

COLLECTION PROTOCOL FOR MATTERS REQUIRING LEGAL ACTION

When a case requires legal action here are possible scenarios:

1. After all collection efforts fail to produce results, usually from a lack of communication with the obligor, we will recommend suit to protect our client's rights.
2. We then request authorization from the client to locate an attorney willing to handle the case.
3. After contacting counsel we communicate required costs and fees to move forward.
 - a. Once you approve the proposed course of action
 - b. We send a billing letter requesting costs and fees from you, the purported Plaintiff.
4. Once we receive the required advance costs and fees counsel moves to begin an action.
5. Here is a list of possible outcomes:
 - a. You will be required to execute an affidavit or merit or proof validating the claim.
 - b. The obligor gets served a summons and verified complaint.
 - i. The other side files an answer.
 - ii. They deny the claim.
 - iii. They try to settle the claim.
 - iv. They fail to answer.
 1. We obtain a default judgment on inquest.
 - v. If there are no assets the debtor typically will not file an answer.
 - vi. They answer the summons and fight, meaning they have what to protect.
6. All of the possible outcomes are outlined in number five above.
 - a. Any and all costs to enforce your legal rights as indicated above incur no cost to you.
 - b. Meaning that the advance costs and fees cover legal representation.
 - c. The 'meter' is not ticking, no hourly or per diem charges will apply.
7. The only cause of action not outlined above is if the other side files a counter claim.
 - a. Usually this is done to force the Plaintiff in the first action to buckle and settle.
 - b. Sometimes the fight is to protect the other side from a judgment.
 - i. Most of the time if they fight they will pay along the way.
 - ii. The purpose of fighting by filing counter claims is to get a reduction.
 - iii. The other side knows that a counter claim will cost our side money.
 - c. A counter claim is NOT covered by the initial costs and fees.
 - d. Counter claim defense is billed by the hour, per diem by our attorney.
8. When we fight the counter claim (usually specious, or baseless):
 - a. We can choose not to fight and settle the matter.
 - b. Settlements without motions to fight a counter claim do NOT incur additional attorney's fees.
9. The only additional costs and or fees you may be required to advance are as follows:
 - a. The cost of a court reporter for an examination before trial (EBT).
 - b. The defense of a counter claim in the event we can't resolve and settle the matter.
 - c. The cost of retaining expert witnesses (rarely required) to help you prove your case.
10. As long as the original suit we file on your behalf remains open and in the court system:
 - a. You and/or your business will NOT be required to pay one cent beyond the initial costs and fees.
 - b. Whatever time counsel spends on EBTs or fighting for your side is included at NO additional cost.