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\$400,000 in Legal Costs for a Personal Injury Lawsuit

As another illustration of the cost of lawsuits, the recent case of **Hayden v. Stevenson** (2010 Ontario Superior Court of Justice) awarded \$400,000 in legal costs (approximately \$300,000 for fees and \$100,000 for disbursements) to the successful plaintiff in a personal injury lawsuit. The plaintiff was a young man who was hoping to be a mechanic prior to the accident. As a result of the accident, he suffered from back pain, anxiety, depression and sleep problems. After the accident, he did not complete his co-op program in the automobile field, due to pain and fatigue.

In this case, there were no enhanced or increased costs due to any offers to settle. At Trial, the plaintiff received less in damages than he sought (the demand was for \$2 million) and more than what the defendant was offering prior to Trial.

Offers to Settle and other Settlement Issues in Lawsuits

In lawsuits, there are various rules and procedures which encourage the opposing litigants to discuss and try to settle at various stages of the lawsuit. In Ontario, this includes recent changes to the **Rules of Civil Procedure** and requiring mandatory private mediations for lawsuit started in Toronto – see our **Jan 25/2010 blog** for background information.

Another important tool to force opposing litigants to seriously consider settlement prior to Trial are Offers to Settle which can be served by any party at any time during the lawsuit. These formal offers carry cost consequences and impose risk on the litigants.

As an example, in the **Mathieson** case within our **Feb 24/2010 blog**, the plaintiff could have settled his lawsuit before Trial by accepting the bank's \$2 million offer. That would have saved both sides the expense of going to Trial. Since the plaintiff did not accept the offer and was only awarded \$920,000 in damages, then he was ordered to pay the bank for some of their legal expenses – spent by the bank after their Offer to Settle was served.

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