



CONSUMER ALERT !

What you should know before choosing a Data Recovery Firm

Having been a leader in the data recovery industry for many years now, we at Capital Data Recovery Inc. have seen far too many good people be misled or fall victim to an ever growing number of unscrupulous 'fly-by-night' or 'self-acclaimed' data recovery businesses. Unfortunately, because there is no governing body or association that administers or licenses data recovery firms, this entire industry has become relentlessly infiltrated by independent business owners making false claims and promises about their data recovery services, only to make a 'quick buck' at the expense of the consumer. Essentially, the only way for the consumer to circumvent this situation and differentiate the good from the bad service providers, is to become educated and make informed choices.

Reputable and professional data recovery firms have been around for many years. As digital technology has become more prevalent in society and people have become more aware of the existence and demand for data recovery firms, it has become common knowledge that data recovery services can sometimes cost from hundreds to thousands of dollars. Despite the fact that there are very legitimate and substantiated reasons why a truly reputable data recovery firm may charge these seemingly high amounts, these dollar figures have unfortunately created a significant allure for an exuberant number of unskilled or untrained people to 'setup shop' and start their own recovery business. Often these dishonest recovery businesses will make false claims that they have all of the same capabilities and equipment that the large reputable firms have but simply charge much less – this could not be further from the truth. These unscrupulous businesses will commonly offer recovery services for around \$200 to \$300 and will charge you regardless of whether the recovery is successful. Ever wonder how these people can charge so little while a reputable professional firm may quote two to three times more than this? Ever heard of the saying – If it sounds too good to be true, it probably is? Well hopefully after reading this article, you will pay more attention to this detail before getting involved with the wrong people.

In recent months, we came across a case where a kind, sweet lady came to us in dire desperation after claiming to have been "ripped off" by a data recovery firm located in the Toronto area. For legal reasons we cannot give you any names, so for the sake of anonymity we will call this woman by the name of Kim. This woman is a seasoned real estate agent who like many business people, essentially cannot live without their laptop and the critical data contained. Furthermore, as with most busy people these days, Kim did not have the time or inclination to ever maintain a current backup of her important business data. One day the unthinkable occurred and her hard drive failed. Confused and distraught, Kim returned to her office to ask their resident I.T. person for advice on what to do. She was given assistance with the removal of her drive and offered the name of a so called 'data recovery expert'. Due to the urgency of the situation, she immediately sent the drive in for repair. This firm tried to manipulate her to believing that her drive was in good hands and that they'd have her data retrieved in a very short time. Relieved by the good news, she gladly paid them the \$300 they asked for without consideration for the fine print of the contract, that being she must pay \$300 regardless of whether any data is retrieved.



Any reputable data recovery firm out there will have a NO DATA – NO FEE POLICY, however; these unscrupulous recovery firms are often known to take the money first and keep it even if the recovery is a failure. Furthermore, any true data recovery professional will know that it is impossible to give somebody a sense of assuredness over the telephone that their data will be retrieved before even submitting their drive. Each case is a unique situation and the recoverability may only be determined through proper analysis. Clearly anyone who is offering false verbal guarantees over the telephone or hinting that they will have no problem recovering data without having yet analyzed your drive, is undoubtedly trying to deceive you. When comparing a possible cost of \$900 versus \$300, consumers are often more likely to take their chances and gamble with the lower cost firm and not read the fine print when swayed by the salesman-like confident attitude that they will have your data salvaged in just a short time. What consumers fail to realize is that once these people have your money, there is no longer any incentive for them to make any effort to complete the recovery process. Hence what they will sometimes do is keep the drive for a day or two, possibly do nothing with it or make some futile attempts with public domain grade software, and then return it to you indicating that the data was unrecoverable. The consumer then walks away and accepts the loss of their data as well as their \$300 fee.

