

Agenda

The Law Society
of British Columbia



Benchers

- Date: Friday, September 26, 2014
- Time: **7:30 am** Continental breakfast
8:30 am Call to order
- Location: Bencher Room, 9th Floor, Law Society Building
- Recording: *Benchers, staff and guests should be aware that a digital audio recording is made at each Benchers meeting to ensure an accurate record of the proceedings.*
- Webcasting: *Benchers, staff and guests should also be aware that the proceedings of this meeting will be video-recorded and webcast for public viewing.*

CONSENT AGENDA:

The Consent Agenda matters are proposed to be dealt with by unanimous consent and without debate. Benchers may seek clarification or ask questions without removing a matter from the consent agenda. Any Bencher may request that a consent agenda item be moved to the regular agenda by notifying the President or the Manager, Executive Support (Bill McIntosh) prior to the meeting.

ITEM	TOPIC	TIME (min)	SPEAKER	MATERIALS	ACTION
1	Consent Agenda <ul style="list-style-type: none"> Minutes of July 11, 2014 meeting (regular session) Minutes of July 11, 2014 meeting (<i>in camera</i> session) Amendment of Rule 5-10: Application to Vary Orders 2014 Law Society Award Recommendation to Benchers 	1	President	Tab 1.1 Tab 1.2 Tab 1.3 Tab 1.4	Approval Approval Approval Approval

DISCUSSION/DECISION

2	2015 Fees and Budgets: Finance and Audit Committee Recommendations to the Benchers	15	Ken Walker, QC, Tim McGee, QC & Jeanette McPhee	Tab 2	Decision
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Agenda

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of British Columbia



ITEM	TOPIC	TIME (min)	SPEAKER	MATERIALS	ACTION
REPORTS					
3	Legal Services Regulatory Framework Task Force Update	15	Art Vertlieb, QC		Briefing
4	President's Report	10	President	Oral report (update on key issues)	Briefing
5	CEO's Report	10	CEO	<i>(To be circulated electronically before the meeting)</i>	Briefing
6	Briefing by the Law Society's Member of the Federation Council	5	Gavin Hume, QC		Briefing
7	Report on Outstanding Hearing & Review Decisions	4	President	<i>(To be circulated at the meeting)</i>	Briefing
DISCUSSION/DECISION					
8	Consideration of Special General Meeting Members' Resolution <ul style="list-style-type: none"> • Motion 1 – Jamie Maclaren • Motion 2 – Tony Wilson • Motion 3 – David Mossop, QC • Submissions: <ul style="list-style-type: none"> ○ Public Submissions ○ TWU Submission 	120	President	Tab 8 <i>(Submissions are available on the Law Society website. Not included in the agenda package)</i>	Decision



Agenda

ITEM	TOPIC	TIME (min)	SPEAKER	MATERIALS	ACTION
FOR INFORMATION					
9	<ul style="list-style-type: none">Federation Of Law Societies of Canada – National Discipline Standard 9Thank You Letter from the Canadian Bar Association – Funding for Wellness Education ProgramTrust Accounting Resources & Educational Opportunities			Tab 9.1	Information
				Tab 9.2	Information
				Tab 9.3	Information
IN CAMERA					
10	<i>In camera</i> <ul style="list-style-type: none">Law Society Litigation ReportBencher concerns	5 10	Deborah Armour President/CEO	Tab 10	Briefing Discussion/ Decision



Minutes

Benchers

Date: Friday, July 11, 2014

Present:

Jan Lindsay, QC, President	Jamie Maclaren
Ken Walker, QC, 1 st Vice-President	Sharon Matthews, QC
Joseph Arvay, QC	Ben Meisner
Satwinder Bains	Nancy Merrill
Pinder Cheema, QC	Maria Morellato, QC
David Corey	David Mossop, QC
Jeevyn Dhaliwal	Lee Ongman
Lynal Doerksen	Greg Petrisor
Thomas Fellhauer	Phil Riddell
Craig Ferris	Elizabeth Rowbotham
Martin Finch, QC	Herman Van Ommen, QC
Miriam Kresivo, QC	Sarah Westwood
Dean Lawton	Tony Wilson
Peter Lloyd, FCA	

Richard Fyfe, QC, Deputy Attorney General of BC, Ministry of Justice, representing the Attorney General

Excused:

Haydn Acheson
David Crossin, QC, 2 nd Vice-President
Claude Richmond
Cameron Ward

Staff Present:

Tim McGee, QC	Michael Lucas
Taylor Ashlie	Bill McIntosh
Lance Cooke	Jeanette McPhee
Su Forbes, QC	Doug Munro
Andrea Hilland	Alan Treleaven
Jeffrey Hoskins, QC	Adam Whitcombe
Ryan Lee	

<p>Guests: Dom Bautista Mark Benton, QC Johanne Blenkin Kari Boyle Micaela Carlson Maureen Cameron</p> <p>Anne Chopra Dean Crawford barbara findlay, QC</p> <p>Ron Friesen Jeremy Hainsworth Derek LaCroix, QC Michael Mulligan Anne Pappas, JD Richard Parsons Rose Singh Prof. Jeremy Webber</p>	<p>Executive Director, Law Courts Center Executive Director, Legal Services Society Chief Executive Officer, Courthouse Libraries BC Executive Director, Mediate BC Society Associate, Kuhn LLP Director of Membership and Communications, Canadian Bar Association, BC Branch</p> <p>Equity Ombudsperson President, Canadian Bar Association, BC Branch Representative, Sexual Orientation and Gender Identity Subsection of the Canadian Bar Association, BC Branch CEO, Continuing Legal Education Society of BC Reporter, Lawyers Weekly Executive Director, Lawyers Assistance Program Member, Law Society of BC Interim Dean of Law, Thompson Rivers University President, Trial Lawyers Association of BC Vice-President, BC Paralegal Association Dean of Law, University of Victoria</p>
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1. Presentation of the 2014 Law Society Aboriginal Scholarship

President Lindsay presented the 2014 Law Society of BC Aboriginal Scholarship to the recipient, Ms. Kinwa Bluesky. Ms. Bluesky is a member of the Sandy Lake First Nation, an independent Oji-Cree First Nation in the Kenora district of northern Ontario. A graduate of the Faculty of Law at the University of Victoria (J.D., 2004 and LL.M., 2006), Ms. Bluesky is currently in the final year of her Ph.D. in the Faculty of Law at the University of British Columbia. Her dissertation focuses on “The Art of Indigenous Law – The Law of Indigenous Art.”

Ms. Bluesky’s research builds on the hypothesis that Indigenous artists are active agents in their respective legal traditions. Her research falls in line with legal scholarship that is exploring Indigenous legal traditions from a normative perspective. Ms. Kinwa’s dissertation compares ideas about Indigenous legal theory set out in the works of Indigenous legal scholars, framing those ideas against the background of Western legal theory.

Ms. Bluesky’s career objective is to be a leader in serving Indigenous legal education by re-defining Aboriginal legal issues within BC and Canada through the enhancement of Aboriginal involvement in all areas of the legal profession.

CONSENT AGENDA

2. Minutes

a. Minutes

The minutes of the meeting held on June 13, 2014 were approved as circulated.

The *in camera* minutes of the meeting held on June 13, 2014 were approved as circulated.

b. Resolutions

The following resolutions were passed unanimously and by consent.

- Ethics Committee: Recommended Amendments to Rule 5-7 of the *Code of Professional Conduct of British Columbia* (Lawyers and Mediators)

BE IT RESOLVED to amend the Code of Professional Conduct of British Columbia as set out in the attached red-line version of Rule 5-7 (Appendix 1 to these minutes)

- Appointment to the Justice Education Society Board of Directors

BE IT RESOLVED to renew the appointment of Leon Getz, QC as a member and director of the Justice Education Society, for a term of two years, effective September 1, 2014.

DISCUSSION/ DECISION

3. Law Firm Regulation Task Force Mandate

Ms. Lindsay introduced this matter, referring the Benchers to the Executive Committee's memorandum at page 78 of the meeting materials for background:

When the *Legal Profession Act* was amended [in 2012], the Law Society was given legislative authority to regulate “law firms” in addition to “lawyers” whom the Law Society has regulated since its inception. Consequently, where the *Act* gave the Law Society authority to make rules governing lawyers, it now also gives the Law Society the authority to do likewise for law firms. “Law firm” means a “legal entity or a combination of legal entities carrying on the practice of law.”

These new provisions of the *Act* are not yet in force, and some have not been implemented by enacting rules, as they await the Bencher's determination about how to exercise this new authority.

The Executive Committee has given some preliminary consideration to the rationale and perceived advantages of regulating law firms, and determined last year that a staff working group should be created to gather information about law firm regulation in other jurisdictions, together with possible models for regulation that includes their advantages and disadvantages. A staff group has been preparing this material, and it has now largely been collected.

Therefore, it is time to create a Bencher Task Force to consider the work that the staff group has collected. The Task Force will also be expected to consult broadly with the membership of the Law Society, other regulatory experts, and legal regulatory bodies in other jurisdictions. It will use all the information it has gathered and analysed to recommend a framework for the regulation of law firms. The Task Force can be supported by further work from the staff group as required.

Mr. Mossop moved (seconded by Mr. Lloyd) that the Benchers adopt the following resolution:

BE IT RESOLVED to create the Law Firm Regulation Task Force, whose mandate is to recommend a framework for the regulation of law firms.

The motion was carried unanimously.

Ms. Lindsay confirmed that the Law Firm Regulation Task Force will be chaired by Mr. Van Ommen, and that the other members of the new task force will be appointed in the coming weeks.

4. Benchers' Consideration of Special General Meeting Resolution

Ms. Lindsay confirmed that at the Law Society Special General Meeting on June 10, 2014 (the SGM), the following resolution was passed (3,210 in favour and 968 opposed) by the attending members (the SGM Resolution):

... THEREFORE:

The Benchers are directed to declare, pursuant to Law Society Rule 2-27(4.1), that Trinity Western University is not an approved faculty of law.

She reminded the Benchers that at their June 13 meeting:

- Mr. Maclaren confirmed his intention to present a motion at the July 11 Bencher meeting, calling for the Benchers' timely implementation of the SGM Resolution
- the Benchers agreed that Mr. Maclaren's motion should be presented at the July 11 Bencher meeting and then tabled for consideration at the September 26 Bencher meeting

Ms. Lindsay reported on developments in this matter since the June 13 Bencher meeting. She advised that the Executive Committee has been briefed by Mr. Wilson regarding a motion he intends to present at the September 26 Bencher meeting, calling for a Bencher-initiated referendum of the membership of the Law Society on the issue of implementation of the SGM Resolution. Ms. Lindsay noted the importance of ensuring that Trinity Western University (TWU) be provided with adequate notice of and opportunity to respond to any Bencher motion pertaining to the outcome of the SGM and particularly implementation of the SGM Resolution.

Ms. Lindsay confirmed the Executive Committee's determination that any such Bencher motions and their deliberation raise the same considerations of administrative fairness and public interest as at the April 11 Bencher meeting. Accordingly, the September 26 Bencher meeting will be webcast; Law Society members and the public will have the opportunity to make written

submissions (by September 3); and TWU will have the opportunity to make written submissions (by September 17).

Ms. Lindsay invited Mr. Maclaren to state the motion he intends to present at the September 26 Bencher meeting.

Mr. Maclaren confirmed that at the September 26 meeting he intends to present a motion calling on the Benchers to adopt the following resolution:

“BE IT RESOLVED THAT the Benchers implement the resolution of the members passed at the June 10, 2014 Special General Meeting, and declare that the proposed law school at Trinity Western University is not an approved faculty of law for the purposes of the Law Society’s admissions program.”

Ms. Lindsay then invited Mr. Wilson to state the motion he intends to present at the September 26 Bencher meeting.

Mr. Wilson confirmed that at the September 26 meeting he intends to present a motion (the Wilson Motion) calling on the Benchers to adopt the following resolution:

“BE IT RESOLVED THAT:

1. A referendum (the “Referendum”) be conducted of all members of the Law Society of British Columbia (the “Law Society”) to vote on the following resolution:

“Resolved that the Benchers implement the resolution of the members passed at the special general meeting of the Law Society held on June 10, 2014, and declare that the proposed law school at Trinity Western University is not an approved faculty of law for the purpose of the Law Society’s admissions program.

Yes _____ No _____ (the “Resolution”)

2. The Resolution will be binding and will be implemented by the Benchers if at least:
 - (a) 1/3 of all members in good standing of the Law Society vote in the Referendum; and
 - (b) 2/3 of those voting vote in favour of the Resolution.
3. The Benchers hereby determine that implementation of the Resolution does not constitute a breach of their statutory duties, regardless of the results of the Referendum.

4. The Referendum be conducted as soon as possible and that the results of the Referendum be provided to the members by no later than October 30, 2014.”

Ms. Kresivo confirmed that she intends to second the Wilson Motion at the September 26 meeting.

Mr. Hoskins advised that the Law Society Rules governing elections apply to the conduct of membership referenda, mutatis mutandis. Accordingly, under Rule 1-25 the voters list for a referendum of the Law Society membership to be completed on October 30, 2014 must be closed on September 24, 2014 (Rule 1-25).

In the ensuing discussion the Benchers expressed a range of views on the following issues:

- legal and strategic implications of passage of the Maclaren Motion or the Wilson Motion
- legal and strategic implications of a Bencher-initiated referendum of the Law Society membership
- legal and strategic implications of pre-determination by the Benchers regarding whether their future decision(s) regarding implementation of the SGM Resolution might or might not breach their “statutory duties” under section 13(4) of the *Legal Profession Act*
- legal and strategic implications of deferring action by the Law Society in relation to the SGM Resolution, pending determination of the TWU-accreditation litigation presently underway in Ontario, Nova Scotia and BC

Mr. Finch advised the Benchers that he may present a motion for adoption of the following resolution at the September 26 Bencher meeting:

BE IT RESOLVED to suspend implementation of the decision of the Benchers made on April 11, pending determination by the Supreme Court of Canada of the constitutionality of the issue.

Mr. Finch confirmed that by Friday, July 25, he will advise the President whether he intends to proceed with his motion.

Ms. Kresivo moved, seconded by Mr. Riddell, that if the Wilson Motion is passed at the September 26 Bencher meeting, the voters list for the membership referendum called for by that motion shall be close as at September 24, 2014.

The motion was carried.

The Benchers discussed the structure of the debate of TWU-related motions at the September 26 Bencher meeting.

Mr. Walker moved (seconded by Mr. Petrisor) that all TWU-related motions presented at the September 26 Bencher meeting be moved and seconded consecutively, debated concurrently and voted on separately.

The motion was carried unanimously.

The Benchers agreed that the order of voting on the TWU-related motions presented and seconded at the September 26 meeting will be determined by the Benchers at that meeting.

The Benchers discussed limiting the number and length of Benchers' speeches during the debate of any TWU-related motions presented and seconded at the September 26 Bencher meeting.

Mr. Meisner moved (seconded by Ms. Merrill) that the Benchers be limited to a total of two speeches during the concurrent debate of any TWU-related motions presented and seconded at the September 26 Bencher meeting, with the first speech limited to 5 minutes and the second speech limited to 3 minutes.

The motion was carried by a two-thirds majority.

The Benchers agreed that any Bencher's permitted speaking time may be combined into a single speech of 8 minutes, at the Bencher's request and at the call of the Chair.

5. CBABC REAL Program: 2014/2015 Funding

Mr. Walker briefed the Benchers for the Executive Committee regarding a proposal by the BC Branch of the Canadian Bar Association (CBABC), seeking a Law Society contribution of \$75,000 to 2014-2015 funding of the CBABC Rural Education and Access to Lawyers (REAL) Initiative. Mr. Walker confirmed the Executive Committee's understanding that the Law Foundation has committed \$75,000 to REAL funding for 2014-2015, not contingent on a matching contribution by the Law Society. Mr. Walker noted that CBABC will continue to provide administrative and in-kind support to REAL, despite being unable to make a financial contribution to REAL funding for 2014-2015.

Mr. Walker confirmed that the Executive Committee has reviewed CBABC's proposal and considers the REAL initiative to be a worthwhile program. He advised that the Executive Committee recommends continuation of the Law Society's annual contribution of \$50,000 to REAL funding for 2014-2015, with the hope that as much as possible, that funding be allocated to student placement rather than administration.

Mr. Walker moved (seconded by Mr. Petrisor) that the Law Society contribute \$50,000 to REAL funding for 2014-2015.

In the ensuing discussion the value of the contribution of REAL's part-time manager to the effectiveness of the program was noted, particularly in the context of addressing the apparent urban focus of some law students and articulated students. The importance of focusing REAL resources on supporting student placements, rather than program administration, was also noted.

The motion was carried.

REPORTS

6. President's Report

Ms. Lindsay briefed the Benchers on various Law Society matters to which she has directed her attention since the last meeting, including:

a. External Appointment Updates

CBA National & Provincial Councils (President's Nominee as Law Society Representative)

Ms. Lindsay and Mr. Walker have jointly appointed Prince Rupert County Bencher Sarah Westwood to replace Maria Morellato, QC as the Law Society's representative to the CBA National & Provincial Councils, effective September 1, 2014. Ms. Morellato was thanked for her dedicated and effective service in these important liaison roles over the past two years.

Provincial Court Family Rules Project (President's Appointee as Law Society Representative)

The Law Society has been asked to appoint a representative to this two-year initiative being undertaken jointly by the Ministry of Justice and the Provincial Court, with the following mandate:

“[T]ransform the family court process, rules and forms to embrace the vision and direction articulated in the National Action Committee on Access to Justice Report on Access to Civil and Family Justice. Specifically, the project aims to improve the efficiency and effectiveness of the family court process for people who take their legal issues to family court, and to reflect that process in court rules and forms that are easy for the public to understand and use.”

Deputy Attorney General Richard Fyfe, QC confirmed the transformational nature of the project's mandate and goals, emphasizing the importance of technology and new approaches.

Ms. Lindsay confirmed that she will make the requested appointment in the coming weeks, with the advice of the Appointments Subcommittee.¹

2014 Queen's Counsel Advisory Committee (Benchers' Appointment of Two Law Society Representatives)

Traditionally the Benchers appoint the President and First Vice-President to represent the Law Society on the annual Queen's Counsel Advisory Committee.

Ms. Merrill moved (seconded by Ms. Westwood) that the Benchers appoint Ms. Lindsay and Mr. Walker to the 2014 Queen's Counsel Advisory Committee.

