



Checklist: What to Do Before You Start a Legal Dispute

Navigating a dispute can feel overwhelming, but preparing properly can make a big difference. This checklist will guide you through the essential steps to take and questions to ask yourself before you take legal action.

1. Gather the Key Documents

Collect all relevant paperwork and records that shed light on the situation. Having these organized will save you time and stress later on.

- ☐ **Contracts, agreements,** or terms and conditions
- ☐ **Emails, texts, or letters** related to the issue
- ☐ **Invoices, receipts, payment records, or bank statements**
- ☐ **Photos, screenshots, or other relevant proof**
- ☐ **Notes or a written summary** of what happened (including dates, names, and what was said or done)

2. Think About the Situation

Take a moment to clearly define the problem and what you hope to achieve. This clarity will be vital for any next steps.

- ☐ **What exactly went wrong?** Try describing it in 1-2 concise sentences.
- ☐ **What do you want to happen next?** Is it payment, an apology, a specific action, or something else?
- ☐ **Who exactly are you disputing with?** Get their full legal name and contact information, if possible. You can look up business names on your state's Secretary of State website.
- ☐ **Does the other side already understand your position?** If not, clearly communicating your stance [by sending a demand letter](#), is often the best first step.

3. Consider the Costs and Impact

Before diving in, weigh the potential investment of time, money, and emotional energy against the potential outcome.

- ☐ **How much time, money, and stress will this cost you to pursue?**
- ☐ **What would it take to resolve the issue for you?** Consider any money owed, costs you've incurred because of the problem, a specific action the other party could take, or other compensation or resolution you believe is fair and would make things right.
- ☐ **Could it hurt a personal or business relationship** if you threaten or take action?
- ☐ **Could insurance help?** Check if any of your insurance policies (such as homeowner's, auto, or professional liability) might cover this type of dispute.



- ☐ **What are the potential upsides and downsides?** Weigh the potential benefits against the time, money, and emotional stress involved, including potential damage to relationships or reputation.

4. Understand Your Options and Obligations

Going to court isn't always the first or best solution. Many issues can be resolved through simpler, less formal avenues. And even then, there may be certain obligations and restrictions that you'll need to be aware of before you move forward with a claim.

- ☐ **Have you explored informal resolutions?** Many issues are resolved through direct communication like phone calls or emails. [A demand letter](#) can also be an effective way to formally state your position and open negotiations.
- ☐ **Does your contract require mediation or arbitration?** This might dictate your next step. Even if not required, [mediation](#) can be very effective if both parties agree to it, as it uses a neutral third party to facilitate discussion.
- ☐ **Is there a state or federal agency where you can or must file a complaint?** Many government agencies handle complaints related to consumer protection, health & safety, or workplace issues. Filing a complaint with the relevant agency can sometimes lead to an investigation or resolution without the need for formal legal action.
- ☐ **What law applies?** Many contracts specify which state's laws will govern the dispute or where it must be resolved.
- ☐ **Is there a time limit for taking action?** Look into any deadlines for your specific type of dispute, known as the **statute of limitations**. Missing this deadline can prevent you from pursuing your claim.
- ☐ **Which court to file in?** For smaller monetary disputes, you may need to start in Small Claims Court, which offers a simple, inexpensive process without the need for a lawyer. Check your state's specific dollar limits and rules.
- ☐ **Do you need a lawyer?** Consider seeking legal advice if the issue involves a significant amount of money, complex legal questions, a potential threat to your reputation or business, if communication with the other party has completely broken down, or if you have unanswered questions about your rights or what to do next. Even a short consultation can help you choose a path forward.

Bonus Tip: Start a Dispute Folder and Timeline

Create a physical or digital folder to save all documents, notes, and communication in one place. This will save you significant time and money later. Then, **create a detailed timeline of events**, noting key dates, actions taken, supporting documents, and who was involved. This chronological record will be invaluable for understanding the sequence of events, preparing your case, and communicating clearly with any third parties or legal counsel.