In Kim's case, this exact circumstance occurred, however; she could not accept that her data was not recoverable as she was told by this dishonest business owner. She decided to do a little research on her own and came across our contact information for Capital Data Recovery Inc. in Barrie (head office in Ottawa as well as other locations in Canada and the USA). After reading that we have a NO DATA – NO FEE POLICY, she started to be suspicious of why she paid \$300 to the other guy who didn't manage to retrieve any of her data. Intrigued by our offer, she sent in her drive figuring she had nothing to lose at this point since her data was already deemed unrecoverable and knowing we wouldn't charge her if our recovery attempts failed. It turned out that her drive was in fact a fairly simple recovery operation which someone with the right hardware, software, and recovery expertise could manage to resolve. Kim was extremely ecstatic when we broke the news to her that her data was recovered. She was very upset when she came to the realization that somebody who clearly wasn't a qualified data recovery professional had taken her \$300 and almost successfully convinced her that her case was unrecoverable. In retrospect, she said she would have paid double what we actually charged her just to have the peace of mind from the beginning that her data was in good hands by respectable professionals. It took this one bad experience for her to learn that it truly is a buyer-beware market in the data recovery industry.

In recent years, stories like Kim's have become far too common and it is very disappointing to hear this happen to good people. What is even worse than being bilked of a few hundred dollars is the risk that is taken when your valuable data falls into the wrong hands. Every failed recovery attempt that occurs will dramatically reduce the recoverability of your data. If you are not careful and allow someone to tamper with your drive that is not qualified, the only remaining chance to salvage your data may have been permanently and irrevocably sacrificed. An analogy that will very clearly illustrate this point would be a situation where you or a loved one required a heart transplant and there was only one possible attempt to make the surgery work. So many things can go wrong, an unsuitable donor, improper surgical technique, complications due to drug interaction, etc. With that said, would you not want to have the surgery performed by the most experienced and reputable professional you can possibly find? How would you feel if someone fraudulently told you they were an experienced surgeon and will perform the operation when in actual fact they didn't even have a medical degree? As a



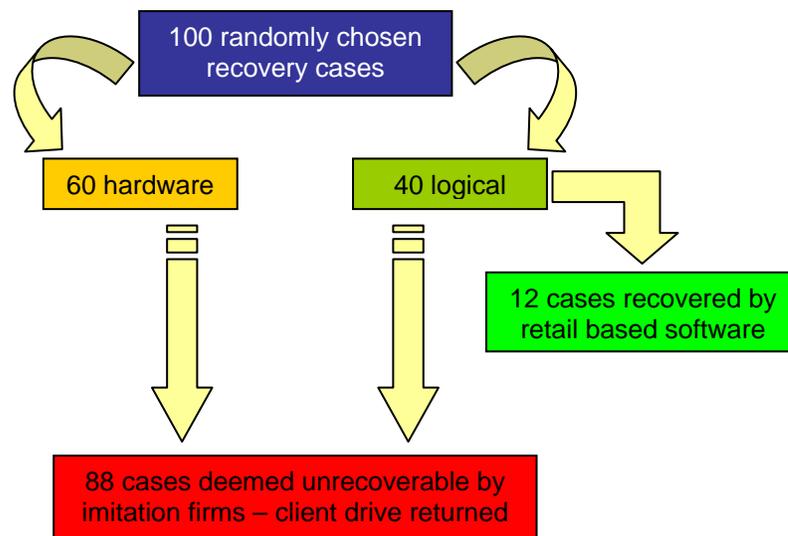
consumer, you must remember that you are empowered with the options or choices to be made and your decision will directly influence the outcome, albeit positive or negative. When you have only one attempt at something that is this important, doesn't it make sense to become fully educated so you are equipped to make the right choice?

In this present day it is all too easy for anybody to setup a website, falsely declare themselves a professional at something, and then offer pricing that is a fraction of what the norm is within that industry. The unfortunate truth is that for unregulated sectors of the service industry, this happens every day and cannot be stopped. People will always continue to be attracted by the allure of low prices like flies to a bug light, and they will not feel the true sting until it is too late.