The motion was carried unanimously.

b. 2014 Harry Rankin Pro Bono Award

Vancouver Bencher Jamie Maclaren was congratulated on being named the recipient of the CBABC's 2014 Harry Rankin Pro Bono Award, in recognition of his significant contributions of: pro bono legal services to a client; community organizing in establishing pro bono clinics; coordinating pro bono services, and education and advocacy work to promote pro bono culture.

c. 2014 Commemorative Certificate Luncheon

Ms. Lindsay thanked the Benchers who attended the 2014 Commemorative Certificate Luncheon. She noted that 22 senior members of the legal profession were honoured at yesterday's luncheon, and commented on the honourees' appreciation: of both the Law Society's formal recognition of their long service, and the Benchers' attendance at the luncheon.

d. 2014 BC Civil Liberties Association (BCCLA) Liberty Awards Gala

Ms. Lindsay attended last month's BCCLA Gala on behalf of the Law Society to observe the presentation of the 2014 Liberty Awards, recognizing outstanding leadership to promote human rights and freedoms in Canada by: John Conway, QC (Excellence in Legal Advocacy (Individual)); JFK Law Corporation (Excellence in Legal Advocacy (Firm)); Ewen MacAskill, Laura Poitras, Barton D. Gellman, and Glenn Greenwald (Excellence in Journalism); Franke James (Excellence in the Arts); and the Fraser Valley Youth Society (Excellence in Youth Activism).

¹ Nanaimo Bencher Nancy Merrill has since been appointed, and Cariboo Bencher Gregory Petrisor has been named first alternate.

e. BC Provincial Court and BC Supreme Court Welcoming Ceremonies

Ms. Lindsay represented the Law Society at the recent welcoming ceremonies for the Honourable Steven Point, OBE, former Lieutenant Governor of BC (re-appointed a BC Provincial Court Judge effective March 3, 2014²) and the Honourable Emily Burke (appointed to the BC Supreme Court effective May 13, 2014).

f. BC Supreme Court Rules Revision Committee Notice to the Profession: Inviting Comment on Proposed Amendments to Rule 7-6 (audio recording of Independent Medical Examinations)

The BC Supreme Court Rules Revision Committee has issued an invitation to the legal profession to comment on a submission from the Trial Lawyers Association of British Columbia proposing a rule change to permit a person who is being examined under Rule 7-6 to audio record the examination. The deadline for comments is October 31, 2014.

7. CEO's Report

Mr. McGee provided highlights of his monthly written report to the Benchers (attached as Appendix 2 to these minutes) including the following matters:

- Introduction
- Process for Developing new 2015-2017 Strategic Plan
- Federation of Law Societies of Canada Update
- May 2014 Financial Statements
- 2015 Budget and Fees Planning Update

8. Financial Report to May 31, 2014

Mr. Walker introduced this matter as chair of the Finance and Audit Committee and invited Chief Financial Officer Jeanette McPhee to update the Benchers on the Law Society's finances through May 31, 2014. Ms. McPhee reported that the Law Society is continuing to track close to budget for 2014, with the financial forecast for the balance of the year unchanged from her last report: a positive variance of about \$150,000 is expected. Ms. McPhee referred the Benchers to her written report at page 112 of the meeting materials for details.

² The Honourable Judge Steven L. Point, OBE was first appointed to the BC Provincial Court in 1999.

9. 2015-2017 Strategic Plan: Preparation Update

Mr. McGee covered this matter in his CEO's Report to the Benchers (Appendix 2, bullet 2).

10. Report on the Outstanding Hearing & Review Decisions

Written reports on outstanding hearing decisions and conduct review reports were received and reviewed by the Benchers.

11. Mid-year Reports from the 2014 Advisory Committees

a. Access to Legal Services Advisory Committee

Mr. Mossop reported as chair: providing highlights of the committee's work in the first half of 2014 and outlining the committee's focus for the balance of the year (see the written report at page 125 of the meeting materials for details). Mr. Mossop acknowledged the hard work of the committee members, and thanked Staff Lawyer Doug Munro for his valuable assistance and guidance to the committee and its members.

b. Equity and Diversity Advisory Committee

Ms. Morellato reported as chair: providing highlights of the committee's work in the first half of 2014 and outlining the committee's focus for the balance of the year (see the written report at page 133 of the meeting materials for details). Ms. Morellato acknowledged the hard work of the committee members, and thanked Staff Lawyer Andrea Hilland for her valuable assistance and guidance to the committee and its members.

Ms. Bains reported for the Diversity on the Bench Subcommittee. She outlined the subcommittee's three recommendations (see pages 144-147 of the meeting materials)

Ms. Bains presented a motion on behalf of the subcommittee: moved (seconded by Mr. Maclaren) that a letter be signed by the President and sent on behalf of the Law Society to the federal Minister of Justice, including the following statement:

The Law Society of British Columbia recommends a review of the criteria used for appointments to the Judicial Advisory Committee for BC, with the goal to identify and remove real and perceived barriers for equity-seeking groups. We also recommend greater transparency in the appointment process, as has been accomplished at the Provincial Court level in BC.

Following a discussion the motion was carried.

c. Rule of Law Advisory Committee

Mr. Van Ommen reported as Vice-Chair in the absence of Mr. Crossin (Chair): providing highlights of the committee's work in the first half of 2014 and outlining the committee's focus for the balance of the year (see the written report at page 150 of the meeting materials for details). Mr. Van Ommen acknowledged the hard work of the committee members, and thanked Manager of Policy & Legal Services Michael Lucas for his valuable assistance and guidance to the committee and its members.

d. Lawyer Education Advisory Committee

Mr. Wilson reported as chair: providing highlights of the committee's work in the first half of 2014 and outlining the committee's focus for the balance of the year (see the written report at page 157 of the meeting materials for details). Mr. Wilson acknowledged the hard work of the committee members, and thanked Director of Education Alan Treleaven for his valuable assistance and guidance to the committee and its members.

12. Mid-year Report from the 2014 Governance Committee

Ms. Kresivo reported as chair of the Governance Committee: providing highlights of the committee's work in the first half of 2014 and outlining the committee's focus for the balance of the year (see the written report at page 161 of the meeting materials for details). Ms. Kresivo acknowledged the hard work of the committee members, and thanked Chief Information and Planning Officer Adam Whitcombe for his valuable assistance and guidance to the committee and its members.

Ms. Kresivo focused on the committee's recent review of the Law Society's current procedures and rules for general meetings. She noted that this work has been undertaken in response to widespread membership feedback to the Law Society's June 10, 2014 Special General Meeting: calling for electronic or online participation and voting at general meetings.

In the ensuing discussion several Benchers commented on the importance of utilizing modern technology to facilitate online participation and voting in Law Society general meetings. The value of in-person participation in general meetings was also noted.

Ms. Kresivo confirmed that the Governance Committee intends to continue its work on conflict of interest recommendations, to review the Law Society's rules for general meetings, and to research electronic and online options for participation and voting at general meetings. The Committee plans to report later in the year with specific recommendations for changes to the general meeting Rules, and with a proposal for seeking membership approval.

The Benchers discussed other matters *in camera*.

WKM

2014-07-29



Memo

To: Benchers
From: Ethics Committee
Date: June 9, 2014
Subject: **ADR Task Force Recommendations**

I. Background – The Alternative Dispute Resolution Task Force

In October 2007 the ADR Task Force report was considered by the Benchers and approved for distribution to the profession and generally for consultation purposes. The report contained a number of recommendations with respect to the practice of mediation by lawyers, many of which would involve amendments to the *Code of Professional Conduct of British Columbia* (“the BC Code”). Following on its consideration by the Benchers, the Task Force received and considered commentary by members of the profession engaged in mediation practice and ultimately made recommendations with respect to specific changes to the *Code* to us. We identified from the ADR Task Force recommendations the changes to the *Code* that we thought were desirable, as well as those that were either unnecessary or undesirable, and obtained the consent of Task Force members to proceed with the proposals for change set out below, omitting other recommendations for change we considered unnecessary.

For those wishing to review the original ADR Task Force Report it is located at:

<http://www.lawsociety.bc.ca/docs/publications/reports/ADRreport.pdf>

II. Proposals For Change

The ADR Task Force recommended the following changes to the *BC Code* which we endorse.

(a) Preamble

The Task Force recommended the addition of a preamble to the *Code*. It advised:

The Professional Conduct Handbook includes a short statement on the title page that alludes to the advisory nature of the Handbook as a whole:

“Published under the authority of the Benchers for the guidance of members of The Law Society of British Columbia”

The ADR Task Force recommends that that statement be added to the Code of Professional Conduct before the Definition section and augmented with a statement that clarifies that it applies to lawyers when engaged in mediation:

“Published under the authority of the Benchers for the guidance of members of The Law Society of British Columbia.

The rules in this Code should guide the conduct of lawyers, not only in the practice of law, but also in their other activities, including but not limited to the conduct of mediation.”

We think it is reasonable to do this and recommend this change to you, although we do not think it is necessary to mention mediation expressly. The attached change to the preamble to the *BC Code* omits the words “including but not limited to the conduct of mediation” from the recommended change.

(b) Legal advice and information

The Task Force made the following recommendation with respect to this issue:

The first paragraph of the commentary to Rule 5.7 indicates that a lawyer should not give legal advice, as opposed to legal information, to the parties when acting as a mediator. This is a highly controversial issue among lawyers practising mediation. The distinction between legal advice and legal information is often difficult to make, and in many situations it is not practical for a lawyer-mediator to avoid giving what could be considered advice. It is not fair to the parties to require them to get separate advice in matters where the law is settled. The Task Force has recommended that the Law Society take no formal position on this issue.

For the reasons given by the Task Force, we agree that rule 5.7 should be amended to conform to the Task Force’s view of this matter and we recommend the attached change to you.

(c) Lawyer may act as mediator and counsel in some divorce situations

The Task Force made the following recommendation with respect to this issue:

The Ethics Committee has decided that a lawyer who has acted as a mediator in a family law matter may act for both spouses in a divorce action provided that all relief sought is by consent and both parties have received independent legal advice in relation to the matter. The Task Force suggests that that specific ruling, which relates to a very common situation, be included in the commentary to Rule 5.7.

We agree that the commentary to rule 5.7 should be amended to include a statement equivalent to the Ethics Committee’s opinion on this issue and recommend the attached change to you.

(d) Specific reference in rule 5.7 to Appendix B

The Task Force made the following recommendation with respect to this issue:

The Professional Conduct Handbook, Chapter 6, Rule 9 refers specifically to Appendix 2 of the Handbook, indicating that a lawyer acting as a family law mediator must comply with the provisions of the Appendix as well as those in that chapter of the Handbook that are not inconsistent with the Appendix. There is nothing in the body of the Code of Professional Conduct that refers to Appendix B—Family law mediation, although each of the other appendices are referenced in the body of the Code. The Task Force recommends that such a reference be added with a statement that compliance with the provisions of the Appendix are mandatory for family law mediators.

We agree that rule 5.7 should be amended in this way and recommend the attached change to you.

III. Expansion of Appendix B Beyond Family Law Mediation

The ADR Task Force made the following comments about expanding what is currently Appendix B (formerly Appendix 2 of the old *Professional Conduct Handbook*) of the *BC Code* to include what it terms “relationship mediation”:

The Code of Professional Conduct carries forward Appendix 2 in the Professional Conduct Handbook as Appendix B. While the Task Force would have preferred to include provisions regulating family law mediators in the body of the Code of Professional Conduct, they feel that it is important to continue with those provisions in whatever form is chosen.

The Task Force recommended that the field of mediation regulated by the Law Society should be expanded from just family law to other areas in which similar sensitivities are present. The Task Force has suggested that the larger field be called “relationship mediation”. This is the definition that the Task Force recommended:

“‘relationship mediation’ means mediation of issues relating to the parties’ marriage, cohabitation, separation or divorce, as well as mediation of issues relating to child protection, adoption, parent and child disputes, elder care or estate disputes among parties related by blood, marriage or adoption.”

The full rationale for these two recommendations is set out in Chapter 5 of the report. The argument for expanding the scope of the definition of family law mediator concludes with the following paragraph:

“The view of the Task Force is that the rationale that has supported mandatory training for family law mediation since 1984 continues to operate and should logically be extended to a broader range of disputes. Generally, these cases would be those where disputes between persons in personal relationships create a reasonable possibility of, or greater potential for, power imbalance, undue influence, abuse, violence, threats or intimidation.”

The ADR Task Force is in communication with the Family Law Task Force with respect to this issue. That Task Force is dealing with government proposals concerning the regulation of dispute resolution in the family law context and its views concerning this issue are essential to the discussion in this area. It may be that, following those discussions, the Ethics Committee may be asked to consider further changes to give effect to the result.

The reasons for the ADR Task Force's recommendation with respect to this issue are set out in section 5.2 of the ADR Task Force report (at page 41). Although we are of the view that this recommendation is one that may have merit, a decision to change Appendix B in the way the ADR Task Force has recommended may require some lawyers who are mediating in areas currently not covered by Appendix B to meet the Law Society's requirements for mediation training, and the implications for such a requirement need to be considered carefully. Such a consideration falls into the responsibility of the Credentials Committee and we recommend that consideration of this recommendation of the Task Force be postponed until the Credential Committee completes its review of the matter. We will provide a further assessment of the merits of this proposal, apart from the Credentials issues it raises, at a future meeting when the Credentials Committee has completed its review of the matter.

Attachments:

- Proposed changes to the *BC Code*.



CEO's Report to the Benchers

July 11, 2014

Prepared for: Benchers

Prepared by: Timothy E. McGee

Introduction

My report this month provides a brief introduction to the planning process for the Benchers' development of a new three-year Strategic Plan, my involvement in two new Federation of Law Societies of Canada initiatives and updates on certain financial matters. As this will be the last Benchers meeting until September 26, may I take this opportunity to wish all of you the very best for the summer months.

Process for Developing new 2015 - 2017 Strategic Plan

The current Law Society Strategic Plan was adopted in early 2012 and expires at the end of 2014. The current plan is the second three-year strategic plan since the Benchers adopted a new and more comprehensive approach to strategic planning in 2010. The next plan will cover the years 2015 – 2017 and will establish the priorities for our policy development and action plans at a time of considerable challenge and opportunity for public interest law regulators throughout Canada, and indeed around the world. In addition, many of our current Benchers did not participate in the development of the existing plan and are not familiar with its development.

Because of this, we are proposing that the first phase of the planning and development of the new strategic plan involve taking a step back and conducting what is known as an “environmental scan” of the issues, developments and trends apparent today in the legal profession and society more generally which are relevant to the Law Society's mandate under the *Legal Profession Act*. To do this, we will prepare a briefing document which is built around section 3 of the *Legal Profession Act* entitled “Object and duty of society” and more specifically the sub-sections within section 3 which specify the five core objects and duties of the Law Society. Under each of these objects and duties we will provide succinct reference to and commentary on issues, developments and trends at large today which relate to these objects and duties. For your reference I have reproduced the text of section 3 of the *Legal Profession Act* below.

Object and duty of society

3 *It is the object and duty of the society to uphold and protect the public interest in the administration of justice by*

(a) preserving and protecting the rights and freedoms of all persons,

- (b) ensuring the independence, integrity, honour and competence of lawyers,*
- (c) establishing standards and programs for the education, professional responsibility and competence of lawyers and of applicants for call and admission,*
- (d) regulating the practice of law, and*
- (e) supporting and assisting lawyers, articulated students and lawyers of other jurisdictions who are permitted to practise law in British Columbia in fulfilling their duties in the practice of law.*

At its heart, strategic planning is all about identifying the most important issues that an organization needs to address in the future if it is to say it is successfully fulfilling its mandate. It is not so much about where the organization is today on any issues but where it needs to be over the planning horizon. This requires knowledge and insight into what is changing around the organization that will inevitably impact it and about which it will be expected to respond. It also requires consensus among the planners about what to establish as priorities. This is an iterative process and ultimately the goal will be to gain this consensus among the Benchers by the end of the year.

This type of review and discussion cannot properly (or enjoyably) be inserted into a regular Bencher meeting agenda. It is best conducted as a single purpose session with some thought provoking but succinct preparatory materials and a skilled facilitator to help get the most out of the discussion. Accordingly, we are proposing to have this critical first phase of developing the new strategic plan as a dedicated session at the Law Society on the afternoon of Thursday, September 25 prior to the regular Thursday night committee meetings. As this time slot is currently reserved for Advisory Committee meetings we are seeking to have those meetings “rolled” into the special strategic plan session. The Executive Committee was supportive of this approach and suggested that non-Bencher members of those Advisory Committees could be invited to attend the strategic planning session as observers if they wished. The session would run from 2:00 pm to 4:30 pm and the discussion and emerging sense of strategic direction for the new plan would be brought back for consideration and further refinement at the Bencher meetings in October and December.

The process of developing and adopting a strategic plan can seem daunting at the outset. Often implementation of a plan seems easy in comparison. I believe the key to a successful planning process is to start with the big picture but also have the assistance and discipline to continuously refine, narrow and articulate what should

and can be accomplished. This is the path that we want to initiate in September. I look forward to hearing your thoughts, comments or suggestions on this approach.

For your reference, attached to this report as Appendix A is a copy of the Law Society's 2012 – 2014 Strategic Plan, which has been annotated in each section by Michael Lucas, Manager Policy & Legal Services to update you on the progress made under each specific initiative, as at June 2014.

Federation of Law Societies of Canada Update

Working Group on the National Requirement Review Committee

I have been appointed by the Council of the Federation of Law Societies to a Working Group whose mandate is to make recommendations to Council on matters relating to the establishment of a National Requirement Review Committee (the "NRRC"). The Working Group will make recommendations to Council including regarding the terms of reference of the NRCC, the number and competencies of members, and process and resource requirements. The Working Group is to report out by the end of the summer and I will be participating in a two-day session in mid-July in Toronto where we hope to complete our work. Once we report out it will be up to the Council to establish the NRRC and to oversee its work.

The Federation decided to establish the NRCC because questions about several aspects of the existing National Requirement approved by all the Law Societies in 2010 specifying the competencies and skills graduates of Canadian common law programs must have for entry into law society admission programs have been raised by the Common Law Program Approval Committee of the Federation and the Council of Canadian Law Deans. In addition, the Federation Special Advisory Committee on Trinity Western University's proposed school of law in its 2013 report recommended the possibility of adding a non-discrimination provision to the National Requirement. Accordingly, the Council has determined that now is the time to establish the NRCC with a mandate to conduct a full review of the National Requirement including a consideration of whether to include a non-discrimination provision and if so, in what form.

The other members of the Working Group are; Tom Conway (Chair), Don Thompson QC (Alberta), Tillay Pillay (Nova Scotia), Laurie Pawlitza (Ontario) and Nicolas Plourde (Quebec).

