

## Fear The Middleman

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*“One call does it all!”*

When hiring a court reporter for an out-of-town deposition or other meeting, law firms often turn to the Internet. A quick online search for a reporter in any given area will deluge the user with advertisements for nationwide firms (hereafter referred to as “The Middleman”) that claim to have court reporters available all across the country.

*“Give us a call and we will handle everything. Need a videographer? Need a conference room? How about a translator? We will get it all set up for you at no additional charge.”*

The truth is that almost every court reporter or firm will offer those services at no additional charge. One call to a local is all it takes, too, and you just might find that the service is far superior. And whether you realize it or not, you either choose to work with the locals from the very beginning, or you call The Middleman and he will schedule with the local firms. These nationwide scheduling firms do not, as they make it appear, have court reporters on staff in every nook and cranny of the world.

So what difference does it make to you, the hiring party, as long as someone shows up with their mysterious little machine and soon thereafter you have a transcript? As a matter of fact, you might add: “The Middleman offers huge discounts; The Middleman will give me a free iPod when I schedule a deposition; The Middleman promised to beat everyone else’s price by at least ten percent!”

As is true in every aspect of life, “There is no such thing as a free lunch.” The Middleman spends tremendous amounts of money to direct you to his site or 1-800 telephone number. How is that money recouped? There are only two places it comes from; out of the hiring party’s pocket or the court reporter’s (or both). And once The Middleman corners the market in a reporter’s town, the court reporter faces taking the assignment on the firm’s terms, or having no work at all.

Let’s take a look at an example. When talking to The Middleman or browsing his website, you will find that he promises users will pay a fraction of the cost of hiring a local reporter or firm. That sounds good, right? But what does The Middleman tell court reporters to encourage them to take assignments from him? He tells us that he does not negotiate our rates, and that we may charge him what we are accustomed to billing.

So if we are to believe both of those statements, The Middleman is selling the end product for less than he paid for it. And he miraculously has money left over, because he also tells court reporters that he spends hundreds of thousands of dollars per year advertising our services. If The Middleman truly adhered to those principles, he would

be out of business after the first deposition. He is an excellent salesman; he has to be. He must use smoke and mirrors to convince the consumer that he is essential to the process. He isn't.

There are many strategies the nationwide firms employ to increase profit. One particularly distasteful practice is reformatting of transcripts. It goes like this: The local court reporter takes a job for The Middleman. That reporter then emails their transcript file to The Middleman's office, where the transcript is produced and distributed. The file the reporter emailed may be 100 pages long, and that's what The Middleman pays the reporter for; unbeknownst to both the reporter and the purchaser, The Middleman then uses software that reformats the margins, making them wider and stretching the transcript. So the client receives and pays for, say, a 130-page transcript. The extra 30 pages are pure profit to The Middleman.

Another tactic these firms practice is advertising the lowest page rate possible, but then billing the client for things the client never requested. Some firms charge for delivery/postage at a much higher rate than they actually pay. They might also have exorbitant office/paper fees. They often charge a full-page price for word indexes and condensed transcripts, even if you didn't want that service. Exhibits are copied at rates of \$1.50 a page or more. The list of potential trappings could go on forever.

It is bad enough to be the party that hired The Middleman, but heaven forbid you find yourself in a situation where you are on the *other side* of litigation or proceedings where your adversary hired The Middleman. The Middleman might have made a few concessions to the party that hired him, but if you choose to purchase a copy of the product, all bets are off! You will pay a large chunk of his profit, and often pay more than the hiring party.

The logical next question leads to ethics. Is what The Middleman is doing legal? Is it ethical? Court reporters are governed by the state and national boards that license them. Many states have laws regarding court reporters engaging in contracting, which is offering one side of litigation a reduced price, or other advantage, that is not offered to the opposing side. The National Court Reporters Association also has guidelines regarding reporter ethics and inappropriate client gifting (i.e. the iPod) used to entice hiring parties. The problem with The Middleman is that he is not a court reporter, but rather a business owner, so he cannot be held to the same ethical standards, nor does he risk losing a court reporting license.

It must be made clear that by no means does this writing intend to encourage hiring parties to always use an individual court reporter and never use a firm or agency. There are lots of wonderful, ethical court reporting agencies (usually owned by court reporters themselves) that service their area of the market with their own staff. Most of the nationwide scheduling firms do not even have reporters on staff, and therefore cannot truly be called court reporting firms.

All hiring parties are looking for ease and convenience. So how do you manage to cut out The Middleman without adding research time into your already packed schedule? There is at least one website that is free for users to browse and search for court reporters all over the nation. And the reporters that are members of the site are not permitted to advertise more than 120 miles away from their home base, so you get a local right from the beginning. I choose not to give the name of that website in this article, because I own it and I don't want my words herein to be discounted as an advertisement. I merely want hiring parties to be aware that it is just as quick and simple to use a local reporter/firm as it is to call one that practices nationwide scheduling, and it's usually much more cost-effective.

Regardless of what method you use, take steps to cut out The Middleman, and you'll soon wonder why you ever paid him a penny.

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