

CLIENT ALERT: CT Corp. Outage Could Result in Serious Implications for Clients

By

UPDATE (5/14/19): As of Tuesday, May 14, CT Corp. reports that all of its applications have been fully restored and are back online.

CT Corp., which is a major provider of Registered Agent services for thousands of businesses nationwide, has been experiencing a massive system outage since Monday, May 6, 2019, as a result of a malware attack on their parent company. This has potentially very serious implications for our clients and colleagues who use CT Corp. as their registered agent in any state or territory of the United States.

We understand that since May 6, CT Corp. has not been able to forward any legal process (**complaints, subpoenas, garnishments, etc.**) to any of its customers and is not doing so now. It appears that CT has no backup plan, and while CT continues to accept service on behalf of its customers, it has no way to temporarily share any incoming legal process with its customers or notify them of service while its systems are down. Based on communications from CT Corp., there is no indication of when this outage will be resolved.

Businesses that use CT Corp. as their Registered Agent to receive service and notice of legal process could be technically served under law without ever being notified by their Registered Agent of the receipt of such process. While CT Corp. has offered to provide affidavits to affected businesses attesting to the problems, in hopes that courts and other parties will excuse any legal deadlines missed as a result of the outage, **business clients of CT Corp. should be aware that the outage poses a very serious short term risk for anyone relying on CT, including possible litigation because of a delay in filing or responding to legal notices.** CT may ultimately be liable for losses incurred by its customers as a result of this outage, but that is not entirely clear at this point.

If you use CT Corp. as your registered agent and were already *expecting or anticipating* process service for a *particular* matter between May 6 and now, **please reach out to us.** As a general matter, however, our firm is unable at the moment to address the broader issues caused by CT's outage. Businesses across the country are unfortunately stuck in a wait-and-see posture until CT Corp. can resolve this malware attack and forward any legal process served since May 6 to its customers. As of the time of this writing, CT Corp.'s website is down, and they appear to have telephone issues, as well. Though Paley Rothman is unable to take any direct action at this time to resolve the problem, we wanted to make our clients aware of this issue because of the significant potential risk. If, after CT's service is restored, you find yourself dealing with legal difficulties due to the fallout, please contact us to assist you.