Governance Review Committee

I have also been appointed by the Council of the Federation to a planned new Governance Review Committee. The Committee will ultimately be comprised of Council members, law society CEOs and other law society leaders, giving consideration to regional balance and the different sizes of law societies. The mandate and membership of the Committee will be announced shortly and I will report further as this initiative gets underway.

May 2014 Financial Statements

The May 2014 year-to-date financial report is included in the Bencher package in the “For Information Only” section. Ken Walker, QC, Chair of the Finance and Audit Committee, and Jeanette McPhee, Chief Financial Officer, together with members of Executive Team will be available to answer any questions you might have regarding the report. As you will see we are close to budget year-to-date and tracking to our forecast for year end.

2015 Budget and Fees Planning Update

Work on the 2015 Fees and Budgets is well underway. The Finance and Audit Committee will review the preliminary 2015 Fees and Budgets planning process at their July 10 meeting, and will review the complete 2015 Fees and Budgets at their September 4 and 10 meetings. Recommendations will be submitted for Bencher approval at the September 26 Bencher meeting.

If you have any questions regarding the fees and budgets planning process, please don’t hesitate to ask me, or Jeanette McPhee.

Timothy E. McGee
Chief Executive Officer

The Law Society *of British Columbia*



2012 – 2014 Strategic Plan

Status Update as at June 2014

For: The Benchers
Date: June 30, 2014

Purpose of Report: Discussion
Prepared on behalf of the Executive Committee

INTRODUCTION

Section 3 of the *Legal Profession Act* states that the mandate of the Law Society is to uphold and protect the public interest in the administration of justice by:

- (i) preserving and protecting the rights and freedoms of all persons;
- (ii) ensuring the independence, integrity and honour of its members; and
- (iii) establishing standards for the education, professional responsibility and competence of its members and applicants for membership.

To carry out its mandate effectively, the Law Society must keep in mind the interests and concerns of all parties that engage the justice system. This includes the public generally, users of the legal systems (both individual and corporate), courts, governments, and lawyers.

The Benchers have created a process to plan for and prioritize strategic policy development to properly meet the mandate of the Society and to optimize staff resources.

Through this process, the Benchers identified three principal goals and related strategies that the Law Society should pursue over the next three years. In identifying these goals, strategies and initiatives, the Benchers have been mindful not only of what the role of the Law Society is in relation to its mandate, but also of what may be achievable within that mandate.

The goals, strategies and initiatives set out in this strategic plan are in addition to the overall operations of the Law Society's core regulatory programs, such as discipline, credentials, and practice standards. These programs are fundamental to fulfilling the Law Society's mandate and will always be priorities for the Law Society.

The plan will be reviewed on an annual basis during its three year term to ensure that the strategies and initiatives remain appropriate and to address any additional strategies or initiatives that may be necessary in light of changing circumstances.

Law Society Goals

1. The Law Society will be a more innovative and effective professional regulatory body.
2. The public will have better access to legal services.
3. The public will have greater confidence in the administration of justice and the rule of law.

GOAL 1: The Law Society will be a more innovative and effective professional regulatory body.

The Law Society recognizes that it is important to encourage innovation in all of its practices and processes in order to continue to be an effective professional regulatory body. The following strategies and initiatives will ensure that the Law Society continues to improve in delivering on its regulatory responsibilities.

Strategy 1–1

Regulate the provision of legal services effectively and in the public interest.

Initiative 1–1(a)

Consider ways to improve regulatory tools and examine whether the Law Society should regulate law firms.

Status – June 2014

The Legal Profession Act has been amended to permit the regulation of law firms. A review has been prepared for the Executive Committee that outlines the rationale and anticipated benefits of law firm regulation. A staff group has been working to put together background materials on approaches in other jurisdictions and a Benchers Task Force is expected to be appointed at the July 2014 Benchers meeting.

Initiative 1–1(b)

Examine the relationship between the Law Society as the regulator of lawyers and the Law Society as the insurer of lawyers.

Status – June 2014

The Rule of Law and Lawyer Independence Advisory Committee completed its review of this issue and its report with recommendations was adopted by the Benchers in September 2013. A Working Group of Benchers and staff was tasked with analyzing the options put forward identified in the Committee's report. The Working Group has met a number of times and is preparing a report for the Benchers' consideration in the fall.

Initiative 1–1(c)

Examine whether the Law Society should regulate just lawyers or whether it should regulate all legal service providers.

Status – December 2013

The Legal Service Provider Task Force created to examine this topic reported to the benchers in December 2013..

The Task Force made three recommendations which were adopted by the Benchers in December 2013

- *That the Law Society seek to merge regulatory operations with the Society of Notaries Public such that the Law Society would become the regulator of both lawyers and notaries in the province, Preliminary discussions have taken place on the issues and considerations that would need to be agreed upon by the Law Society and the Society of Notaries Public*
- *That a program be created by which paralegals who have met specific, prescribed education and/or training standards could be provided with a certificate that would allow such persons to be held out by regulated legal service providers for whom they work as “certified paralegals.” Work is underway at the staff level to create a scheme through which this recommendation can be implemented.*
- *That the Law Society develop a regulatory framework by which other existing providers of legal services, or new stand-alone groups who are neither lawyers nor notaries, could provide credentialed and regulated legal services in the public interest The Benchers have established the Legal Services Regulatory Framework Task Force in April. The Task Force’s work will continue beyond this Strategic Plan.*

Strategy 1–2

Identify and develop processes to ensure continued good governance.

Initiative 1–2(a)

Examine issues of governance of the Law Society generally including:

- identifying ways to enhance Bencher diversity;
- developing a model for independent evaluation of Law Society processes;

- creating a mechanism for effective evaluation of Benchers performance and feedback.

Status – June 2014

This initiative has been divided into separate tasks:

- *The Governance Review Task Force presented its final report to the Benchers in December 2012 with 72 recommendations which were adopted by the Benchers.*
- *The Benchers established the Governance Committee in January 2013 with a mandate to assist the Benchers in meeting their governance obligations by reviewing and advising the Benchers about governance policy and practice. The Governance Committee has reviewed and implemented over 60 of the recommendations of the Governance Review Task Force and continues to review the remaining recommendations in 2014*
- *Benchers diversity was actively considered at the Benchers governance retreat and by the Governance Committee which made three recommendations in its 2013 year-end report to the Benchers which were adopted. ;*
- *The development of a model for the independent evaluation of Law Society processes was begun prior to a series of initiatives, including the governance review, had been undertaken by the Law Society. As a result of the outcome of those initiatives, the rationale for independent evaluation of Law Society processes is less evident and the necessity of this initiative should be re-evaluated when consideration is given to the next strategic plan.*

Strategy 1–3

Ensure that programs are available to assist lawyers with regulatory and workplace changes.

Initiative 1–3(a)

Work with continuing professional development providers to develop programs about the new Code of Conduct.

Status – June 2014

The Law Society and the Continuing Legal Education Society of BC jointly planned and delivered webinars on the new BC Code of Conduct, which were

available to all BC lawyers free of charge. The recorded version of the webinars continues to be accessible free of charge through the Law Society website. The Law Society website also features an Annotated BC Code of Conduct as well as a guide to the BC Code of Conduct that compares key features of the current Handbook to the new Code.

Initiative 1–3(b)

Improve uptake of Lawyer Wellness Programs.

Status – June 2014

Development of this initiative has been undertaken in the Practice Standards Committee. A special Working Group was created to research and address the topic and to make recommendations to the Practice Standards Committee. A member survey was undertaken. The Working Group’s final report was presented to the Committee on December 5, 2013. Upon receiving the report, the Committee determined that it required additional time and opportunity to consider and discuss the recommendations of the Working Group, before adopting any specific recommendations and potentially making its own recommendations to the Benchers. The recommendations remain under consideration by the Committee.

Strategy 1–4

Ensure that admission processes are appropriate and relevant.

Initiative 1–4(a)

Work on national admission standards while considering the rationale and purpose of the overall admission program.

Status – June 2014

The Lawyer Education Advisory Committee’s 2013 – 14 focus has been on Admission Program review, taking into account the Federation’s progress on National Admission Standards Project.

The first phase of the Federation project was to draft a profile of the competencies required for entry to the profession and the standard for ensuring that applicants meet the requirement to be fit and of good character. The

Benchers approved the National Entry-Level Competency Profile for Lawyers and Quebec Notaries on January 24, 2013.

Implementation of the National Entry-Level Competency Profile is the focus of the second phase of the Federation project. At the Federation level, work is well underway on developing options for implementation, with the goal of achieving a high level of consistency and quality in national admission standards.

The Lawyer Education Advisory Committee has been moving forward with its review of the Admission Program, and has met with Federation representatives who are consulting nationally on the admission standards project.

Although the Lawyer Education Advisory Committee would have preferred to complete its Admission Program review by the year-end, it is unlikely that the Federation's development of proposals for implementation of the National Entry-Level Competency Profile will be complete. Therefore, this work of the Lawyer Education Advisory Committee will likely have to carry over into 2015.

Ultimately, all law societies will be asked to approve how the National Entry-Level Competency Profile will be implemented, likely in 2015.

On the national good character initiative, the Credentials Committee has provided informal input as a part of the Federation's national consultation.

Initiative 1–4(b)

Consider qualification standards or requirements necessary for the effective and competent provision of differing types of legal services.

Status – June 2014

On December 2, 2011, the Benchers approved the joint recommendation of the Lawyer Education Advisory Committee and the Access to Legal Services Advisory Committee that a Task Force be created to address the qualification standards or requirements necessary for the effective and competent provision of differing types of legal services. Responsibility for this initiative was assigned to the Legal Services Providers Task Force which presented its final report to the Benchers in December 2013. The Legal Services Regulatory Framework Task Force is now charged with looking at the overall delivery of legal services and for developing a framework for establishing qualification standards and requirements. The Legal Services Regulatory Framework Task Force is expected to report to the Benchers in July 2015.

GOAL 2: The public will have better access to legal services.

The Law Society recognizes that one of the most significant challenges in any civil society is ensuring that the public has adequate access to legal advice and services. The Law Society has identified a number of strategies to respond to this challenge over the next three years and will continue to gather demographic data about lawyers to inform these strategies.

Strategy 2–1

Increase the availability of legal service providers.

Initiative 2–1(a)

Consider ways to improve the affordability of legal services:

- continue work on initiatives raised by recommendations by the Delivery of Legal Services Task Force;
- identify and consider new initiatives for improved access to legal services.

Status – June 2014

Implementation of the recommendations of the Delivery of Legal Services Task Force continues. As of January 1, 2013, the family law pilot projects in the Supreme and Provincial Courts have begun to operate, and will run until January 2015 after which they will be evaluated. Changes to the Law Society Rules and to the BC Code of Conduct that permit expanded opportunities for articulated students and paralegals to provide legal services are all in effect. To date, the President and policy staff have engaged in four presentations to paralegals and lawyers to educate about the initiative and to encourage participation.

At the July Benchers meeting the Benchers increased the level of funding provided to the Law Foundation to support pro bono organizations and introduced a new fund with the Law Foundation designed to fund discrete access to justice initiatives. The result effectively doubled the Law Society's financial support for pro bono and access to justice initiatives (not including funding for the REAL program).

The Benchers have established the Legal Services Regulatory Framework Task Force, which is exploring what legal needs might be addressed by creating new

class(es) of legal licensee. The Task Force intends to make a report to the Benchers on its work in July 2015.

The Access to Legal Services Advisory Committee has been exploring what the Law Society can do to increase lawyer participation in Justice Access Centres and facilitate the expansion of JACs into rural and remote communities. The Committee has held preliminary discussions about what the Law Society can do to champion greater funding for legal aid. The Committee expects to more fully develop such initiatives for inclusion in the next strategic plan.

Initiative 2–1(b)

Support the retention of women lawyers by implementing the *Justicia* Project.

Status – June 2014

Work on Phase 1 on implementation of the Justicia project has begun. Managing Partners have met, and Diversity Officers have been appointed by participating firms. Working Groups have developed model policies for Maternity Leave, Flexible Work Arrangements, and Demographic Information Collection. Meetings are being scheduled for the summer of 2014 for the Working Groups to create Business Development, Partnership, and Leadership Programs for women. The expectation is that model policies will be presented in the fall of 2014.

Initiative 2–1(c)

Support the retention of Aboriginal lawyers by developing and implementing the Indigenous Lawyer Mentoring Program.

Status – June 2014

An Aboriginal Mentoring Program was formally launched on National Aboriginal Day, June 21, 2013. Twenty mentorship pairs were matched in the fall and the program is now well underway and is being assessed from time to time by the Equity and Diversity Committee.

Strategy 2–2

Improve access to justice in rural communities.

Initiative 2–2(a)

Develop ways to address changing demographics of the legal profession and its effects, particularly in rural communities.

Status – June 2014

This initiative will benefit from information gathered through the REAL program. Work will begin after there has been an opportunity to review and analyse some of that program's results. This initiative will therefore likely carry over for consideration on the subsequent Strategic Plan

Initiative 2–2(b)

Develop ways to improve articling opportunities in rural communities.

Status – June 2014

Work on this initiative is planned to commence in 2014 and will also review and analyze the results from the REAL program. This initiative will also therefore likely carry over for consideration on the subsequent Strategic Plan

Strategy 2–3

Understand the economics of the market for legal services in British Columbia.

Initiative 2–3(a)

Work collaboratively with other stakeholders in the legal community to identify questions that need to be answered and engage, with others, in focused research.

Status – June 2014

In the implementation plan for this initiative, the initial work was assigned to staff to determine what work on this subject other stakeholders in the legal community were developing. After discussions with the Law Foundation, which is undertaking an examination relating to economic analysis of certain aspects of the justice system in conjunction with the Legal Services Society, it has been determined that the focus of their research is not focused on the market for legal services.

A staff group has therefore met to discuss in a preliminary manner what sort of research and issues could be examined in order to gather information to create a better understanding of the economics of operating a law practice and the market for legal services. This work is expected to be subsumed into some of the analysis of issues being undertaken by the Legal Services Regulatory Framework

Task Force to provide some basis for analysis of the market for legal services in the Province, and is therefore expected to carry over to the next Strategic Plan.

GOAL 3: The public has greater confidence in the administration of justice and the rule of law.

The rule of law, supported by an effective justice system, is essential to a civil society. This requires public confidence in both the rule of law and the administration of justice. The Law Society recognizes the importance of working with others to educate the public about the rule of law, the role of the Law Society in the justice system and the fundamental importance of the administration of justice.

Strategy 3–1

Develop broader and more meaningful relationships with stakeholders.

Initiative 3–1(a)

Identify, establish and build on relationships with the Ministry of Attorney General and other government ministries, the Courts, and non-governmental stakeholders.

Status – June 2014

Work has been undertaken at the Benchers and staff level and has resulted in meetings with the Minister of Justice and Attorney General and ministry senior staff on a number of occasions. A meeting in Victoria with policy staff in various government ministries together with the Chief Executive Officer and Law Society policy and communication staff took place in 2012. Future meetings are being arranged to keep the lines of communication relevant and open and to continue productive work with the new minister.

Strategy 3–2

Educate the public about the importance of the rule of law, the role of the Law Society and the role of lawyers.

Initiative 3–2(a)

Identify methods to communicate through media about the role of the Law Society, including its role in protecting the rule of law.

Status – June 2014

To increase awareness of the Law Society and the Rule of Law, a number of initiatives have been completed. A dedicated webpage has been created and is updated regularly. During Law Week in 2012, the Law Society's "Day-in-the-Life" Twitter campaign was run and promoted. The following year, public education was the Law Society's focus during Law Week and the first vice-president and senior staff were made available to the media over a week-long period to speak about the Law Society's role in promoting access to justice and protecting the public. Other proactive media relations efforts to discuss events or Law Society initiatives have also resulted in coverage of the Law Society and the opportunity to profile the work of the organization to hundreds of thousands of British Columbians. Content related to the Law Society have been added to Clicklaw, the primary online source of public information regarding the law in BC. The infrastructure to support the new Speakers' Bureau is complete and the bureau is being promoted on the Law Society website. The Law Society is also currently developing a series of educational videos and expects to have two completed in January with more to come over the course of 2014. The videos will provide basic information about the Law Society, including information about the rule of law, and will be available on the Law Society website and YouTube channel. The Rule of Law and Lawyer Independence Advisory Committee is considering ways in which the Law Society might usefully comment on examples of violations of the rule of law when they appear in media reports, and a proposal is expected to be presented to the benchers in the fall.

REDACTED MATERIALS

REDACTED MATERIALS

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Memo

To: Benchers
From: Jeffrey G. Hoskins, QC on behalf of Act and Rules Committee
Date: August 11, 2014
Subject: **Rule 5-10 -- Variation of start date of suspension and various other orders**

1. This memorandum is to recommend that the Benchers adopt amendments to various rules to improve and make consistent the way in which lawyers can apply to have a decision that affects them rescinded or changed in some way. I attach a draft of the proposed amendments, along with a suggested resolution to put them in effect.
2. Earlier this year, a respondent to a citation who had been suspended by a hearing panel applied for a change in the start date for the suspension assigned by the hearing panel. In responding to the application, it was noted that there is no procedure provided in the rules for that sort of application.
3. The application was dealt with by the hearing panel on the basis that it was not yet *functus officio*. However, it would be more satisfactory and consistent with other applications for variation of orders, if there was a prescribed process.
4. The Act and Rules Committee considered and approved a first draft of an amendment to the existing Rule 5-10 [*Time to pay a fine or costs, or to fulfil a practice condition*], which deals with applications for variation of other orders of panels. The draft had applications for a change in the start of a period of suspension handled in the same way as applications for other variations under that rule. The draft also would have changed the heading of the Rule to a simpler and broader heading covering the existing provision and the suggested addition: [*Application to vary certain orders*].
5. Following further discussion and hearing from Discipline, Professional Conduct, Credentials and Practice Standards staff, the Committee concluded that there is a need for broader changes in the rules governing applications for variation of various orders, not just the addition of suspension start times.

6. There are currently a number of redundant and contradictory provisions for the variation of conditions and limitations in various parts of the rules. The Committee recommends resolving those problems based on the principle that, if a committee imposes a condition, it should have the power to vary or rescind it. But if a condition is imposed by a hearing panel, whose existence is temporary, an application to vary or rescind should go through a formal process similar to that for considering pre-hearing questions, with the President having the discretion to determine who decides the question. That is consistent with the current Rule 5-10, which allows the President to assign an application for variation of practice restrictions or for time to pay a fine or costs to one of the panel that made the order, a new panel or the appropriate committee (Discipline or Credentials).