In recent years, there has been a dramatic increase in the number of American based data recovery firms that have been aggressively seeking Canadian business in a deceptive way. They will advertise all over the internet and mislead you to believe they are located in every major city across Canada. When you call one of their toll-free numbers, although they may never divulge this, you will likely be connecting to a major call centre in New York, Florida, or even possibly India. These call centres are designed to 'fish-net' as many prospective clients as possible all over North America. These U.S. based firms are very large and tend to employ very persuasive and aggressive sales tactics that are designed to quickly convince you to send your drive to a repair laboratory that is located hundreds of miles away. Such tactics may include giving you very low quotes over the telephone of \$300 to \$500, and telling you that if there is no data recovered all you pay for is shipping. Unfortunately, even if your case is fairly straight forward for them to resolve, you can expect that their price will increase once they have possession of your data. They will likely call you after they've already recovered your data and will inform you of some fabricated excuse why the fee went from \$300 to \$3,000 or more. These types of business tactics tend to make people feel trapped as if their data appears to be held hostage unless they agree to pay the ransom amount requested. American data recovery operations operate on a principle of numbers, hence explaining the dire need to cross the border into Canada. As long as they can maintain a high volume of incoming recovery cases, they are guaranteed to make an exuberant amount of money regardless of the quality of their services or recovery success rates. Furthermore, in situations where these companies encounter difficult recovery cases that they cannot resolve, they will often outsource the work to smaller firms that have better success rates while keeping this fact hidden from the client. The end result is that the client will ultimately pay a significantly inflated rate to ensure that both the contracted and sub-contracted firms each make a worthwhile profit.

Data recovery cases are like fingerprints, each case always has its own unique characteristic set of failure related attributes and no two cases are ever identical. The cause of failures can be categorized as being either hardware or logical. What may further complicate a case is a situation where a hardware failure may occur that in turn creates a logical failure as well. Such complex and convoluted cases may only be resolved by an experienced recovery professional. If an improper recovery attempt or diagnosis is made by an inexperienced person, the degree of corruption can increase exponentially and will likely cause the case to become entirely unrecoverable.

A significant percentage of all cases involve some form of hardware related defect which may require a physical repair and replacement parts. In this industry, sourcing the right parts can be quite costly especially considering that most hard drive manufacturers do not support the supply of spare parts for data recovery companies. On a typical case, parts may cost anywhere from \$200 to \$500 and sometimes more if multiple components need to be replaced. With imitation firms quoting prices in the range of \$200 to \$300, one can obviously see that these companies are not including hardware related cases where costly parts are necessary. Due to their lack of experience and extensive limitations on their overall capability, imitation firms will only seek logical recovery cases that may be resolved with retail software applications. Cases that cannot be resolved (with these basic software attempts) are returned to clients with the declared conclusion that these are unrecoverable. What is very sad is that most of these clients will believe them and discard their otherwise recoverable drive. Furthermore, if you consider the following numerical analogy shown below, you will see why this trend is so disturbing (please note the numbers used are strictly for illustration only):



For an imitation recovery firm, there is no risk or responsibility in the services they provide. They blindly take a chance at recovering data. If they are successful, they gain their \$300 fee. If they fail, the client will lose their data and any potential for recoverability. Clients are dishonestly told their case is irrecoverable.



So why do professional / reputable firms charge more for data recovery?

The pitfall that so many consumers succumb to on a daily basis is that we too often let price strongly influence our purchasing decisions. Whether you are buying groceries or a new car, price may be an important consideration, but when it comes to a critical service like data recovery, the quality of the firm you choose should yield more weight in your decision than just cost. In most data recovery cases, there may only be one viable attempt at recovering data from a failing drive. If this attempt is not used wisely and efficiently by a reputable firm, then the overall recoverability could be permanently compromised. In most cases clients claim that their data is priceless – e.g. personal business data, video and photos of their wedding or children, thesis projects for school, etc. If that is the case, then why would anyone take their chances with some inexperienced firm making claims that they can salvage priceless data for a couple hundred dollars?

