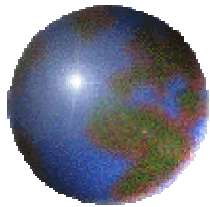


*NACM – Canada 11th Annual
Credit Conference & Expo*

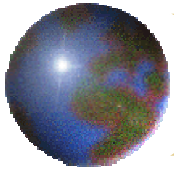


22-23 October 2009, Toronto, Ontario

Collection Issues in Canada

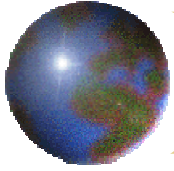
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http://atlas.gc.ca/site/english/maps/reference/national/can_political_e

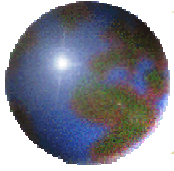




1. Canada - Legal System

- Canada: Federal system
one central government and 10 Provinces
and 3 Territories
- Each province: Collection Agencies Act and separate commercial
law
- Québec - civil law
Other provinces - common law

Disclaimer: This PowerPoint presentation is, by its nature, very general and should not be relied on as legal advice. It is strongly recommended that legal counsel be obtained from local attorneys for clarification and advice. We accept no responsibility for damages or loss of whatsoever nature for utilizing any of the information contained herein.

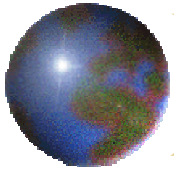


II Regulation of commercial / retail collections in Canada

- ✚ Canada compared to USA
“Fair Debt Practice Act”
- ✚ Collection Agencies
and Collection Agencies Act
- ✚ Lawyers: Professional code

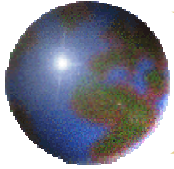
III Privacy Legislation relating to individual

- ✚ Non-disclosure to third parties



IV Some rules on Canadian collections

- Maximum interest allowable: 60%
- Judgment - awarding of legal fees and costs: difference between the various provinces
- Security for costs
- Statutes of limitations in various provinces
 - British Columbia: 6 years
 - Ontario: 2 years
 - Québec: 3 years
- Bankruptcy
 - Bankruptcy and Insolvency Act
 - Company Creditors Arrangement Act (CCAA)
 - Bank Act



V. Documentary requirements for a US claim into Canada

Complete set of claim documents, including:

ESSENTIAL

- Statement of account indicating the exact amount of the claim
- Invoices
- Credit applications

USEFUL

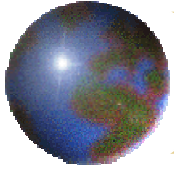
- Purchase orders
- Delivery receipts (B/L)
- Credit notes
- Correspondence between the parties

The full address of the creditor and debtor, including the representative

Reason for the claim (delivery of goods, etc.)

Details a) business transactions & dispute

b) the dispute & reason for non payment



VI. *Québec*

Restrictions

- No juries
- No fault: auto accidents
- Small claims court - no lawyers
- No lawyers fee recovery. Not recoverable as "damages"
- No punitive damages in commercial claims

Personal Guarantee

- Advisable to on separate document
- Consent that credit conduct a personal investigation or credit check

Corporate Description

- Must have French name for Québec company
- Use of numbered companies

Service and administration, penalty clauses

Legal fees

Security for costs