Drafting notes

7. Various current rules refer to conditions being “made”, “imposed” or “established”. For the sake of consistency, the Committee recommends making them all “imposed”, which is consistent with the Act.
8. The current Rule 2-69 [*Variation or removal of conditions or limitations*] sets out a process for applying for variation of conditions imposed by a hearing panel in a credentials matter. It is basically the same as Rule 5-10, and therefore it is redundant. The Committee recommends that it be rescinded.
9. There is currently no provision for the variation or rescission of an order of the Practice Standards Committee under Rule 3-14.1 [*Conditions or limitations on practice*]. The recommended amendments include a new subrule (4) to allow the application to be made to the Committee itself.
10. In Rule 5-10, the Committee recommends a requirement that applications under that rule be made in writing to the Executive Director, which is consistent with good practice and with procedures for other applications under the rules. It is perhaps obvious that formal applications must be made in writing for certainty as to the nature and timing of the application, and to create a record.
11. Although the process of applying to the Executive Director who then refers it to the President seems a bit odd, our experience is that applications made directly to the President, who is at best part-time and not fully supported by staff, do not get priority treatment. Lawyers have also been known to send applications to the President to his or her law office, also creating confusion and delays.

12. On the basis that Committees that grant orders are best suited to hear applications to vary or rescind them, the proposed amendments remove such applications from Rule 5-10. The intended result is that lawyers and students would apply directly to the committee, rather than having to apply to the Executive Director who refers them to the President to decide to send them to the committee. The proposed amendments delete references in 5-10(1) to sections 19 [*Applications for enrollment, call and admission or reinstatement*], 21 [*Admission, reinstatement and requalification*], 27 [*Practice standards*] and 32 [*Financial responsibility*], all of which refer to matters handled in the first instance by one of the regulatory committees. Rule 5-10(1) would then continue to apply only to matters arising from hearings and reviews.
13. For practical reasons, the proposed amendments include a limitation of time before the start of a suspension for an application to change that start time, which would allow for exchange of submissions, assignment to an appropriate decision-maker and actual decision making. The Committee recommends a seven-day limitation as adequate to allow the process to take place.
14. There is occasionally urgency in one of these applications. To allow for a process to take place quickly in such circumstances, the recommended amendments include a provision that would allow the president, with the consent of the committee chair, to refer a decision to the chair alone, and not the full committee. This is similar to the current procedure for “summary hearings” in some disciplinary cases.
15. For clarity, although it is not legally necessary, there is a provision that an application for variation of an order does not have the effect of staying the order.
16. Subrules (4) and (5) of the current Rule 5-10 appear to be misplaced. These allow the Law Society to refuse to renew the practising certificate of a lawyer who is in breach of an order. They are not sufficiently connected to the main purpose of the rule, a procedure for varying orders, to justify putting them under the same heading. The Committee recommends relocating them in a new Rule 5-10.1, to give them better exposure both to the lawyers who may be subject to the provisions and to the staff charged with enforcing them.

Attachments: Draft 9
suggested resolution

JGH

LAW SOCIETY RULES

PART 2 – MEMBERSHIP AND AUTHORITY TO PRACTISE LAW

Division 2 – Admission and Reinstatement

Credentials Committee

Powers of the Credentials Committee

- 2-26** (3) The Credentials Committee may, with the consent of the person concerned, vary or remove practice conditions or limitations ~~made~~ imposed by the Committee under this Division ~~or imposed on a review initiated under Rule 5-13(1) or (2) [Initiating a review]~~.

Returning to Practice

Conditions on returning to the practice of law

- 2-59** (3) Despite Rule 2-26(3), the Credentials Committee may vary a condition under subrule (2)(a) without the consent of the lawyer concerned.
- (4) On the written application of the lawyer, the Credentials Committee may allow a variation of an undertaking given under subrule (2)(b).

Credentials hearings

~~Variation or removal of conditions or limitations~~

- 2-69** (1) ~~[rescinded] A lawyer or articled student on whom conditions or limitations have been imposed by a panel under this Division may apply to the President to have them varied or removed.~~

- ~~———— (2) The President must refer an application under subrule (1) to the same panel that conducted the hearing or to the Credentials Committee, as the President considers appropriate.~~

PART 3 – PROTECTION OF THE PUBLIC

Division 2 – Practice Standards

Conditions or limitations on practice

- 3-14.1** (3) A lawyer must comply with an order made under this Rule.

LAW SOCIETY RULES

(4) On the written application of the lawyer, the Practice Standards Committee may vary or rescind an order made under this Rule.

Division 6 – Financial Responsibility

Consideration by Discipline Committee

- 3-46** (4) The Discipline Committee may suspend or impose conditions and limitations on the practice of a lawyer that it considers does not meet the standards of financial responsibility established under section 32 of the Act.
- (5) The Discipline Committee may remove the suspension or vary or remove conditions and limitations imposed under subrule (4).

PART 5 – HEARINGS AND APPEALS

~~Time to pay a fine or costs, or to fulfil a practice condition~~Application to vary certain orders

- 5-10** (1) An applicant or respondent may apply in writing to the Executive Director for
- (a) an extension of time
 - (i) to pay a fine or the amount owing under Rule 5-9 [Costs of hearings], or
 - (ii) to fulfil a condition imposed under section ~~21, 22~~ [Credentials hearings], ~~27, 32 or 38~~ [Discipline hearings] of the Act or ~~accepted under section 19 of the Act~~, or 47 [Review on the record],
 - (b) a variation of a condition referred to in paragraph (a)(ii)-), or
 - (c) a change in the start date for a suspension imposed under section 38 [Discipline hearings] or 47 [Review on the record].
- (1.1) An application under subrule (1)(c) must be made at least 7 days before the start date set for the suspension.
- (1.2) The Executive Director must promptly notify the President of an application under subrule (1).
- (2) ~~An application under subrule (1) must be made to the~~ The President ~~who~~ must refer ~~the~~ an application under subrule (1) to one of the following, as may in the President's discretion appear appropriate:
- (a) the same panel that made the order;
 - (b) a new panel;
 - (c) the Discipline Committee;

LAW SOCIETY RULES

- (d) the Credentials Committee.
- (3) The panel or Committee that hears an application under subrule (1) must
 - (a) dismiss it,
 - (b) extend to a specified date the time for payment, ~~or~~
 - (c) vary the conditions imposed, or extend to a specified date the fulfillment of the conditions, ~~or~~
 - (d) specify a new date for the start of a period of suspension imposed under section 38 [Discipline hearings] or 47 [Review on the record].
- (3.1) If, in the view of the President and the chair of the Committee to which an application is referred under subrule (2)(c) or (d), there is a need to act on the application before a meeting of the Committee can be arranged, the chair of the Committee may hear the application and make the determination under subrule (3).
- (4) [moved]
- (5) [moved]
- (6) An application under this Rule does not stay the order that the applicant seeks to vary.

Failure to pay costs or fulfill practice condition

5-10.1(41) An applicant or respondent must do the following by the date set by ~~the a~~ hearing panel, ~~or~~ review board or Committee or extended under ~~this~~ Rule 5-10 [Application to vary certain orders]:

- (a) pay in full a fine or the amount owing under Rule 5-9 [Costs of hearings];
 - (b) fulfill a practice condition as ~~established—imposed~~ under section 21 [Admission, reinstatement and requalification], 22 [Credentials hearings], 27 [Practice standards], 32 [Financial responsibility], ~~or~~ 38 [Discipline hearings] or 47 [Review on the record], ~~as of the Act or~~ accepted under section 19 ~~of the Act~~ [Applications for enrollment, call and admission, or reinstatement], or as varied under ~~subrule these Rules~~(3)(c).
- (52) If, on December 31, an applicant or respondent is in breach of subrule (41), the Executive Director must not issue to the applicant or respondent a practising certificate or a non-practising or retired membership certificate, and the applicant or respondent is not permitted to engage in the practice of law.

LAW SOCIETY RULES

PART 2 – MEMBERSHIP AND AUTHORITY TO PRACTISE LAW

Division 2 – Admission and Reinstatement

Credentials Committee

Powers of the Credentials Committee

- 2-26** (3) The Credentials Committee may, with the consent of the person concerned, vary or remove practice conditions or limitations imposed by the Committee under this Division.

Returning to Practice

Conditions on returning to the practice of law

- 2-59** (3) Despite Rule 2-26(3), the Credentials Committee may vary a condition under subrule (2)(a) without the consent of the lawyer concerned.
- (4) On the written application of the lawyer, the Credentials Committee may allow a variation of an undertaking given under subrule (2)(b).

Credentials hearings

- 2-69** [rescinded]

PART 3 – PROTECTION OF THE PUBLIC

Division 2 – Practice Standards

Conditions or limitations on practice

- 3-14.1** (3) A lawyer must comply with an order made under this Rule.
- (4) On the written application of the lawyer, the Practice Standards Committee may vary or rescind an order made under this Rule.

LAW SOCIETY RULES

Division 6 – Financial Responsibility

Consideration by Discipline Committee

- 3-46** (4) The Discipline Committee may suspend or impose conditions and limitations on the practice of a lawyer that it considers does not meet the standards of financial responsibility established under section 32 of the Act.
- (5) The Discipline Committee may remove the suspension or vary or remove conditions and limitations imposed under subrule (4).

PART 5 – HEARINGS AND APPEALS

Application to vary certain orders

- 5-10** (1) An applicant or respondent may apply in writing to the Executive Director for
- (a) an extension of time
 - (i) to pay a fine or the amount owing under Rule 5-9 [*Costs of hearings*], or
 - (ii) to fulfill a condition imposed under section 22 [*Credentials hearings*], 38 [*Discipline hearings*], or 47 [*Review on the record*],
 - (b) a variation of a condition referred to in paragraph (a)(ii), or
 - (c) a change in the start date for a suspension imposed under section 38 [*Discipline hearings*] or 47 [*Review on the record*].
- (1.1) An application under subrule (1)(c) must be made at least 7 days before the start date set for the suspension.
- (1.2) The Executive Director must promptly notify the President of an application under subrule (1).
- (2) The President must refer an application under subrule (1) to one of the following, as may in the President's discretion appear appropriate:
- (a) the same panel that made the order;
 - (b) a new panel;
 - (c) the Discipline Committee;
 - (d) the Credentials Committee.
- (3) The panel or Committee that hears an application under subrule (1) must
- (a) dismiss it,
 - (b) extend to a specified date the time for payment,

LAW SOCIETY RULES

- (c) vary the conditions imposed, or extend to a specified date the fulfillment of the conditions, or
 - (d) specify a new date for the start of a period of suspension imposed under section 38 [*Discipline hearings*] or 47 [*Review on the record*].
- (3.1) If, in the view of the President and the chair of the Committee to which an application is referred under subrule (2)(c) or (d), there is a need to act on the application before a meeting of the Committee can be arranged, the chair of the Committee may hear the application and make the determination under subrule (3).
- (4) [moved]
 - (5) [moved]
 - (6) An application under this Rule does not stay the order that the applicant seeks to vary.

Failure to pay costs or fulfill practice condition

- 5-10.1** (1) An applicant or respondent must do the following by the date set by a hearing panel, review board or Committee or extended under Rule 5-10 [*Application to vary certain orders*]:
- (a) pay in full a fine or the amount owing under Rule 5-9 [*Costs of hearings*];
 - (b) fulfill a practice condition as imposed under section 21 [*Admission, reinstatement and requalification*], 22 [*Credentials hearings*], 27 [*Practice standards*], 32 [*Financial responsibility*], 38 [*Discipline hearings*] or 47 [*Review on the record*], as accepted under section 19 [*Applications for enrollment, call and admission, or reinstatement*], or as varied under these Rules.
- (2) If, on December 31, an applicant or respondent is in breach of subrule (1), the Executive Director must not issue to the applicant or respondent a practising certificate or a non-practising or retired membership certificate, and the applicant or respondent is not permitted to engage in the practice of law.

VARIATION OF ORDERS

SUGGESTED RESOLUTION:

BE IT RESOLVED to amend the Law Society Rules as follows:

1. By rescinding Rule 2-26(3) and substituting the following:

- (3) The Credentials Committee may, with the consent of the person concerned, vary or remove practice conditions or limitations imposed by the Committee under this Division.;

2. By rescinding Rule 2-69;

3. In Rule 3-14.1 by adding the following subrule:

- (4) On the written application of the lawyer, the Practice Standards Committee may vary or rescind an order made under this Rule.

4. By rescinding Rule 5-10 and substituting the following:

Application to vary certain orders

5-10(1) An applicant or respondent may apply in writing to the Executive Director for

- (a) an extension of time
 - (i) to pay a fine or the amount owing under Rule 5-9 [*Costs of hearings*], or
 - (ii) to fulfill a condition imposed under section 22 [*Credentials hearings*], 38 [*Discipline hearings*], or 47 [*Review on the record*],
- (b) a variation of a condition referred to in paragraph (a)(ii), or
- (c) a change in the start date for a suspension imposed under section 38 [*Discipline hearings*] or 47 [*Review on the record*].

(1.1) An application under subrule (1)(c) must be made at least 7 days before the start date set for the suspension.

(1.2) The Executive Director must promptly notify the President of an application under subrule (1).

(2) The President must refer an application under subrule (1) to one of the following, as may in the President's discretion appear appropriate:

- (a) the same panel that made the order;
- (b) a new panel;
- (c) the Discipline Committee;

- 2 -

- (d) the Credentials Committee.
- (3) The panel or Committee that hears an application under subrule (1) must
 - (a) dismiss it,
 - (b) extend to a specified date the time for payment,
 - (c) vary the conditions imposed, or extend to a specified date the fulfillment of the conditions, or
 - (d) specify a new date for the start of a period of suspension imposed under section 38 [*Discipline hearings*] or 47 [*Review on the record*].
- (3.1) If, in the view of the President and the chair of the Committee to which an application is referred under subrule (2)(c) or (d), there is a need to act on the application before a meeting of the Committee can be arranged, the chair of the Committee may hear the application and make the determination under subrule (3).
- (6) An application under this Rule does not stay the order that the applicant seeks to vary.

Failure to pay costs or fulfill practice condition

- 5-10.1**(1) An applicant or respondent must do the following by the date set by a hearing panel, review board or Committee or extended under Rule 5-10 [*Application to vary certain orders*]:
- (a) pay in full a fine or the amount owing under Rule 5-9 [*Costs of hearings*];
 - (b) fulfill a practice condition as imposed under section 21 [*Admission, reinstatement and requalification*], 22 [*Credentials hearings*], 27 [*Practice standards*], 32 [*Financial responsibility*], 38 [*Discipline hearings*] or 47 [*Review on the record*], as accepted under section 19 [*Applications for enrollment, call and admission, or reinstatement*], or as varied under these Rules.
- (2) If, on December 31, an applicant or respondent is in breach of subrule (1), the Executive Director must not issue to the applicant or respondent a practising certificate or a non-practising or retired membership certificate, and the applicant or respondent is not permitted to engage in the practice of law.

REQUIRES 2/3 MAJORITY OF BENCHERS PRESENT

REDACTED MATERIALS

The Law Society *of British Columbia*



2015 Fees and Budget ***Effective and Innovative*** ***Regulation***

Presentation to:
Benchers
September 26, 2014

2015 Overview

The Law Society
of British Columbia



- The fee recommendations are intended to ensure that the operations of the Law Society and other supported organizations are appropriately funded and to enable the Law Society to efficiently and effectively fulfill its statutory mandate of protecting the public interest in the administration of justice.
- Management performed an in-depth review of all programs and associated costs in presenting 2015 budgets to the Finance and Audit Committee
- In July and September of this year, the Finance and Audit Committee reviewed in-depth the budgets for the General Fund and the Lawyers Insurance Fund and recommends the 2015 fee proposals for approval
- In September, the Executive Committee also received the 2015 fee proposals
- The mandatory fees (practice fee and insurance assessment) for practicing, insured lawyers will be \$3,742, an increase of \$52 (1.4%)

General Fund/Practice Fee Overview

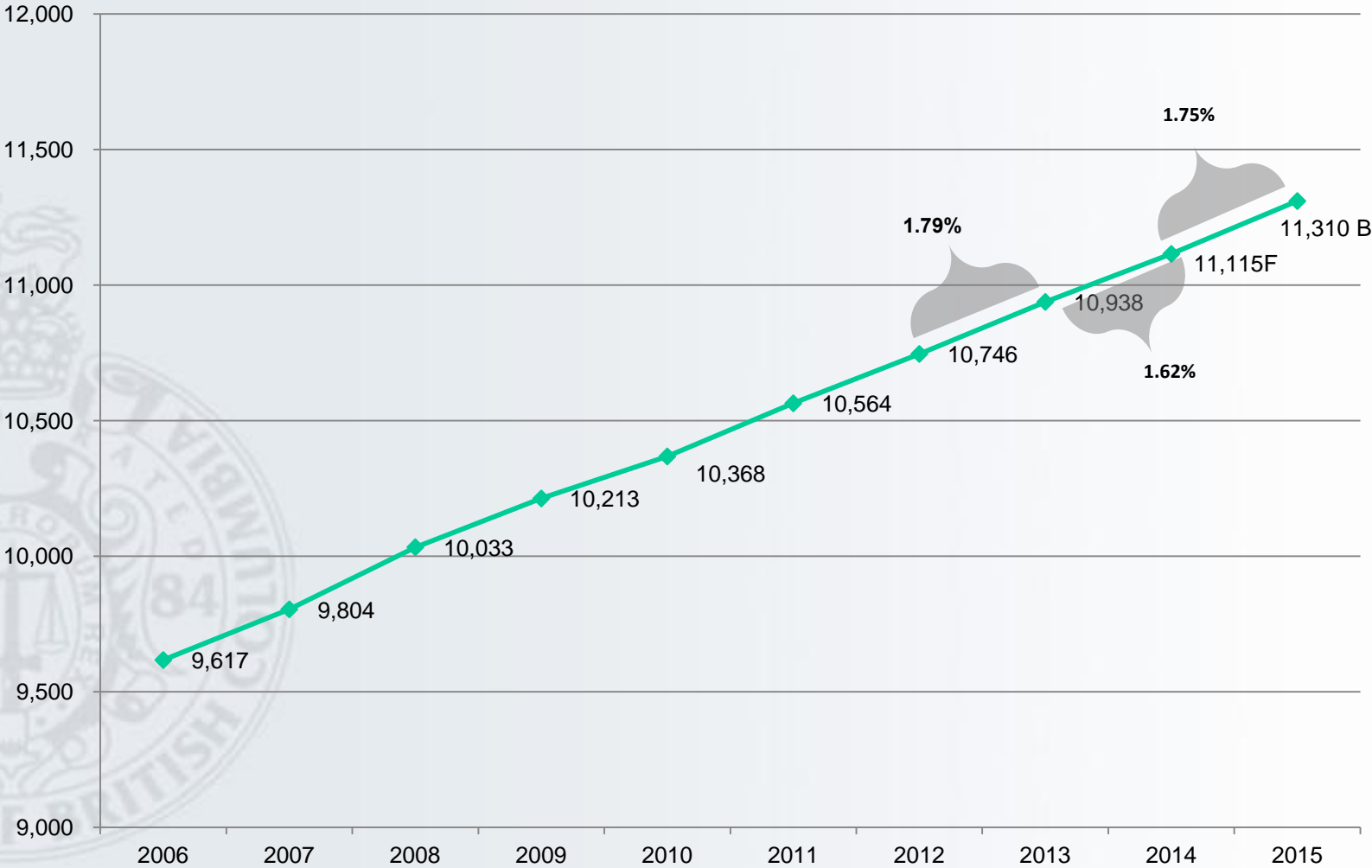
The Law Society
of British Columbia



- Zero based budgeting process, full management participation
- Deliver core regulatory programs and meet KPMs
- Continued support of Law Society Strategic Plan, moving towards proactive regulation to ensure the Law Society remains an innovative and effective professional regulatory body
- The portion of the annual practice fee funding Law Society operations is \$1,605.46, an increase of \$34.35 (2.2%)
- Operating expense increase was limited to 3.84%, mainly funding market based staff salary adjustments and three staff positions to support regulation and practice advice
- Balanced operating budget, use of reserve only to fund one-time costs related to the 2015 REAL program contribution (\$50,000), year two of the articling student pilot program (\$58,000), and a review of the practice standards program (\$65,000)
- Recommend an increase in the PLTC student training fee, from \$2,250 to \$2,500, effective September 2015, to partially offset the reduction of the Law Foundation PLTC grant