The reason why professional data recovery firms cost more than unscrupulous imitation firms is due to the significant investment necessary in the proper tools and people that are required to conduct effective successful recovery operations. As with any important job, you need to have the right tools and the proper level of expertise in order to be assured a successful result in the end. Almost anyone with a mechanical aptitude can visit their local hardware store and buy enough supplies and tools to build a house, but not just anyone can build a quality home. The proper hardware, software, and laboratory equipment necessary for a professional recovery firm is very expensive costing several hundreds of thousands of dollars for a new laboratory. This does not include any of the business management or operational related aspects that would also be necessary (e.g. office lease, employee salaries, advertising fees, parts inventories, utilities, etc.). In comparison, anyone with a few dollars can setup a website and start fishing for clients willing to pay \$200 or \$300 in exchange for some false data recovery promises. Clearly from basic business principles one can see that with such a large disparity in investment, the committed professional firm has no choice but to charge more in order to survive financially. It may take quite some time for a professional data recovery firm to reach a turning point where revenue becomes profit, however; an unscrupulous imitation firm that was setup overnight will likely turn a profit after taking money from the first client to fall victim to their money generating scheme.

Despite the tangible expenses of hardware and software, there is one additional critical requirement that a professional firm must absolutely have, and that is an investment in the most qualified personnel possible. Without highly trained and educated data recovery professionals, it is impossible to provide a high success rate with recovery cases. Professional firms will not just hire any person with general computer skills or an I.T. based background. We often hire people who are licensed professional engineers, electronics specialists, and advanced software developers. Even at this, somebody who has not worked in this specific industry requires years of training and hands-on experience. Furthermore, internal training must not involve working on real client cases to use as a learning tool as such methods would be unethical and irresponsible. A professional firm will only allow qualified and experienced personnel to work on your case, and not let your recovery situation become a learning experience for a new trainee. All of this training and the high calibre of individuals required is a necessity in this industry which comes with a hefty price tag. How many engineers or electronics specialists do you know that will spend a week working on a case for a mere \$200? In fact most personnel that fall into this category have salaries that exceed the \$100,000 a year mark, not because they are overpaid, but because they are unquestionably the best at what they do in the entire industry.



Such calibre of personnel is very difficult to acquire in this industry and even more difficult to keep from leaving and taking higher paying positions yet. If you are quoted only a couple hundred dollars for a recovery service, you can guarantee that an experienced professional will not be working on your case for you.

Beyond all of the costly requirements that have been discussed thus far, there is still one important aspect that has yet to be mentioned, and that is the value of research and development. A good firm will provide an optimum and professional data recovery service, however; an excellent firm will do all of this plus continually invest and focus considerable resources into research and development. Of course everyone is aware of how fast computer technology changes in the fast paced world we live in. To be the best in the data recovery industry, research and development investment is an absolute necessity. It costs an enormous amount of money to be a leader in this industry and to be constantly working on improving or replacing existing technologies with more advanced and improved systems. As new data storage mediums are released to the market place, we must make sure that we prepare ourselves on how to deal with new emerging technologies. This requires that we maintain ourselves within a state of continual educational development and strive to come up with new recovery methods by purchasing newly released products and designing new specifications for recovery procedures. In addition, any technological advancement made by overseas research firms must be pursued in order for us to remain at the leading edge and this is always associated with a significant cost due to the confidentiality and patent constraints typically involved (i.e. not just anyone is entrusted with the opportunity to access these advanced technologies). Only a truly professional firm that is committed to being the best will do all of this to stay on top. Capital Data Recovery Inc. is one such firm that holds this commitment in their corporate mission statement and continually strives to be a leader in the industry.

The Good, The Bad, and The Ugly of the Data Recovery Industry

So how can one distinguish between professional data recovery firms and inferior clones that should be avoided? Fortunately for the consumer, there are a number of obvious tell-tale signs which will help you identify the good from the bad data recovery firms. Due to our strong desire that we have to dispel the misinformation in this industry and help the general public make an informed decision, we are pleased to provide you with some helpful tips tabulated below.

