

June 10, 2014

Press Release on behalf of Ken Carroll

Regarding decision of Mr. Justice Schulman on "Form Fillers" released on June 4th, 2014.

Firstly I would like to clarify that I have never collected legal fees from my survivor clients beyond those amounts approved through the IAP system. I have never received payments from third parties as a portion of monies they may have collected from survivor clients and I have never paid a portion of a client's settlement entitlement to anyone other than the clients and there has been no court finding otherwise.

I have worked with a form filler organization and the original concept proposed by them involved my owning a 25% interest in that company. But that interest was abandoned very early in my involvement in the process as soon as I recognized problems with the concept which was over a year before we engaged in our first hearing and about 18 months before the incidents being reported upon.

I worked with First Nations Residential School Solutions Inc. because I found them to be a useful resource in identifying clients in remote communities, providing interpretation services, cultural sensitivity and communications. Often our clients were difficult to locate and the assistance of FNRSS was helpful. We continue to find such assistance helpful, but it is now provided through a full time employee of the firm who works out of our office.

FNRSS were advised that their contingency plan was unacceptable for a number of reasons and that they were to invoice our office for payment for their services.

All clients were also advised that the contingency agreement with FNRSS was unenforceable and they were not required to pay any monies other than our approved fees. Not only did I advise every client before releasing money to them but it was and still is the practice of each adjudicator at the end of a hearing, to advise claimants that they are not to pay any fees to other third parties.

After we learned of the actions to collect fees from the clients we severed our relationship with FNRSS and voluntarily paid to these clients the amount that FNRSS had collected from them. FNRSS ceased operating soon after those incidents and to the best of our knowledge no further incidents have occurred since October 2012.

FNRSS shared with me at the time of confronting them that notwithstanding my comments, they believed they had a contract with these clients. However, they did not participate in the Court process. I have apologized to each client and to the Court for these incidents.

Regarding the elderly lady, I dispute significant aspects of her version of what transpired. I did not speak to her directly because we could not locate her. She was located by FNRSS. When she did attend my office she was advised by me that she had no other fees to pay to other parties and she left our office with her bank draft and the person who travelled with her and no one else. What I can also advise is that all clients have been offered the option of coming to our

office in Winnipeg to receive their settlement payments or to deal with it by mail and about 90% choose to come to our office. This practice has continued and there have been no similar incidents following those in October 2012.

In regards to the decision of Mr. Justice Schulman, it is true that Chief Adjudicator sought direction from the Court regarding the role of "form fillers" and the types of contracts form fillers were having clients execute. And it is true that the conduct by the form fillers our office was working with was the record utilized for the purpose of seeking court directions on these issues that affected many parties. The Court decision is giving directions in an area the Settlement Agreement was not clear on (ie: "form fillers") and there were various opinion and lack of clarity. The subject activities all happened away from our office and no representatives of FNRSS were in our office at the times of meeting these clients. When their conduct was brought to our attention we disengaged with that company.

We support the goals of this process in protecting the interests of the disadvantaged and we provided little opposition through this Court process other than to clarify our limited involvement in the unfortunate incidents that transpired. I also recognize the Court's need to exercise caution to ensure that this conduct has not since reoccurred by monitoring of our clients' monies and full disclosure. I am confident that no similar incidents have occurred since the events of October 2012 and the disclosures and enquiries will verify this.

I also point out that Mr. Justice Schulman has not commented on the differences between our version of events and those of the lady client. The events regarding what happened away from our office, which represent the substantive factual background of Mr. Justice Schulman's decision, were not contested by us because we had no knowledge of these events.