Revenue

Practising Membership Projection



2015 full fee paying equivalent members projected at 11,310

Revenue

Other Revenue

The Law Society
of British Columbia



- PLTC – 485 students – increase of 35 students from 2014B
- Reduction in PLTC funding from Law Foundation
 - Loss of direct benefit to Law Society - \$257,000
 - Possible Law Foundation grant of \$215,000, would mainly provide direct support to PLTC students in rural communities (if approved, would be a new Law Society program)
 - Current PLTC student fees do not cover the costs of program – deficit of \$497,000
 - PLTC student fees have not increased since 2003, one of the lower fees across Canada
 - Recommend increase PLTC student training fee \$250, from \$2,250 to \$2,500, effective September 2015
 - Recommend increase PLTC student fee to retake PLTC \$400, from \$3,500 to \$3,900, effective September 2015
- Increase in leasing revenue - \$184,000
 - New lease revenue – second and third floor of 835 Cambie fully leased
 - Increased revenue with atrium café lease renewal



Capital Plan

- Ten year capital plan updated (Appendix C-2)
- Capital plan is funded by \$176 capital allocation, included in the Practice Fee, no change required in 2015
- Capital funding includes annual 845 Cambie building loan repayment of \$500,000 to LIF
- 2015 capital expenditures noted below:

Operations

Computer hardware, software and phone replacement	\$ 116,000
Equipment, furniture and fixtures replacement	\$ 229,000
Workspace Improvements	\$ 18,000

845 Cambie St.

Building projects - atrium/lobby /elevator	<u>\$ 1,138,000</u>
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Total	<u>\$1,501,000</u>
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Reserve

The Law Society
of British Columbia



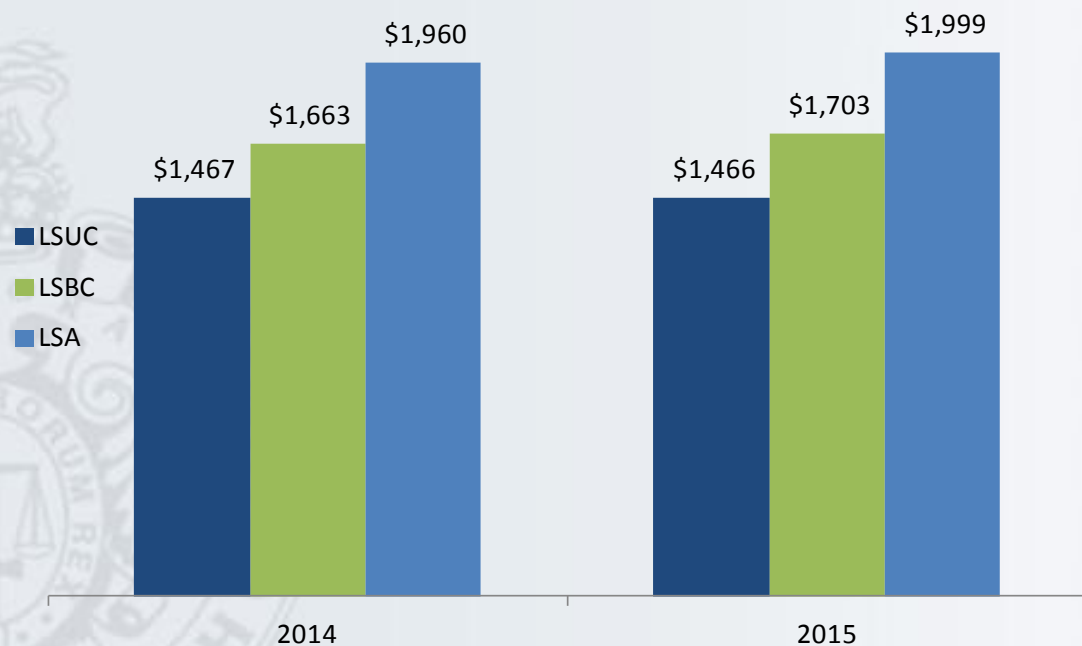
- One-time costs to be paid out of the reserve in 2015:

• Practice Standards program review	\$ 65,000
• REAL contribution - 2015	\$ 50,000
• Articling Student – year two	<u>\$ 58,000</u>
TOTAL	<u>\$ 173,000</u>

- Forecast unrestricted reserve (excluding capital and TAF) at December 31, 2015 approximately \$8.8 million, invested in capital assets (845 Cambie)
- This level of reserve ensures no short-term borrowing to fund General Fund operations, per Executive Limitation Part 2.C.3(b)

Key Practice Fee Comparisons

The Law Society
of British Columbia



- 2015 LSBC practice fee compared to 2014 LSUC and LSA practice fees adjusted by 2%.
- 2015 LSUC practice fee increased to reflect \$433,000 (2014: \$1.5 million) planned use of reserve for on-going operating costs, \$11.46 per member (2014: \$40.50 per member)

*Fees do not include library, LAP, Advocate, if applicable

2015 - External Organizations

The Law Society
of British Columbia



In addition Law Society operations, the practice fee also funds:

The Federation of Law Societies of Canada - Increase in levy from \$25.00 to \$30.00 (\$5.00) – anticipated request to support a number of Federation initiatives

CanLII - Increase in levy from \$36.00 to \$36.98 (\$0.98)

Probono/Access to Justice - Contribution to probono/access initiatives, distributed by Law Foundation – same as 2014 - \$340,000 flat amount

Lawyers Assistance Program - Increase in LAP from \$60 to \$67 – to fund market based salary adjustments and additional staff (.5 FTE) to provide succession planning for senior management position

Advocate - subscription fee stays the same at \$27.50

Courthouse Libraries BC – increase from \$190 to \$195 (\$5), per the recommendations from the Library Review Task Force Report. The 2015 CLBC budget provides for significant service/ expense reductions in staffing and paper publications to offset a reduction in the Law Foundation grant by 18% (\$492,000). The CLBC board is currently engaged in strategic planning to determine strategic directions and future funding requirements for 2016 and forward.

TAF Program and Funding

Trust Administration Fee (TAF)

The Law Society
of British Columbia



	TAF Matters	Revenue		Total Expense	Net Income / (Deficit)	Cumulative TAF Reserve
		Rate	Total			
2013 Actual	216,562	\$ 10	\$ 2,165,619	\$ 2,276,355	\$ (110,736)	\$ (39,220)
2014 Forecast	216,562	\$ 15	\$ 3,248,428	\$ 2,501,280	\$ 747,148	\$ 707,928
2015 Budget	216,500	\$ 15	\$ 3,247,500	\$ 2,512,847	\$ 734,653	\$ 1,442,581

- Executive Limitation regarding TAF reserve levels recommends the TAF reserve level be six months of operating expenses and any additional revenue beyond this level will be allocated to Part B insurance funding
- TAF reserve is projected at a surplus of \$708,000 at the end of 2014
- Trust Assurance auditors now provide trust accounting services to Custodianships, partially offset by a reduction in external accounting fees budget
- TAF reserve levels will be monitored on an annual basis

2015 Lawyers Insurance Fund

The Law Society
of British Columbia



- Number of claims and potential claims has reduced from recession-based levels - an annual average in 2009-2012 of 1032 reports. In 2013, the number of reports fell to 983 and 2014 is trending in a similar manner. Frequency (total reports/insured members) shows a similar decrease.
- Annual payments increased from an average of \$10M in 2004-2008 inc to \$12.5M in 2009-2012, and stayed in that range in 2013 (\$12.7M). 2014 is consistent with 2013. Projections indicate total payments of approx \$13M for 2014.
- New legislation: *Limitation Act*, *Family Law Act*, and *Wills, Estates and Succession Act* and probate rules are expected to give rise to additional exposures for the Fund.
- Off-setting the increases in severity and new risk exposures, at 15.9%, 2013 investment returns were higher than projected. Assume a 5.9% return for 2014, based on actuarial projections.
- LIF net assets at December 31, 2013 were \$59.4M, including internally restricted reserve of \$17.5M for Part B. Unrestricted net assets were therefore \$41.9M.
- Actuarial advice on LIF unrestricted net assets indicates existing net assets are at appropriate level.
- Recommend no increase to insurance fee - remain at \$1,750 for 2015.

Special Compensation Fund

The Law Society
of British Columbia



THE LAW SOCIETY OF BRITISH COLUMBIA
Special Compensation Fund
For the Year ended December 31, 2014
STATEMENT OF REVENUE AND EXPENSE

	2014 Forecast	2013 Actual
Revenue		
Recoveries	19,976	54,611
Loan Interest Received	18,568	32,619
	38,544	87,230
Expense		
Audit	135	2,958
External counsel fees	-	22,607
Miscellaneous	118	619
	253	26,184
Net contribution	38,291	61,046
Net Assets - Beginning of year	1,287,242	1,226,196
Net Assets - End of year	1,325,533	1,287,242

Notes:

*Remaining net assets will be transferred to Part B upon resolution of final claims and recoveries pursuant to Section 50 of the *Legal Profession Amendment Act*, 2012 (SBC 2012, C16)



2015 Fee Recommendation

	2015	2014	Difference	%
Law Society Operations	\$ 1,605.46	\$ 1,571.11	\$ 34.35	2.2%
Federation of Law Societies	\$ 30.00	\$ 25.00	\$ 5.00	20.0%
CanLII	\$ 36.98	\$ 36.00	\$ 0.98	2.7%
Pro Bono Contribution *	\$ 30.06	\$ 30.39	\$ (0.33)	-1.1%
CLBC	\$ 195.00	\$ 190.00	\$ 5.00	2.6%
LAP	\$ 67.00	\$ 60.00	\$ 7.00	11.7%
Advocate	\$ 27.50	\$ 27.50	\$ -	-
Total Annual Practice Fee	\$ 1,992.00	\$ 1,940.00	\$ 52.00	2.7%
Insurance Assessment	\$ 1,750.00	\$ 1,750.00	\$ -	-
Total Mandatory Fee (excluding taxes)	\$ 3,742.00	\$ 3,690.00	\$ 52.00	1.4%

* The total Law Society contribution to Pro bono is \$340,000 in 2014 and 2015, as recommended by the Access to Legal Services Advisory Committee. The reason the per member contribution has decreased is that the number of budgeted members has increased.



RESOLUTIONS



General Fund



Be it resolved that, commencing January 1, 2015, the practice fee be set at 1,992.00, pursuant to section 23(1)(a) of the *Legal Profession Act*, consisting of the following amounts:

General Fund	\$1,605.46
Federation of Law Societies contribution	30.00
CanLII contribution	36.98
Pro Bono contribution	30.06
CLBC contribution	195.00
LAP contribution	67.00
Advocate subscription fee	<u>27.50</u>
Practice Fee	\$1,992.00



Lawyers Insurance Fund

Be it resolved that:

- the insurance fee for 2015 pursuant to section 30(3) of the *Legal Profession Act* be set at \$1,750;
- the part-time insurance fee for 2015 pursuant to Rule 3-22(2) be set at \$875; and
- the insurance surcharge for 2015 pursuant to Rule 3-26(2) be set at \$1,000.



PLTC Fees

Be it resolved that:

- Effective September 1, 2015, the training course registration fee be set at \$2,500, pursuant to Rule 2-44(4)(a).
- Effective September 1, 2015, the registration fee for repeating the training course be set at \$3,900, pursuant to Rule 2-44(4)(a).



APPENDICES



Appendix A

Mandatory Fee Comparison (Full Time Practising Insured Lawyer)



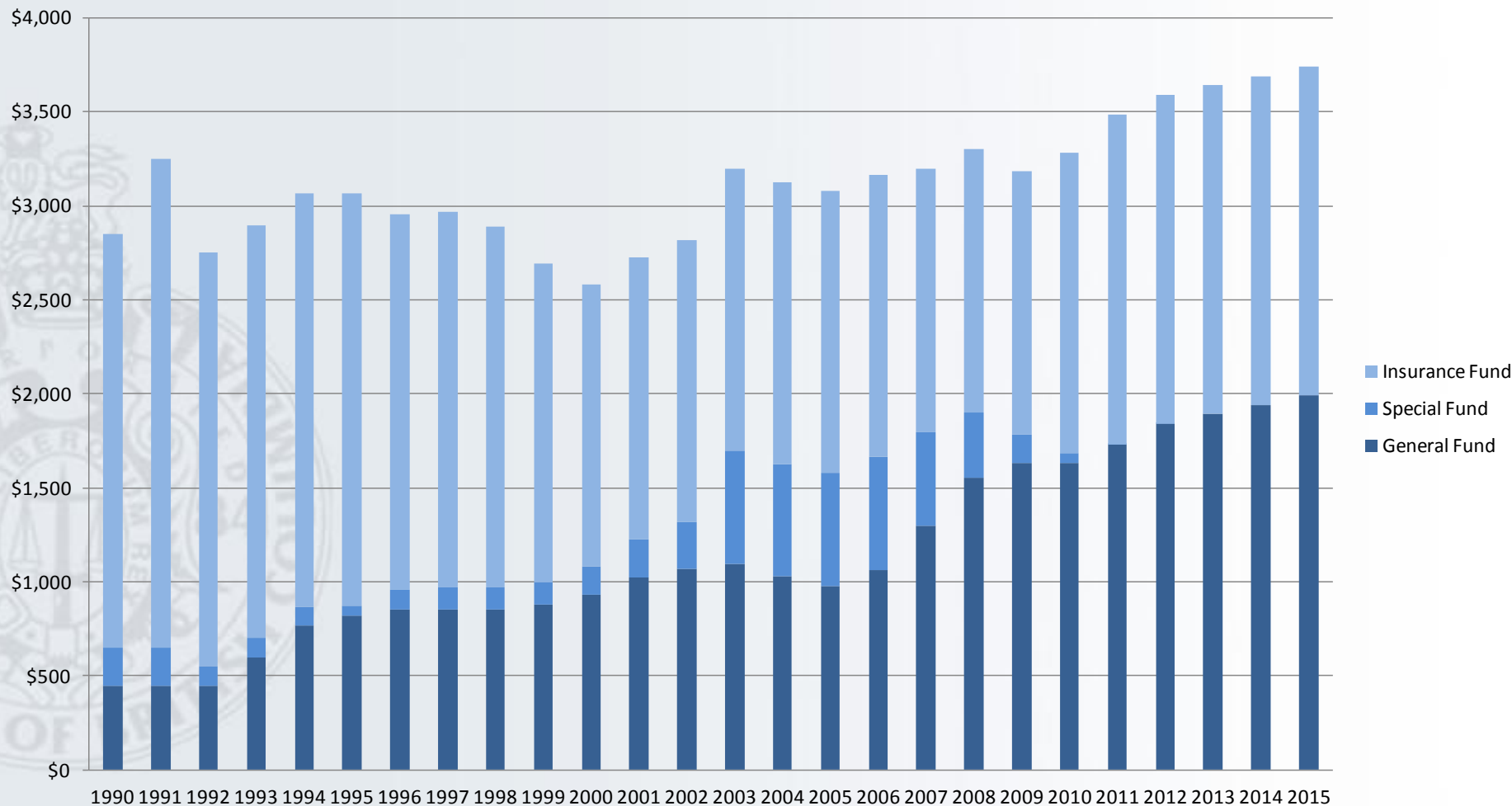
- 2015 LSBC practice fee compared to 2014 LSUC and LSA practice fees, increased by 2%
- 2015 LSUC practice fee increased to reflect \$433,000 known planned use of reserves for on-going operating costs (\$11.46 per member)



Appendix B

Total Fee Comparison Year Over Year

The Law Society
of British Columbia



Appendix C-1

THE LAW SOCIETY OF BRITISH COLUMBIA
OPERATING BUDGET (excluding capital/depreciation)
For the Year ended December 31, 2015
GENERAL FUND SUMMARY