Keep in mind that inferior firms will often try to emulate the characteristics of a professional firm, but most often the inferior firms will stand out and be identified as those who make unrealistic claims for significantly reduced fees (e.g. offering to provide data recovery services for \$300 or less).

table continued...



INFERIOR/IMMITATION Data Recovery Firms	TRUE PROFESSIONAL Data Recovery Firms
<ul style="list-style-type: none"> ◆ charge a flat rate fee from \$200 to \$400 regardless of case complexity ◆ may charge an 'evaluation fee' 	<ul style="list-style-type: none"> ◆ will not give you a cost estimate until a thorough analysis has been conducted – fee fluctuates based on case complexity and whether parts are required ◆ all quotes are free!
<ul style="list-style-type: none"> ◆ make you pay regardless of whether or not your data is recovered – may justify this as a processing fee or labour charge 	<ul style="list-style-type: none"> ◆ will have some type of no data – no fee policy which means you don't pay anything even if hours of labour are spent and the result is still unsuccessful
<ul style="list-style-type: none"> ◆ try to make false claims or give you a false sense of reprieve that your data will be recovered before they've even received your drive – happy relieved consumers are more likely to relinquish their money up front 	<ul style="list-style-type: none"> ◆ no promises are made until the data has actually been recovered – there is no value in making promises that cannot be fulfilled as this only makes people angry – good firms are normally honest and forthcoming
<ul style="list-style-type: none"> ◆ claim that they have all of the sophisticated hardware and software that all the big firms have as well as a certified clean room – the reality is that they only have a few data recovery software applications that anyone can buy or download from the internet 	<ul style="list-style-type: none"> ◆ have dedicated recovery laboratories which contain specialized workstations designed exclusively for data recovery – have clean room capability and can perform sophisticated repairs to electronics – minimal equipment investments exceeding \$100k
<ul style="list-style-type: none"> ◆ simple clue – if they have a very amateur looking website or data recovery is an auxiliary service to something like computer sales or service, web hosting, website development, etc. – not dedicated to just the core data recovery business but will do anything that will make a 'quick buck' 	<ul style="list-style-type: none"> ◆ if they are professional enough to resolve complex data recovery issues, then maintaining a professional looking website would coincide ◆ often have more than one location and are strictly dedicated to data recovery and directly related services only (i.e. they don't offer PC repairs, web hosting, web site development, etc.)
<ul style="list-style-type: none"> ◆ will typically offer just regular store hours which may overlap with another business (i.e. computer sales/service store outlet) – do not cater to emergency situations 	<ul style="list-style-type: none"> ◆ due to the serious impact that may be associated with data loss, will offer clients some form of after hours service – i.e. 24/7 hotline with emergency level service options
<ul style="list-style-type: none"> ◆ may employ unskilled workers that do not have any specific data recovery training 	<ul style="list-style-type: none"> ◆ will only employ professionally accredited personnel (i.e. professional engineers, advanced software developers, etc.) that have received specialized training
<ul style="list-style-type: none"> ◆ difficult cases that cannot be fixed with basic readily available software packages are returned to clients who are told their case is deemed unrecoverable 	<ul style="list-style-type: none"> ◆ cases deemed unrecoverable by inferior firms are almost always recoverable by professional firms who have the right tools and experience to resolve even the most challenging cases



On behalf of the technical professionals at Capital Data Recovery Inc., we hope that you have found this article to be informative and helpful. If publishing this document prevents even one person from being victimized by an unscrupulous imitation firm, then all of this effort we have put forward was worthwhile. We urge all consumers and prospective clients to educate themselves before making an important decision. You often get what you pay for in life, and if something seems too good to be true, then it probably is.

For more information about Capital Data Recovery Inc. and the services we offer, please visit our website (www.capitaldatarecovery.com) or contact a recovery professional at one of the laboratory locations nearest you. Capital Data Recovery Inc. is a member and award nominee of the Better Business Bureau.