

FOR IMMEDIATE RELEASE

TORONTO SOFTWARE COMPANY SUES ONTARIO GOVERNMENT

COURTCANADA provides OSCAR court scheduling system to AG Ministry

Company alleges Ministry sabotaged cutting-edge technology that increases efficiency, improves service, transparency and access to justice

TORONTO, ON (July 8, 2010) -- Canadian software company **CourtCanada Ltd.** has filed a Statement of Claim against the **Ontario Ministry of the Attorney General** for \$12 million in damages, including \$2 million in punitive damages, for what the company alleges was a “malicious” attempt by the Ministry to harm the operations and reputation of the Toronto-based technology start up.

OSCAR SYSTEM IMPROVES COURT SCHEDULING PROCESS

CourtCanada has operated the Online System for Court Attendance Reservations (OSCAR) since October 2007. Initially introduced as part of a pilot project in the Estates List of the Ontario Superior Court of Justice in Toronto, OSCAR is a web-based Court scheduling system that provides free public access to Court schedules and other information. OSCAR also enables lawyers and other authorized users to search for available Court time and reserve attendances online, on a “pay-per-use” basis.

In December 2008 the company won the opportunity to expand the system through a competitive bidding process. In return for the right to charge transaction fees to legal professionals, CourtCanada agreed to provide the system to the Ministry, at no charge, for “back office” court room schedule management and administration. This arrangement provided the government with high performance technology at no cost to taxpayers – a novel concept in an era marked by costly government technology failures like eHealth and Integrated Justice.

In accordance with the Ministry's demands, CourtCanada financed OSCAR's development and built an operating infrastructure with the capacity to service the entire province. The company expected to earn a return on its multi-million dollar investment as OSCAR was expanded through the province.

EXPANSION HALTED BY MINISTRY

In early 2009, OSCAR was expanded to the high-profile Commercial List division, the Toronto court which hears many of the country's largest business disputes. CourtCanada was next directed by the Ministry to commence pre-deployment in the Civil (General) and Bankruptcy divisions in Toronto.

However, CourtCanada claims that the Ministry then delayed the expansion process for almost a year until this past March, when it notified the company that it was terminating further expansion altogether. The Ministry gave no explanation for its decision, and in fact confirmed its satisfaction with the company's performance as well as its expectation that OSCAR service be continued in the divisions in which it had already been deployed.

COMPANY ALLEGES MINISTRY SABOTAGED SYSTEM

CourtCanada claims that the government's refusal to allow further expansion is an unjustified breach of its contractual rights. The company alleges that the Ministry then took action intended

to manufacture a justification for its decision. According to the Statement of Claim, just a few weeks after meeting with the Ministry, the government “deliberately and systematically” interfered with the integrity of OSCAR by, among other things, deleting records, publishing false information on the OSCAR web site and terminating use of OSCAR in one division. CourtCanada was not notified of the termination, and only learned of the Ministry's actions a few days later – through the deluge of user complaints that soon followed.

Once the company had learned of the issue, the cause was quickly identified. “Our servers log every transaction made through OSCAR, including the time, user identity and nature of the data change,” says Gregory Azeff, the company's co-founder and president.

“Our records indicate that over the course of about a day and half, certain Ministry staff members systematically and deliberately altered a large amount of data in OSCAR, and published information they knew to be materially misleading and prejudicial,” continues Azeff.

SUCCESS STORY FOR GOVERNMENT

A popular system created by a local technology start up, OSCAR should be a success story for the government. OSCAR brings much-needed improvement to litigation procedures, and quickly garnered the support of judges, lawyers and other stakeholders. Prior to OSCAR, court schedules could only be accessed at the court house, where paper copies are posted each day. Court hearings could only be arranged by directly contacting the court office by telephone or fax, or attending the office in person.

A former lawyer, Azeff knows first-hand how frustrating it can be dealing with the Ontario courts. “CourtCanada was founded in response to my experiences dealing with the court process,” says Azeff. “Our goal was to use technology – in particular, the internet – to deliver new and improved services to the legal community and enhance access to justice.”

Based on the success of the OSCAR initiative and the performance of its technology, CourtCanada has since been selected to participate in other projects in the Ontario courts. For example, the company's case management technology was recently deployed in the Commercial List to facilitate electronic document exchange in commercial litigation cases.

Azeff expects the company to continue servicing the legal community, and regrets that OSCAR's benefits may remain unavailable to a wider audience. But he claims that the government's actions are such that the company has little choice but to defend its rights.

“We are confident that, as the evidence of the Ministry's conduct is revealed, our clients and other members of the legal community will see that CourtCanada had no choice but to try to hold the government accountable.”

The allegations in the Statement of Claim have not proven in court.

About OSCAR:

OSCAR was engineered by a team of industry-leading application developers. In addition to satisfying functional requirements, primary OSCAR design considerations included security, stability, reliability and ease of use. As a result:

- OSCAR** is easy to learn and use, requires minimal training for use by both Court staff members as well as lawyers and other members of the legal community.
- OSCAR** enhances access to justice by improving efficiency, reducing litigation costs and increasing access to Court information.
- OSCAR** satisfies a strong stakeholder demand for a more efficient and effective scheduling and reservation system.
- OSCAR** has a high rate of acceptance and user satisfaction among users and other stakeholders.
- OSCAR** helps optimize allocation of judicial and other available resources in the justice system, by making better information more easily accessible to Court staff.
- OSCAR** is delivered for use by government at no cost.
- OSCAR** is stable and reliable, with no service interruptions since launch (October 2007).

About CourtCanada:

CourtCanada Ltd. is a privately-held Toronto-based technology company that combines legal and litigation process expertise with cutting-edge application development skills to create revolutionary web-based software solutions for expediting and facilitating the court process.

For more information, or to arrange an interview, contact:

**CourtCanada Ltd.
145 Berkeley Street
Suite 400
Toronto, Ontario
M5A 2X1**

Attention: Gregory Azeff, President

**Tel: (647) 723 5256
Email: media@courtcanada.com**