The Law Society
of British Columbia



	2015 Budget	2014 Budget	2013 Actual	2015B vs 2014B Variance	%	2015B vs 2013A Variance	%			
GENERAL FUND REVENUES										
Membership fees	16,683,418	16,107,604	15,474,887							
PLTC and enrolment fees	1,249,050	1,125,000	1,110,800							
Electronic filing revenue	693,500	713,500	816,435							
Interest income	322,500	315,000	306,054							
Other revenue	996,903	1,144,405	1,305,195							
Building revenue and recoveries	1,140,190	900,046	739,366							
TOTAL GENERAL FUND REVENUES	21,085,561	20,305,554	19,752,737	780,007	3.84%	1,332,824	6.75%			
GENERAL FUND EXPENSES								2015 Budget FTEs	2014 Budget FTEs	FTE Change
Benchers Governance	765,501	759,821	750,311					0.35	0.35	-
Corporate Services	3,042,729	2,975,660	2,915,636					23.00	23.00	-
Education & Practice	3,535,933	3,481,100	3,388,786					34.97	33.97	1.00
Executive Services	2,098,503	2,063,073	1,912,864					20.60	20.60	-
Policy and Legal Services	2,272,730	2,027,086	1,951,009					14.00	14.00	-
Regulation	7,555,734	7,286,929	6,647,420					60.20	58.20	2.00
Building costs	1,814,432	1,711,885	1,743,274					2.00	2.00	-
TOTAL GENERAL FUND EXPENSES	21,085,561	20,305,554	19,309,301	780,007	3.84%	1,776,261	9.20%	155.12	152.12	3.00
GENERAL FUND NET CONTRIBUTION	-	-	443,437	(0)		(443,437)		155.12	152.12	3.00
Trust Assurance Program										
Trust Administration Fee Revenue	3,247,500	3,237,000	2,165,619	10,500	0.32%	1,081,881	49.96%			
Trust Administration Department	2,512,847	2,501,280	2,276,355	11,567	0.46%	236,492	10.39%			
Net Trust Assurance Program	734,653	735,720	(110,736)	(1,067)		845,389		17.00	16.50	0.50
TOTAL NET GENERAL FUND & TAP CONTRIBUTION	734,653	735,720	332,701	(1,067)		401,952		172.12	168.62	3.50

LIF FTE's 22.80 23.00 (0.20)
TOTAL Law Society FTE's 194.92 191.62 3.30

Appendix C-2

Capital Costs – 10 year plan



LAW SOCIETY CAPITAL SUMMARY 2015 10-Year Capital Plan

	TOTAL	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
INFORMATION TECHNOLOGY											
Computer Hardware	1,682,120	45,390	156,540	190,640	303,450	164,350	164,350	164,350	164,350	164,350	164,350
Computer Software	867,275	60,000	73,475	71,475	95,475	94,475	94,475	94,475	94,475	94,475	94,475
System Upgrades	-	-	-	-	-	-	-	-	-	-	-
Phone System	376,500	10,500	282,000	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Subtotal	2,925,895	115,890	512,015	272,615	409,425	269,325	269,325	269,325	269,325	269,325	269,325
OPERATIONS											
Equipment, Furniture & Fixtures	1,968,300	229,300	205,000	135,000	135,000	308,000	208,000	298,000	150,000	150,000	150,000
Subtotal	4,894,195	345,190	717,015	407,615	544,425	577,325	477,325	567,325	419,325	419,325	419,325
845 BUILDING											
Base Building/Tenant Improvements	6,423,425	1,137,900	1,188,260	209,624	300,000	487,641	940,000	540,000	540,000	540,000	540,000
LSBC Workspace Renovations	3,776,000	18,000	-	642,000	459,000	450,000	341,000	380,000	565,000	621,000	300,000
Subtotal	10,199,425	1,155,900	1,188,260	851,624	759,000	937,641	1,281,000	920,000	1,105,000	1,161,000	840,000
TOTAL CAPITAL PLAN	15,093,620	1,501,090	1,905,275	1,259,239	1,303,425	1,514,966	1,758,325	1,487,325	1,524,325	1,580,325	1,259,325

Number of members (FTEs)	11,310	11,480	11,652	11,827	12,004	12,184	12,367	12,552	12,741	12,932
Capital Fee Portion	176	176	176	176	176	176	176	136	126	126
Cumulative Over/Under funded C/F	759	(9,771)	(394,628)	(103,142)	174,919	272,660	158,734	347,973	430,767	455,762
Current Year Capital Fee Collection	1,990,560	2,020,418	2,050,725	2,081,486	2,112,708	2,144,398	2,176,564	1,707,119	1,605,320	1,629,399
Total Capital Fee Available	1,991,319	2,010,647	1,656,097	1,978,344	2,287,626	2,417,059	2,335,298	2,055,092	2,036,087	2,085,161
\$500,000 building loan repayment	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(100,000)	-	-
Capital expenditures as above	(1,501,090)	(1,905,275)	(1,259,239)	(1,303,425)	(1,514,966)	(1,758,325)	(1,487,325)	(1,524,325)	(1,580,325)	(1,259,325)
Cumulative Over/(Under) funded *	(9,771)	(394,628)	(103,142)	174,919	272,660	158,734	347,973	430,767	455,762	825,836

*Capital loan of \$1 million authorized

Appendix D



The Law Society of British Columbia - Lawyers Insurance Fund
Consolidated Statement of Revenue and Expense
For the Year ended December 31, 2015

	2015 Budget	2014 Budget	2015/2014 Budget Variance	%	2015 Budget FTEs	2014 Budget FTEs	FTE Change
Revenue							
Annual assessment	14,090,300	13,858,701					
Investment income	6,647,874	4,030,307					
Other income	70,000	50,000					
	<u>20,808,174</u>	<u>17,939,008</u>	<u>2,869,166</u>	13.8%			
Insurance Expense							
Actuaries, consultants and investment brokers' fees	528,131	461,500					
Allocated office rent	245,965	210,565					
Contribution to program and administration costs of General Fund	1,397,904	1,319,271					
Legal	40,000	30,000					
Office	819,805	829,273					
Premium taxes	8,236	8,665					
Actuarial provision for claim payments	14,703,000	13,686,000					
Salaries, wages and benefits	<u>2,955,477</u>	<u>2,920,154</u>					
	<u>20,698,518</u>	<u>19,465,428</u>	<u>1,233,090</u>	6.0%			
Loss Prevention Expense							
Contribution to co-sponsored program costs of General Fund	<u>945,614</u>	<u>819,524</u>					
Total Expense	<u>21,644,132</u>	<u>20,284,952</u>	<u>1,359,180</u>	6.3%			
Net Contribution	<u>(835,958)</u>	<u>(2,345,944)</u>	<u>1,509,986</u>		<u>22.80</u>	<u>23.00</u>	<u>(0.20)</u>



The Law Society of British Columbia

2015 Fees and Budget Report

**Presented to:
Benches
September 26, 2014**

THE LAW SOCIETY OF BRITISH COLUMBIA

2015 Fees and Budget Report

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Law Society Overview

The 2015 Law Society Operations budget is based on a \$52.00 increase in the annual practice fee which amounts to a 1.4% overall increase in the mandatory fees for insured, practising lawyers.

The components of the mandatory fee for insured, practising lawyers for 2015 are as follows:

	2015	2014	Difference	%
Law Society Operations	\$ 1,605.46	\$ 1,571.11	\$ 34.35	2.2%
Federation of Law Societies	\$ 30.00	\$ 25.00	\$ 5.00	20.0%
CanLII	\$ 36.98	\$ 36.00	\$ 0.98	2.7%
Pro Bono Contribution *	\$ 30.06	\$ 30.39	\$ (0.33)	-1.1%
CLBC	\$ 195.00	\$ 190.00	\$ 5.00	2.6%
LAP	\$ 67.00	\$ 60.00	\$ 7.00	11.7%
Advocate	\$ 27.50	\$ 27.50	\$ -	-
Total Annual Practice Fee	\$ 1,992.00	\$ 1,940.00	\$ 52.00	2.7%
Insurance Assessment	\$ 1,750.00	\$ 1,750.00	\$ -	-
Total Mandatory Fee (excluding taxes)	\$ 3,742.00	\$ 3,690.00	\$ 52.00	1.4%

** The total Law Society contribution to Pro bono is \$340,000 in 2014 and 2015, as recommended by the Access to Legal Services Advisory Committee. The reason the per member contribution has decreased is that the number of budgeted members has increased.*

General Fund

General Fund – Law Society Operations

The Law Society's 2015 annual budgets were created based on input from management, which included an in-depth review of all departmental expenses. The focus was to justify all costs and ensure they produce value within the realm of the three year strategic plan of the Law Society, as well as the Law Society's mandate as a whole.

The focus of this budget, in addition to delivering the core regulatory programs and meeting the established Key Performance Measures, is to support the continuing initiatives under the Law Society's Strategic Plan, and in particular, supporting proactive regulation to ensure that the Law Society remains an innovative and effective professional regulatory body.

The key factors and assumptions that have been considered in preparing the 2015 budget are:

- 1.75% growth in budgeted full fee paying equivalent members, to 11,310 members
- 485 PLTC students
- Support for continuing initiatives under the Law Society's Strategic Plan
- Continued enhancement to the delivery of Knowledge Management initiatives
- Review of Practice Standards program

- Market based staff salary adjustments
- Addition of three staff resources to support regulation and practice advice; investigation lawyer and two paralegals
- Maintain capital allocation levy at same level
- Maintain a balanced operating budget, with the use of the reserve only to fund one-time costs
- No inter-fund borrowing required over the year

General Fund Net Assets

Overall, the General Fund remains financially sound, with a reserve level of \$8.4 million at the end of 2013, excluding capital allocation and TAF funding.

There are one-time costs to be incurred during 2015, and it was recommended that these costs be paid from reserve:

• Practice Standards program review	\$ 65,000
• Year two of the articling student pilot program	\$ 58,000
• CBA REAL contribution – 2015	<u>\$ 50,000</u>
Total	<u>\$173,000</u>

Capital

The Law Society has a 10 year capital plan to ensure that capital funding is available for required capital projects to maintain the 845 Cambie building and to provide capital for operational requirements, such as computer technology, furniture and workspace improvements. In addition, the loan payment to LIF to repay the Law Society building loan is allocated from this funding.

The capital allocation levy is included in the annual practice fee, and remains unchanged at \$176 per member.

In the 2015 capital plan, there is \$1.5 million budgeted for capital projects (Appendix C). These projects include replacing computer hardware, renewing computer software licenses, as well as furniture replacement and audio visual upgrades. There is \$470,000 allocated for building common area improvements, including updates to the ground floor lobby and atrium. In addition, there is \$668,000 for building maintenance projects, including the first phase of the tower elevator replacement.

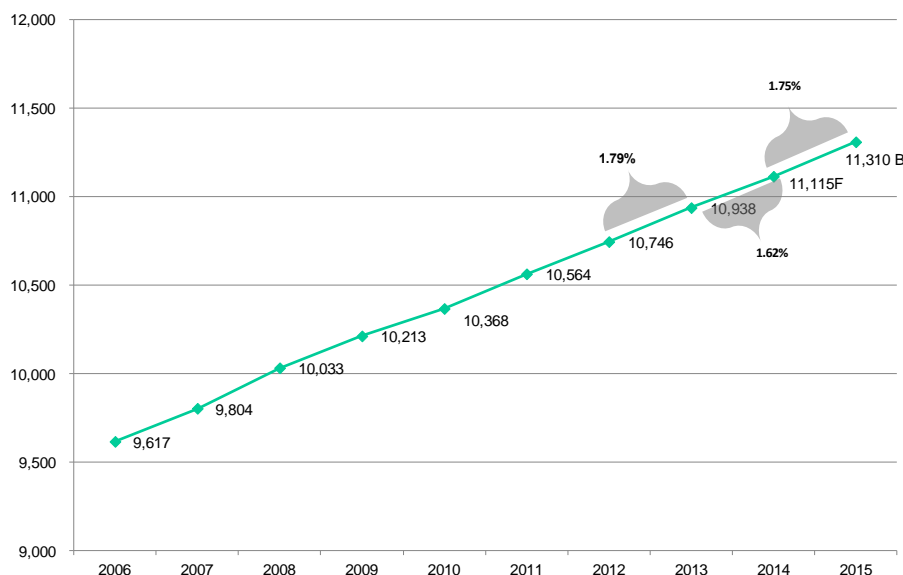
At the end of 2014, the net assets will include \$2.9 million in capital allocation for planned and on-going capital projects. Some of these projects include required capital maintenance to the 845 Cambie building, including the building terraces and parkade, as well as workspace improvements within the Law Society's operational space.

Revenue Summary

Total revenues, excluding the capital allocation levy, are budgeted at \$21.1 million, an increase of \$780,000 (3.84%) over the 2014 budget (Appendix A).

Membership revenues, excluding the capital allocation levy, are budgeted at \$16.7 million, a 3.6% increase from 2014 budget due to the projected growth in the number of practising lawyers and the proposed increase in the annual practice fee. Based on the average growth in membership over the last few years, budgeted full fee paying equivalent membership is projected to increase to 11,310 members, 1.75% over the 2014 membership projection. Other categories of membership, such as retired and non-practising, are assumed to remain stable to previous years.

Practising Membership Projection



PLTC revenues are budgeted at \$1.25 million, based on 485 students, the highest number of PLTC students in the Law Society's history, including two classes planned at the Thompson Rivers University campus.

Electronic filing revenues are budgeted at \$694,000, similar to the 2013 actual revenues.

Other revenues, which include credentials and incorporation fees, fines, penalties and cost recoveries, are budgeted at \$997,000, similar to 2013 levels. In past years, other revenue included an annual grant of \$257,000 received from the Law Foundation to defray costs of delivering the PLTC program. In 2015, the Law Foundation has reduced this funding to \$215,000, and changed the criteria to directly support PLTC students in rural communities, so any direct benefit to the Law Society is limited. In light of this, no PLTC revenue from the Law Foundation has been included in the 2015 budget. The Law Society is in the process of completing a funding application to the Law Foundation to 1) support the delivery of PLTC in Kamloops at Thompson Rivers University, and 2) provide direct support for rural articling students through a new Law Society program. To partially offset the loss of the direct PLTC funding from the Law Foundation, the PLTC student fee has been increased by \$250, to \$2,500, and PLTC student fee to retake PLTC has been increased by \$400, to \$3,900, effective September, 2015.

Building revenue and recoveries are budgeted at \$1.14 million in 2015. The Law Society owns the 845/835 Cambie building, occupies the majority of space, and the space that is not occupied by the Law Society is leased out to external tenants. In 2015, external lease revenues are budgeted at \$675,000, an increase of \$184,000, with a new lease in place for the third floor of 835 Cambie and a renewed lease for the atrium café. Included in lease revenues is an inter-fund rent allocation of \$406,000 charged by the General Fund for space occupied at 845 Cambie by the Lawyers Insurance Fund and the Trust Assurance Program.

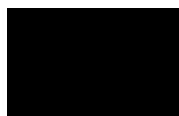
Expense Summary

The total operating expense budget has increased by \$780,000 (3.84%), which is comprised primarily of market based staff salary adjustments and additional staffing requirements (Appendix A).

The Law Society is a service organization, with salaries and benefits comprising 78% of the total costs of the operation. The Law Society staff compensation policies ensure that staff compensation is consistent with the market and maintains staff compensation at the 50th percentile (P50) for comparable positions, and market based wage adjustments are made each year based on bi-annual benchmarking. In addition, wage adjustments for union employees are made each year according to the Professional Employees Association collective agreement. The increase in compensation related costs is \$464,000.

The chart below provides information on the type of operating expenses within the General Fund.

Operating Expenses - Composition by type



Departmental Summaries:

Bencher Governance

The Bencher Governance area includes the costs of the Bencher and committee meetings required to govern the Law Society, as well as the costs of any new initiatives related to the Bencher Strategic Plan and Priorities.

The Bencher Governance expenses have been kept at current levels at \$766,000, \$6,000 over the 2014 budget.

Corporate Services

The departments that are included in Corporate Services are; General Administration, including the Office of the Chief Executive Officer, Finance, Human Resources, and Records Management.

General Administration includes the Office of the CEO, who leads the Law Society operations and reports directly to the Benchers. General administration also includes the Operations department which provides general administrative services, such as reception and office services, and office renovations.

Finance provides oversight over all the financial affairs of the Law Society, including financial reporting, operating and capital budgeting, audit, payroll and benefits administration, cash and investment management, and internal controls.

Human Resources develop and maintain the human resource policies and procedures, and provides services related to recruiting, compensation, performance management, employee and labor relations, and training.

Records Management is responsible for the records management, library and archives program, including the oversight of the electronic document management system.

The 2015 budget for these areas is \$3.0 million, an increase of \$67,000 over 2014, mainly due to market based salary adjustments, salary benchmarking costs and increased recruiting costs.

Education & Practice

The departments included in Education and Practice are; Member Services, Credentials, PLTC and Education, Practice Standards and Practice Advice.

Member Services provides services to members, including member status changes, fee billings, unclaimed trust funds, Juricert registration, and the Call Ceremonies. This department also administers the annual continuing professional development program for all lawyers.

Credentials ensures new and transferring lawyers are properly qualified to practise law in BC by preparing and assessing applicants for call and admission to the Law Society, and licensing them to practice.

PLTC & Education helps articulated students make the transition from law school to legal practice. Taught by experienced lawyers, PLTC uses case files and model transactions that replicate as closely as possible what students will experience during articles and when practising. Successful completion of the intensive, 10-week course is one of the conditions law school graduates must meet to practice law in British Columbia.

PLTC celebrated its 29th anniversary in 2013 and was Canada's first skill-based bar admission training program. Student numbers continue to steadily increase.

Practice Standards addresses issues of lawyer competency with online courses, practice management support and other resources. The program is a remedial program that assists lawyers who have difficulty in meeting core competencies and who exhibit practice concerns, which may include issues of client management, office management, personal matters, and substantive law. The Practice Standards Department conducts practice reviews of lawyers whose competence is in question, and recommends and monitors remedial programs.

The Department also supports lawyer effectiveness by overseeing the operation of the following Benchers-approved online lawyer support programs: the Small Firm Practice Course, Practice Refresher Course, Bookkeeper Support Program and Succession and Emergency Planning Program.

Practice Advice helps lawyers serve the public effectively by providing advice and assistance on ethical, practice and office management issues.

In 2013, Practice Advisors handled approximately 7,400 phone and email inquiries, an increase of over 500 inquiries over the prior year. This department also continues to receive strong positive feedback through survey results.

The total expenditures are \$3.5 million, an increase of \$55,000 from the 2014 budget. The increase is due to market based salary adjustments. In addition, there will be increased PLTC law student capacity to 485 students.

Also, the following initiatives are occurring:

- To support proactive regulation, the delivery of lawyer support and advice will be an area of continued Law Society-wide focus in 2015. With an increase in the volume of calls and email requests for lawyers' advice, the current delivery model needs to be significantly strengthened and modernized to provide more self-help assistance to meet changing lawyers' expectations. In 2015, there will be the addition of a new paralegal position to support the growing number of advice requests through the practice advice department.
- There will be a review of the Practice Standards program to move towards a more proactive approach (one-time consulting costs of \$65,000, paid from reserve).
- An articling student pilot project was initiated in 2014 to assess the desirability of and potential for the Law Society to provide articles for law students. In 2014, an articling student was hired and has provided support to a number of departments, while receiving valuable training. This pilot project will be extended for another year, to continue to be evaluated on the basis of effectiveness and priority (one-time costs of \$58,000, paid from reserve).

Executive Services

The departments that are included in Executive Services are; Communications, Information Services and Executive Services.

