, and where applicable, all litigation will be conducted "in house" through the Small Claims Court system. The legal advance requested represents an initial payment and we will invoice you in due course as and when further amounts are required. As we are not the Plaintiff in the action, the responsibility for retaining any lawyer or any lawyers' fees or other fees and disbursements are your responsibility.

Jurisdiction

An action must be commenced where the Defendant carries on business or where the cause of action arose. In the event that a Defence is filed a representative from your company authorized to settle the matter and knowledgeable of the facts will be required to attend at a Settlement Conference and, if necessary, at Trial. In some situations, witnesses may also be required. This may result in considerable time and travel expense under certain circumstances.

Supporting Documentation

Successful litigation depends upon sound documentation. Please ensure that you have provided us with all of your supporting paperwork.

Provincial Registration

Prior to commencing an action you should ensure that your company is registered to conduct business in that jurisdiction as this could be an issue in the event that a Defence is filed.

Abandonment

In the interest of controlling legal expense consideration should be given to abandoning amounts that do not considerably exceed the Small Claims Limit or where the action is speculative. Once abandoned, however, these amounts cannot be reclaimed.

Offers to Settle

As previously stated litigation can be expensive therefore, as the old adage goes: "Never ignore a serious offer." The Canadian legal system encourages mutually agreed settlements rather than protracted trials. An acceptable and voluntary settlement is almost always the best option when weighed against lengthy and costly litigation with an uncertain outcome.

Withdrawing a Claim

Before deciding to commence an action ensure that you are prepared to carry it through to conclusion. Certain provinces take "a dim view" of actions that they deem to be frivolous and may levy considerable costs to the Defendant should the Plaintiff elect to discontinue the matter without the consent of the Defendant and for what may be viewed as insufficient grounds. In this regard consideration should also be given as to the likelihood of a Counterclaim.

Do not hesitate to call us should you have any questions with respect to this matter.