

January 27, 2012

SERVED

Mr. Kevin Costain
Calwell Inc.
6-470 King Street West,
Suite 111
Oshawa, Ontario
L1J 2K9

Dear Mr. Costain:

Re: *Cambridge Life Solutions Inc. v. Calwell Inc. and Costain*

We are counsel to Cambridge Life Solutions Inc. ("CLSI"), a company incorporated under the laws of British Columbia with established offices and employees in Vancouver, British Columbia and Toronto, Ontario. We have been consulted regarding material libelous of CLSI that has been published by you at <http://blog.cwl.cc/>, <http://blog.cwl.cc/2012/01/canada-cambridge-life-solutions-debt.html>, and <http://www.facebook.com/calwell.inc>.

Your webpage at <http://blog.cwl.cc/2012/01/canada-cambridge-life-solutions-debt.html>, referred to at <http://blog.cwl.cc/>, presents a libelous article entitled, "Canada: Cambridge Life Solutions – debt negotiation or scam?" You have also sought to attract readers to this libelous article by 'twitter' messages directing recipients to the article.

The article includes the following statements:

In Canada, we're often sheltered from predators who'll scam us by the government - but sometimes a company comes along and seems appealing - but they aren't all they say they are. One such situation is Cambridge Life Solutions...

In a release to the public, the Better Business Bureau mentions the perils of working with the California-based company that has simply setup mailing addresses in Vancouver (and presumably in Toronto). The difficulty is that they may not be regulated by the Government as a debt collection service. For example, looking at the website for Ontario they

say "Cambridge Life Solutions Ontario is licensed and bonded to be providing debt negotiation services in Ontario". That line makes you think is reputable, but any company can be "bonded" in Ontario, and how exactly are they "licensed"? I could no other reference to a license or Cambridge Life Solutions being regulated.

While the site was taken down - a similar company - Clear Blue Debt Solutions - was featured on the Credit Counselling Society's website. Clear Blue, like Cambridge setup shop in a postal outlet in Canada and then began negotiating by phone. They claimed to have a success rate of 90%, but in reality were shown to be operating at a success rate of closer to 10%. Cambridge offers up a 70% success rate.

A recent report on the CBC underscored Cambridge's somewhat deceptive ad and serious error of running the ad on Nova Scotia radio when they "forgot" that Cambridge was unlicensed to operate there.

Indeed, there are a number of reports on the web that highlight some of this deceptiveness and directly name Cambridge Life Solutions.

But, Cambridge Life Solutions is helping people right?

The simple answer is, **unlikely**. I recently spoke with someone very well versed in collection practices and it was clear that Cambridge Life Solutions is **not known** to be very effective in settling debt.

Furthermore, he explained some of their practices:

1. They won't represent you unless you owe **\$10,000** or more
2. Because they aren't Government regulated - if something goes wrong, you may have no recourse
3. Your fees for services may be in excess of **50%** of the settlement amount
4. You would (most likely) be required to pay a settlement amount and/or fee upfront - an amount they hold, surprisingly, until a settlement is reached
5. You may be lied to about the progress of the settlement to draw out the process

6. Given a possible lengthy settlement process and failure, interest is likely to accrue on the amount owing, and you'd be on the hook for that too.

He also said to me that people are usually better to seek a direct and reasonable settlement with a collection agency instead of paying another company.

This material alleges that:

- CLSI is a “predator” company that will cheat (or “scam”) individuals who do business with CLSI;
- CLSI is engaged in generally deceiving the public, is not all CLSI tells the public it is, and engages in deceptive advertising;
- Persons who deal with CLSI face “perils”;
- CLSI’s business presence in Canada is limited to mere “mailing addresses” in Vancouver and Toronto;
- CLSI is not regulated in Ontario as a debt collection service or otherwise;
- CLSI claims a 70% “success rate”, which claim is probably false;
- CLSI is unlikely to help anyone who deals with CLSI; and
- CLSI may be expected to lie to anyone who deals with CLSI.

This material is false and seriously defamatory of CLSI.

CLSI is incorporated under the laws of British Columbia and carries on business in Vancouver at 1100-1200 West 75th Avenue from physical office space it occupies under lease. That office is staffed by full-time employees during regular business hours. CLSI also has a physical office under lease at 1801 – 1 Yonge Street, Toronto. That office is also staffed by full-time employees during regular business hours.

CLSI is a legitimate company which carries on a legitimate business in an ethical manner compliant with applicable laws. Contrary to the defamatory assertions in your letter, CLSI is registered and regulated in Ontario under the *Collection Agencies Act*, R.S.O.

1990, c. C.14. CLSI's business in British Columbia is also regulated by the appropriate authority in that province.

CLSI has successfully negotiated many settlements with numerous major credit card companies. Your statement that CLSI claims a 70% "success rate" is false. CLSI does not claim a 70%, or any, "success rate". CLSI has stated, however, that as a result of a debt negotiation, a debtor may save up to 70% of a principal debt owed, which is true.

The false and defamatory allegations about CLSI that you have published are outrageous and intolerable. CLSI demands that by no later than **Wednesday, February 1, 2011 at 5:00 p.m.**, you:

- immediately and permanently remove all of the written statements, video and audio recordings complained of from the Internet; and
- desist from publishing this material, or any material substantially similar to it, and from using 'twitter' or other electronic communications to direct the attention of the public to such material, at any time in the future.

CLSI reserves all of its rights to seek all appropriate legal relief regarding your libels of CLSI, including CLSI's rights to commence legal proceedings against you personally and your company for damages for libel.

May I please hear from you or your counsel immediately.

Yours truly,



Peter A. Downard

PAD/jl