Communications is responsible for all member, government and public relations and provides strategic communication advice to all areas of the Law Society. The department also manages and maintains the Law Society website, electronic communications and produces our regular

publications such as the Benchers Bulletin, the E-Brief and the Annual Review. In addition, this department has taken on the responsibility to manage and implement the Knowledge Management initiative.

Information Services is responsible for all technical services relating to computer business systems and databases, networks, websites and data storage and communication technology.

Executive Services coordinates and organizes the Benchers and Executive meetings, coordinates external appointments, and plans and provides administrative and logistical support for the annual general meeting and Benchers elections.

The 2015 budget is \$2.1 million, an increase of \$35,000 over the 2014 budget, primarily due to market based salary adjustments, Benchers election costs and increased software maintenance costs.

Policy & Legal Services

Policy & Legal Services includes a number of functions including policy, legal services, external litigation and interventions, ethics, tribunal and legislation, information and privacy, and unauthorized practice.

Policy and Legal Services assists the Law Society with policy development, legal research and legislative drafting, and monitoring developments involving professional regulation, independence of the Bar and Judiciary, access to justice, and equity and diversity in the legal profession, and provides advice for ethical consideration and supports the Ethics Committee. In addition, includes external counsel fees providing services for legal defense cases and interventions on behalf of the Law Society.

Tribunals and Legislation supports the work of Law Society hearing and review tribunals and drafts new rules and proposed amendments to the *Legal Profession Act*.

Information & Privacy handles requests made of the Law Society and maintains compliance of the Law Society data and training under the Freedom of Information and Protection of Privacy Act (FOIPPA).

Unauthorized Practice investigates complaints of unauthorized practice of law by unregulated, uninsured non-lawyers.

The 2015 budget is \$2.3 million, an increase of \$246,000 over the 2014 budget. This increase is made up primarily of market based salary adjustments, increased legal defense costs plus a small increase in the tribunal hearing training costs.

Regulation

There are four areas that are included in Regulation; Professional Conduct, Discipline, Forensic Accounting and Custodianships.

In 2013, Professional Conduct opened 1056 complaint files and closed 972. Of the files closed in 2013, 98% were closed in less than one year. The Complainants' Review Committee and the Ombudsperson continue to be satisfied with the complaints handling processes and procedures.

Professional Conduct includes the Intake and Early Resolution and the Investigations, Monitoring and Enforcement groups, which investigate complaints about lawyers' conduct and recommend disciplinary action where appropriate.

Discipline manages the conduct meeting and conduct review processes, represents the Law Society at discipline hearings and provides legal advice on investigations and disciplinary matters.

Forensic Accounting provides forensic investigation services to support the regulatory process.

Custodianships provides for the arrangement of locum agreements or custodians to manage and, where appropriate, wind-up legal practices when members cannot continue to practice due to illness, death, or disciplinary actions.

In 2013, the Law Society was appointed as a custodian over 13 practices and staff coordinated 14 locum placements, which were both increases over the prior year. Discharges were granted on 13 custodianships during the year which meant that there was no increase over the year-end total of 25 custodianships under administration at year end. The average length of time under the current in-house program to complete a custodianship is 75% of that required under the previous external custodianship program.

The 2015 budget for these areas is \$7.6 million, an increase of \$269,000 over the 2014 budget. Expense increases relate to market based salary adjustments plus two additional staff positions, an investigations staff lawyer and a professional regulation paralegal. These costs are partially offset by savings in external counsel fees and other various cost areas. Generally, most of the professional regulation case files that are sent to external counsel are done so for conflict reasons – complaints against Benchers or staff. Less frequently, files are referred out due to internal case loads or when specialized expertise is required.

Building Costs

The Law Society owns the 845 Cambie Street building and occupies 80% of the available space. The total cost of occupying and maintaining the building is partially offset by lease revenues from tenants, which are recorded in the revenue section. The property management department provides services in relation to tenant relations, leasing, building maintenance and preservation, fire and safety, energy management, and minor and major capital project management.

The 2015 building budget is \$1.8 million, an increase of \$103,000 over the 2013 budget due primarily to increased utilities, property taxes and janitorial costs.

Funding of External Organizations

The Law Society collects a number of fees for external organizations through the annual practice fee, which are included in the annual practice fee:

Federation of Law Societies – fee will increase by \$5.00 to \$30.00 per member. The Federation of Law Societies of Canada provides a national voice for provincial and territorial law societies on important national and international issues.

CanLII – fee will increase by \$0.98 to \$36.98 per member. CanLII is a not-for-profit organization initiated by the Federation of Law Societies of Canada. CanLII's goal is to make primary sources of Canadian Law accessible for free on its website at canlii.org. All provincial and territorial law societies have committed to provide funding to CanLII.

Pro bono funding – In 2014, the Access to Legal Services Advisory Committee recommended the contribution to pro bono and access to legal services funding which is sent to the Law Foundation for distribution increase to a flat amount of \$340,000 per year, which represented an increase of \$175,000 from the 2013 funding level. In 2015, the funding level continues at \$340,000.

Courthouse Libraries of B.C. (CLBC) – CLBC provides lawyers and the public in BC with access to legal information, as well as training and support in finding and using legal information. Through its expanding digital collections, website content and training, the library provides practice support for lawyers across the province; and for the public through the Clicklaw website, public library legal collections, as well as individual assistance. The Law Society's contribution for 2015 is \$195 per member, a \$5 increase over 2014. This increase of 2.6% assists CLBC in managing the rising costs of legal information and is based on recommendations in a report from the Library Review Task Force. The Law Foundation reduced its 2015 grant to CLBC by 18% (\$492,000) as part of their 2014 funding reductions. CLBC has

instituted significant service/expense reductions in the areas of staffing and paper publications to offset this reduced funding. The CLBC board is currently engaged in strategic planning to determine strategic directions and future funding requirements.

Lawyer's Assistance Program (LAP) – fee will increase by \$7 to \$67 per member. LAP provides confidential outreach, education, support and referrals to lawyers and other members of British Columbia's legal community. The additional funding will be used for market based salary adjustments as well as additional staffing of 0.5 FTE required to provide succession planning for senior management position.

The Advocate – subscription fee remains the same, at \$27.50 per member. The Advocate publication is distributed bi-monthly to all BC lawyers.

Annual Practice Fee – 2015

Taking all of the above into account, the 2015 annual practice fee will be \$1,992, an increase of \$52.00 (2.7%) from 2014.

Key Comparisons to Other Law Society Practice Fees

Although it is difficult to compare annual fees to other law societies because of the difference in the number of members, responsibilities, and fund/financial structure, we have included the other Canadian law society annual fees for comparison purposes (Appendix F).

The Law Society of B.C.'s 2015 practice fee, including the Federation of Law Societies contribution, the CanLII contribution, and the Pro Bono contribution; and excluding CLBC, the Lawyers Assistance Program (LAP) and the Advocate is \$1,703. For comparative purposes, The Law Society of Upper Canada's 2014 practice fee has been increased to \$1,466, to account for 2% inflation for 2015, and to account for \$433,000 in reserve subsidies used to offset on-going costs (\$11.46 per member). The Law Society of Alberta's 2014 practice fee has been increased by 2% for inflation for 2015, to \$1,999.

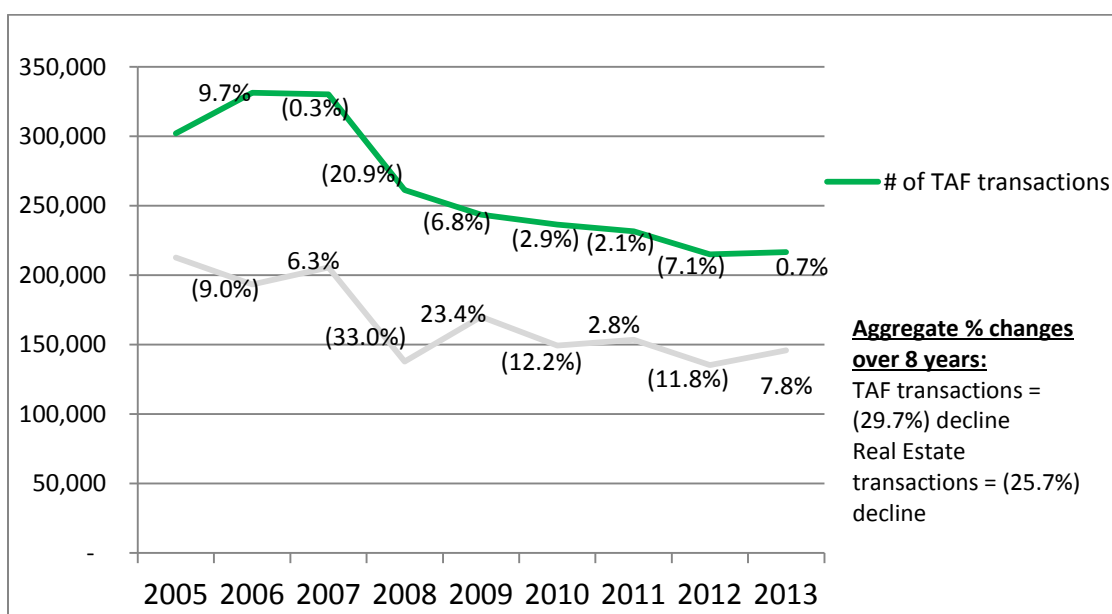
Trust Assurance Program

The goal of the Trust Assurance program is to ensure that law firms comply with the rules regarding proper handling of clients' trust funds and trust accounting records. This is achieved by conducting trust accounting compliance audits at law firms, in addition to reviewing annual trust reports, and providing member advice and resources. The compliance audit program ensures that all firms are audited at least once within a six year cycle.

In 2013, 513 compliance audits were conducted. Approximately 3,000 have been conducted since the inception of the trust assurance program. The program continues to provide proactive oversight to law firm trust accounting and enjoys positive feedback through the member survey results.

The Trust Administration Fee (TAF) funds the trust assurance program and this revenue has been decreasing over the past seven years due to decreasing real estate unit sales, as shown below. The TAF reserve was at a deficit of \$39,000 at the end of 2013, and if TAF revenues continued to decline, the revenue would not cover the costs of the program and further deficits would occur.

Comparison of TAF transactions and Real Estate Unit Sales



To address this issue, the Trust Administration Fee (TAF) was increased from \$10 to \$15 per transaction, effective January 1, 2014. Assuming current TAF transactions levels and a \$15 Trust Administration Fee, the 2014 TAF revenue is forecast to be on budget at \$3.2 million, which will result in an improved reserve of \$708,000.

The budgeted expenditures are \$2.5 million, similar to the 2014 budget. An additional .5 FTE auditor position was added to support the trust accounting needs of the custodianships department, which was partially offset by a decrease in external accounting fees.

The TAF reserve levels will be monitored over the next few years. The Benchers recommended that TAF reserve levels should be up to six months of operating expenses and any additional revenue beyond this level will be allocated to Part B insurance funding.

Special Compensation Fund

The Special Compensation Fund was maintained pursuant to Section 31 of the Legal Profession Act, was financed by members' annual assessments, and claims were recorded net of recoveries when they had been approved for payment. Since 2004, the Lawyers Insurance Fund has been providing coverage for dishonest appropriation of funds by lawyers.

During 2012, the Legal Profession Amendment Act, 2012 repealed section 31 of the Legal Profession Act. In addition, Section 23 of the Legal Profession Act was amended to remove the requirement that practising lawyers pay the Special Compensation Fund assessment, which meant that, effective 2013 and onwards, there was no fee assessed for the Special Compensation Fund.

Section 50 of the Legal Profession Amendment Act, 2012 provides for the transfer of unused reserves that remain within the Special Compensation Fund to the Lawyers Insurance Fund for the purposes of the insurance program. The remaining Special Compensation Fund net assets that are expected to be transferred, once all recoveries are received, will be approximately \$1.35 million (Appendix D).

Lawyers Insurance Fund

The goal of LIF is to maintain a professional liability insurance program for BC lawyers that provides reasonable limits of coverage for the protection of both lawyers and their clients and exceptional service, at a reasonable cost to lawyers.

Overall, there are a number of factors that influence the financial stability of our insurance program.

The first factor is the total incidence of claims and potential claims, or "reports". The number of reports appears to have reduced from levels generated by the recession. In the 5 year period from 2004 to and including 2008, the average number of reports annually was 945. The 4 years that followed, 2009 to 2012, reflected the impact of the recession on claims and generated an annual average of 1032 reports. In 2013, the number of reports fell to 983, and 2014 – projecting to the end of the year – is expected to come in at approximately 990.

This change is reflected in the decline in report frequencies (number of reports divided by the number of insured lawyers) for the year-to-date (Jul 31) compared with the past 5 years:

2009	2010	2011	2012	2013	2014
13.3%	13.3%	14.0%	12.5%	12.0%	12.4%

The second factor is the amount paid to defend and resolve claims. The severity (the dollar value) of claim payments on a calendar year basis suggests that overall severity is gradually

increasing. In the 5 year period from 2004 to and including 2008, the average annual payments were \$10M. The 4 years that followed, 2009 to 2012, generated average annual payments of \$12.5M. In 2013, the annual payments were \$12.7M. Extrapolating payments in the first 7 months of 2014 to the end of the year, results in projected total payments of \$13M, higher than in previous years.

With respect to trust protection coverage under Part B of the policy, these same factors apply but because of the small number of claims and potential claims, the year-over-year experience is more volatile. 2014 is trending higher on the frequency scale, with 14 claims so far in 2014. If this frequency continued we would expect 24 reports, compared to an annual average in the previous 5 years of 14.6 reports. As to severity, claim payments to date in 2014 are \$133,000, and we estimate paying a further \$125,000, for a total of \$258,000. This makes 2014 one of the more “severe” payment years since Part B’s inception.

The third factor is the risk of increased future claims. The new *Limitation Act*, *Family Law Act*, and the new *Wills, Estates and Succession Act* and probate rules will likely usher in new exposures to the Fund. The shortened limitation periods in the Limitation Act will catch some lawyers unawares come June 2015, and the new *Family Law Act* has so far resulted in two large potential claims, a couple more that we are attempting to “repair”, and a few more potentially on the horizon. WESA came into effect in March 2014 and will likely give rise to claims against lawyers for failing to adequately satisfy themselves and document the will that reflects the testator’s true intentions, free from undue influence.

The fourth factor is the assets available to fund the insurance program. Off-setting the increased severity and new risks identified above, the 2013 return on LIF long-term investments - at 15.9% - outperformed the benchmark and the prior year, and the LIF reserve as at December 31, 2013 was \$59.4 million, including \$17.5 million set aside for trust protection claims under Part B. The unrestricted net asset position of the fund at year-end was therefore \$41.9M.

In addition to the investment return, there is a need to maintain a certain amount of the fund for contingencies and adverse developments. The Fund’s actuary has analyzed LIF’s future risks relative to its unrestricted net assets and advised on an appropriate level of contingency funding. They are of the view that while LIF is currently well-funded, due to uncertainties and risks in future investment performance and claim payments, LIF should maintain its current level of unrestricted net assets against future contingencies.

According to the actuary’s projections, to maintain the unrestricted net assets at the appropriate level, the insurance fee may require an increase in a few years, depending on annual results over this period. However, the fee can be maintained at the existing level in 2015.

Revenue

Total Lawyers Insurance Fund assessment revenues are budgeted at \$14.1 million, which is based on 7,352 full-time and 1,124 part-time insured lawyers. Investment income is \$6.6 million, based on an estimated investment return of 5.9% (Appendix E).

Expenses

Operating expenses, excluding the provision for claim payments, are \$6.9 million, an increase of \$342,000 over the 2014 budget (Appendix E). The increase is due to market based salary adjustments. In addition, there is an increase in actuarial fees, and an increase in the General Fund allocation for practice advice and membership assistance.

Taking all factors into account, it is recommended there be no increase to the annual insurance fee of \$1,750 for 2015.

Conclusion

The 2015 fees and budgets were reviewed by the Finance and Audit Committee in June and September 2014, and the Executive Committee in September 2014. The Finance and Audit Committee recommended the 2015 Fees to the Benchers at the September 26th Benchers meeting, and the fees were approved as presented above.

The Law Society of British Columbia continues to be in a strong financial position, with capital funding in place to maintain the operations and building capital needs, and adequate reserve levels in the General Fund and the Lawyers Insurance Fund to help absorb unknown economic conditions in the future.

The Law Society's overall objective when setting the fees is to ensure that the operations are appropriately funded to enable the Law Society to efficiently and effectively fulfill its statutory mandate of protecting the public interest in the administration of justice.

