

Please be sure to complete every section of this Plan. We will be unable to start processing of your request for approval until we have all necessary information.

LITIGATION PLAN

SBA Borrower: _____ This is a CLP loan.
SBA Loan Number(s): _____
Litigation Plan date: _____

Information About the Lender

Lender: _____
Lender Address: _____
Lender Contact: _____
Telephone Number: _____
Fax Number: _____
Email: _____

Information About the Attorney

Law Firm: _____
Address: _____
Telephone Number: _____
Fax Number: _____
Amount of Attorney's Malpractice Insurance \$ _____
Attorney is Licensed to practice in _____ state.
Attorney has expertise in debt collection and bankruptcy law Yes. No.
If No, please explain _____

1. WHAT COURT ACTION DO YOU WISH TO TAKE?

- Foreclosure Commercial/Residential Real Estate at: _____
- Replevin Personal Property
- Deficiency Action
- Receivership (SBA's approval will be of the litigation budget to obtain the receiver only. Approval of the credit decision, within your unilateral authority, is deferred.)
- Bankruptcy:
 - Chapter 7
 - Chapter 11
 - Chapter 12
 - Chapter 13
- Other: _____

Action will be filed in _____ County, State of _____.

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1 a . WHAT IS YOUR STRATEGY IN THIS MATTER?

(Will a trial or evidentiary hearing be required? Are expert witnesses needed?)

b. If your Plan proposes to sue the individuals independent of a foreclosure and that action will substantially increase the litigation costs please provide evidence that the individuals have sufficient assets to justify the costs.

c. If your proposed action will result in the inability to pursue any deficiency balance, please provide copies of the documentation used to support that credit decision.

2. DO YOU HAVE ANY NON-SBA GUARANTEED LOANS TO THE BORROWER(S), GUARANTOR(S), OR PRINCIPALS? Yes. No.

(List balance, loan status, obligors, and collateral – including lien position for each loan.)

If Lender has other non-SBA loans to these entities, and should there be a pro-rata allocation of legal fees and recovery between the non-SBA loan(s) and the SBA guaranteed loan, please explain how legal fees, costs and recoveries will be pro-rated.

3. ARE THERE ANY CONFLICTS OF INTEREST, ACTUAL OR POTENTIAL, BETWEEN SBA AND LENDER OR LENDER'S LAW FIRM? Yes. No.

(Attach statement from law firm concerning conflict of interest.)

4. WHAT IS THE ESTIMATED RECOVERY AMOUNT?

The proposed litigation must be cost effective. Please attach your supporting documentation showing that the value of the collateral to be foreclosed justifies the cost of litigation.

5. IS THERE A RISK OF ADVERSE PRECEDENT? Yes. No.

(Describe any litigious issues you know about.)

6. IS ALTERNATIVE DISPUTE RESOLUTION FEASIBLE?

7. ARE THERE ANY SETTLEMENT ALTERNATIVES?

8. WHEN WILL THE LITIGATION BE COMPLETED?

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9. WHAT IS THE LEGAL BUDGET?

A. LEGAL FEES

Total estimated Legal Fee: \$ _____

Method of Billing: check one

- Hourly rate Flat fee Contingent fee

If billing is hourly, please list hourly rate for each attorney and paralegal who may work on this litigation.

Names of Attorneys and paralegals who will work on this case Hourly Rate

B. LITIGATION COSTS

Total estimated litigation costs: \$ _____

Itemize costs anticipated to be in excess of \$100. (For example, filing fees, expert witness fees, or title reports.)

Total estimated fees and litigation costs: \$ _____

PROMPTLY SUBMIT THE COMPLETED LITIGATION PLAN* AND COPIES OF ALL PLEADINGS AND LEGAL BILLS TO:

U.S. SMALL BUSINESS ADMINISTRATION

1145 Herndon Parkway

Herndon VA, 20170

loanresolution@sba.gov

*** NOTE:** An Amended Litigation Plan must be submitted if lender takes any legal action or incurs any expense that materially deviate from the original Litigation Plan causing the fees and costs to exceed your estimate by more than 15%.

All sections of this form must be completed.

ATTACHMENTS:

Loan Authorization

Current Valuations