APPENDIX A

THE LAW SOCIETY OF BRITISH COLUMBIA
OPERATING BUDGET (excluding capital/depreciation)
For the Year ended December 31, 2015
GENERAL FUND SUMMARY

	2015 Budget	2014 Budget	2013 Actual	2015B vs 2014B Variance	%	2015B vs 2013A Variance	%			
GENERAL FUND REVENUES										
Membership fees	16,683,418	16,107,604	15,474,887							
PLTC and enrolment fees	1,249,050	1,125,000	1,110,800							
Electronic filing revenue	693,500	713,500	816,435							
Interest income	322,500	315,000	306,054							
Other revenue	996,903	1,144,405	1,305,195							
Building revenue and recoveries	1,140,190	900,046	739,366							
TOTAL GENERAL FUND REVENUES	21,085,561	20,305,554	19,752,737	780,007	3.84%	1,332,824	6.75%	2015 Budget FTEs	2014 Budget FTEs	FTE Change
GENERAL FUND EXPENSES										
Benchers Governance	765,501	759,821	750,311					0.35	0.35	-
Corporate Services	3,042,729	2,975,660	2,915,636					23.00	23.00	-
Education & Practice	3,535,933	3,481,100	3,388,786					34.97	33.97	1.00
Executive Services	2,098,503	2,063,073	1,912,864					20.60	20.60	-
Policy and Legal Services	2,272,730	2,027,086	1,951,009					14.00	14.00	-
Regulation	7,555,734	7,286,929	6,647,420					60.20	58.20	2.00
Building costs	1,814,432	1,711,885	1,743,274					2.00	2.00	-
TOTAL GENERAL FUND EXPENSES	21,085,561	20,305,554	19,309,301	780,007	3.84%	1,776,261	9.20%	155.12	152.12	3.00
GENERAL FUND NET CONTRIBUTION	-	-	443,437	(0)		(443,437)		155.12	152.12	3.00
Trust Assurance Program										
Trust Administration Fee Revenue	3,247,500	3,237,000	2,165,619	10,500	0.32%	1,081,881	49.96%			
Trust Administration Department	2,512,847	2,501,280	2,276,355	11,567	0.46%	236,492	10.39%			
Net Trust Assurance Program	734,653	735,720	(110,736)	(1,067)		845,389		17.00	16.50	0.50
TOTAL NET GENERAL FUND & TAP CONTRIBUTION	734,653	735,720	332,701	(1,067)		401,952		172.12	168.62	3.50

LIF FTE's **22.80** **23.00** **(0.20)**
TOTAL Law Society FTE's **194.92** **191.62** **3.30**

APPENDIX B

THE LAW SOCIETY OF BRITISH COLUMBIA Operating Budget (excluding capital/depreciation) For the Year ended December 31, 2015 GENERAL FUND SUMMARY OF REVENUE AND EXPENSES

	2015 Budget	2014 Budget	2013 Actual	2015 v 2014 Budget Var	2015 v 2013 Actual Var
GENERAL FUND REVENUES					
<i>Fee and Assessment Revenues</i>					
Membership Fees	\$16,683,418	\$16,107,604	\$15,474,887	\$575,815	\$1,208,531
PLTC Fees	1,249,050	1,125,000	1,110,800	124,050	138,250
Other Credentials Fees	323,000	296,897	307,340	26,103	15,660
GLA, LLP, FLC and Law Corporation Fees	107,775	92,950	102,925	14,825	4,850
Authentications and Certificates of Standing	81,000	75,000	73,559	6,000	7,441
Electronic Filing Revenue	693,500	713,500	816,435	(20,000)	(122,935)
Interest Income	322,500	315,000	306,054	7,500	16,446
Other Income	6,500	17,000	14,065	(10,500)	(7,565)
Law Foundation Grant Revenue	81,378	340,058	340,058	(258,680)	(258,680)
<i>Fines, Penalties and Recoveries</i>					
Fines, Penalties and Recoveries	397,250	322,500	467,247	74,750	(69,997)
<i>Building Revenue and Recoveries</i>					
LIF and Trust Administration Program	405,601	371,127	259,141	34,474	146,460
Outside Tenants including Recoveries	675,089	491,779	395,949	183,310	279,140
Other	59,500	37,140	84,276	22,360	(24,776)
TOTAL GENERAL FUND REVENUES	21,085,561	20,305,554	19,752,737	780,007	1,332,824
PROGRAM AREA EXPENSES					
<i>Bencher Governance</i>					
Bencher Meetings	229,044	257,720	216,215	(28,676)	12,828
Office of the President	244,732	214,721	229,703	30,011	15,029
Bencher's Retreat	85,000	84,267	100,505	733	(15,505)
Life Bencher's Dinner	23,900	25,020	19,018	(1,120)	4,882
Certificate Luncheon	5,220	6,030	5,657	(810)	(437)
Law Society Award/Bench and Bar Dinner	2,280	3,087	473	(807)	1,807
Public Forums	-	-	17,516	-	(17,516)
FLS / CanLII / Pro Bono	-	-	26,232	-	(26,232)
Federation of Law Societies Meetings	107,328	114,512	52,329	(7,184)	54,999
General Meetings	66,183	61,171	61,590	5,012	4,593
QC Reception	5,000	6,840	5,904	(1,840)	(905)
Welcome/Farewell Dinner	19,000	22,635	20,827	(3,635)	(1,826)
Volunteer Gifts	12,875	11,300	10,885	1,575	1,990
Gold Medal Award	7,075	4,700	4,265	2,375	2,810
Executive Committee	19,041	23,772	35,272	(4,731)	(16,231)
Finance & Audit Committee	3,500	5,000	3,422	(1,500)	77
Equity and Diversity Advisory Committee	10,000	10,000	11,826	-	(1,826)
Access to Legal Services Advisory Committee	5,000	10,000	6,039	(5,000)	(1,039)
Rule of Law & Lawyer Independence Advisory Committee	5,000	5,000	6,095	-	(1,095)
Acts and Rules Committee	5,180	5,180	7,093	-	(1,913)
Family Law Task Force	-	-	2,876	-	(2,876)
ADR Working Group	-	-	7	-	(7)
Cloud Computing Working Group	-	-	15	-	(15)
Governance Review Task Force	-	-	4	-	(4)
Legal Service Providers Task Force	-	-	18,846	-	(18,846)
Governance Review Committee	5,000	-	4,716	5,000	284
REAL - Law Foundation	-	-	75,000	-	(75,000)
Legal Services Regulatory Framework Task Force	10,000	-	-	10,000	10,000
Budget Contingency	75,000	75,000	-	-	75,000
<i>Bencher, AGM and other committees</i>	<i>945,358</i>	<i>945,955</i>	<i>942,330</i>	<i>(488)</i>	<i>3,028</i>
Interfund Cost Recovery	(179,857)	(186,134)	(192,019)	6,277	12,162
Bencher Governance	765,501	759,821	750,311	5,680	15,190
<i>Corporate Services</i>					
General Operations and Administration	1,508,315	1,401,152	1,443,783	107,163	64,532
Records Management	320,397	298,343	300,057	22,054	20,340
Finance	1,028,339	1,172,105	920,079	(143,766)	108,260
Human Resources	976,618	794,124	885,177	182,494	91,441
Staff Vacancies	(117,293)	(56,142)	-	(61,151)	(117,293)
Interfund Cost Recovery	(673,648)	(633,922)	(633,460)	(39,726)	(40,188)
Corporate Services	3,042,728	2,975,660	2,915,636	67,068	127,092

APPENDIX B-2

Education and Practice

Credentials	557,813	585,191	664,221	(27,378)	(106,408)
Member Services	724,555	702,571	693,262	21,984	31,293
Professional Legal Training Course and Education	1,967,719	1,797,127	1,773,813	170,592	193,906
Practice Standards	574,414	600,728	598,394	(26,314)	(23,980)
Practice Advice	709,614	589,524	582,902	120,090	126,712
Membership Assistance Programs	236,000	230,000	236,190	6,000	(190)
Staff Vacancies	(168,375)	(87,592)	-	(80,783)	(168,375)
Interfund Cost Recovery	(120,193)	(116,925)	(351,394)	(3,268)	231,201
Interfund Program Recovery	(945,614)	(819,524)	(808,602)	(126,090)	(137,012)
Education and Practice	3,535,933	3,481,100	3,388,786	54,833	147,147

Executive Services

Communications, Publications and Executive Support	1,238,422	1,197,479	1,100,933	40,943	137,489
Information Services	1,362,596	1,277,933	1,197,078	84,663	165,518
Staff Vacancies	(96,949)	(43,896)	-	(53,053)	(96,949)
Interfund Cost Recovery	(405,566)	(368,443)	(385,147)	(37,123)	(20,419)
Executive Services	2,098,503	2,063,073	1,912,864	35,430	185,639

Policy and Legal Services

Policy and Tribunal	2,247,309	1,961,725	1,869,993	285,584	377,316
Unauthorized Practice	344,291	334,927	320,102	9,364	24,189
Staff Vacancies	(87,241)	(42,274)	-	(44,967)	(87,241)
Interfund Cost Recovery	(231,629)	(227,292)	(239,086)	(4,337)	7,457
Policy and Legal Services	2,272,730	2,027,086	1,951,009	245,644	321,721

Regulation

Professional Conduct - intake and investigations	4,405,960	4,133,080	3,722,345	272,880	683,615
Discipline	1,316,510	1,339,104	1,260,243	(22,594)	56,267
Forensic Accounting	940,479	923,762	407,742	16,717	532,737
Custodianships	1,322,927	1,361,197	1,257,090	(38,270)	65,837
Staff Vacancies	(430,142)	(470,214)	-	40,072	(430,142)
Regulation	7,555,734	7,286,929	6,647,420	268,805	908,314

Building Costs

Property Taxes	520,344	505,185	493,723	15,159	26,621
Financing Costs	75,732	85,920	100,657	(10,188)	(24,925)
Building Operating Expenses	1,218,356	1,120,780	1,148,894	97,576	69,462
Total Building Costs	1,814,432	1,711,885	1,743,274	102,547	71,158

TOTAL PROGRAM EXPENSES BEFORE TAP

21,085,561	20,305,554	19,309,300	780,007	1,776,261
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Trust Administration Program

Trust Administration Fee Revenue	3,247,500	3,237,000	2,165,619	10,500	1,081,881
Trust Assurance Program Expenses	2,512,847	2,501,280	2,276,355	11,567	236,492
Trust Assurance Program	734,653	735,720	(110,736)	(1,067)	845,389

TOTAL GENERAL FUND CONTRIBUTION

734,653	735,720	332,701	(1,067)	401,952
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APPENDIX C

THE LAW SOCIETY OF BRITISH COLUMBIA For the Year ended December 31, 2015 BUDGETED CAPITAL EXPENDITURES

Computers, printers & MFPs	38,000
Software - Adobe Acrobat, server	50,000
Miscellaneous	28,000
Computer HW, SW & Phone Replacement	116,000
Furniture/workstation replacement	117,000
AV upgrades	98,000
Miscellaneous	14,000
Equipment, F&F replacement	229,000
LSBC workspace improvements	18,000
LSBC operations	18,000
Elevator (first 1/2)	550,000
Ground Floor Lobby	275,000
Atrium upgrade	195,000
845 Roof Top units	55,000
PT strands	50,000
Miscellaneous	13,000
Base Building Maintenance Projects	1,138,000
TOTAL 2015 BUDGETED CAPITAL EXPENDITURES	1,501,000

APPENDIX D

THE LAW SOCIETY OF BRITISH COLUMBIA
Special Compensation Fund
For the Year ended December 31, 2014
STATEMENT OF REVENUE AND EXPENSE

	2014 Forecast	2013 Actual
Revenue		
Recoveries	19,976	54,611
Loan Interest Received	18,568	32,619
	38,544	87,230
Expense		
Audit	135	2,958
External counsel fees	-	22,607
Miscellaneous	118	619
	253	26,184
Net contribution	38,291	61,046
Net Assets - Beginning of year	1,287,242	1,226,196
Net Assets - End of year	1,325,533	1,287,242

Notes:

*Remaining net assets will be transferred to Part B upon resolution of final claims and recoveries pursuant to Section 50 of the Legal Profession Amendment Act, 2012 (SBC 2012, C16)

APPENDIX E

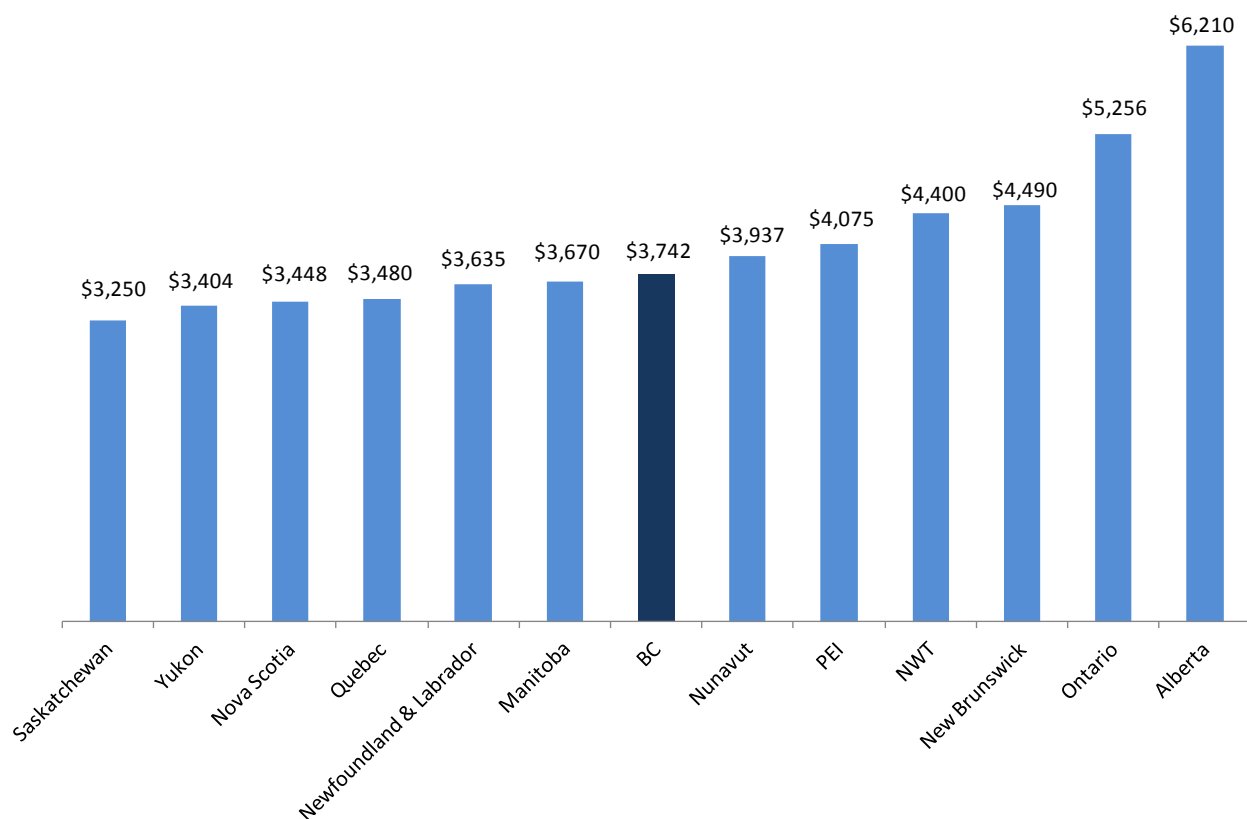
THE LAW SOCIETY OF BRITISH COLUMBIA
Lawyers Insurance Fund
For the Year ended December 31, 2015
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE

	2015 Budget	2014 Budget	2015/2014 Budget Variance	%	2015 Budget FTEs	2014 Budget FTEs	FTE Change
Revenue							
Annual assessment	14,090,300	13,858,701					
Investment income	6,647,874	4,030,307					
Other income	70,000	50,000					
Total Revenue	20,808,174	17,939,008	2,869,166	13.8%			
Insurance Expense							
Actuaries, consultants and investment brokers' fees	528,131	461,500					
Allocated office rent	245,965	210,565					
Contribution to program and administration costs of General Fund	1,397,904	1,319,271					
Legal	40,000	30,000					
Office	819,805	829,273					
Premium taxes	8,236	8,665					
Actuarial provision for claim payments	14,703,000	13,686,000					
Salaries, wages and benefits	2,955,477	2,920,154					
	20,698,518	19,465,428	1,233,090	6.0%			
Loss Prevention Expense							
Contribution to co-sponsored program costs of General Fund	945,614	819,524					
Total Expense	21,644,132	20,284,952	1,359,180	6.3%			
Net Contribution	(835,958)	(2,345,944)	1,509,986		22.80	23.00	(0.20)

APPENDIX F

THE LAW SOCIETY OF BRITISH COLUMBIA For the Year ended December 31, 2015 MANDATORY FEE COMPARISON (Full Time Practicing Insured Lawyers)

- 2015 LSBC practice fee compared to 2014 LSUC and LSA practice fees, increased by 2%
- 2015 LSUC practice fee increased to reflect \$433,000 known planned use of reserves for on-going operating costs (\$11.46 per member)



Additional Information

(Appendices AA-CC)

APPENDIX AA

THE LAW SOCIETY OF BRITISH COLUMBIA
Operating Budget (excluding capital/depreciation)
For the Year ended December 31, 2015
GENERAL FUND DETAILED REVENUE AND EXPENSES

	<i>2015 Budget</i>	<i>2014 Budget</i>	<i>2013 Actual</i>	<i>2015 v 2014 Budget Var</i>	<i>2015 v 2013 Actual Var</i>
GENERAL FUND REVENUES					
<i>Fee and Assessment Revenues</i>					
Membership Fees	\$16,683,418	\$16,107,604	\$15,474,887	\$575,814	\$1,208,531
PLTC Fees	1,249,050	1,125,000	1,110,800	124,050	138,250
Other Credentials Fees	323,000	296,897	307,340	26,103	15,660
GLA, LLP, FLC and Law Corporation Fees	107,775	92,950	102,925	14,825	4,850
Authentications and Certificates of Standing	81,000	75,000	73,559	6,000	7,441
Electronic Filing Revenue	693,500	713,500	816,435	(20,000)	(122,935)
Interest Income	322,500	315,000	306,054	7,500	16,446
Other Income	6,500	17,000	14,065	(10,500)	(7,565)
Law Foundation Grant Revenue	81,378	340,058	340,058	(258,680)	(258,680)
<i>Fines, Penalties and Recoveries</i>					
Fines, Penalties and Recoveries	397,250	322,500	467,247	74,750	(69,997)
<i>Building Revenue and Recoveries</i>					
LIF and Trust Administration Program	405,601	371,127	259,141	34,474	146,460
Outside Tenants including Recoveries	675,089	491,779	395,949	183,310	279,140
Other	59,500	37,140	84,276	22,360	(24,776)
TOTAL GENERAL FUND REVENUES	21,085,561	20,305,554	19,752,737	780,007	1,332,824
PROGRAM AREA EXPENSES					
<i>Benchers Governance</i>					
Travel and Meeting	449,217	446,251	449,198	2,966	19
Direct Program Expense	121,606	120,380	60,385	1,226	61,221
Grants, Honorariums and Per Diems	235,000	234,996	330,262	4	(95,262)
Program Administration	49,207	56,486	61,656	(7,279)	(12,449)
Professional Services	-	30	893	(30)	(893)
Staffing Costs	90,328	87,812	39,936	2,516	50,392
<i>Benchers, AGM and other committees</i>	<i>945,358</i>	<i>945,955</i>	<i>942,330</i>	<i>(597)</i>	<i>3,028</i>
Interfund Cost Recovery	(179,857)	(186,134)	(192,019)	6,277	12,162
Benchers Governance	765,501	759,821	750,311	5,680	15,190
<i>Corporate Services</i>					
<i>General Operations and Administration</i>					
Travel and Meeting	69,330	69,230	68,004	100	1,326
Direct Program Expense	35,750	7,500	19,106	28,250	16,644
Grants and Per Diems	1,000	-	1,768	1,000	(768)
Program Administration	228,780	204,617	253,612	24,163	(24,832)
Professional Services	60,200	57,000	86,597	3,200	(26,397)
Staffing Costs	1,113,255	1,062,805	1,014,696	50,450	98,559
General Operations and Administration	1,508,315	1,401,152	1,443,783	107,163	64,532
<i>Records Management</i>					
Travel and Meeting	4,811	4,644	3,623	167	1,188
Direct Program Expense	1,335	1,335	728	-	607
Program Administration	126,700	110,900	128,846	15,800	(2,146)
Professional Services	-	-	27	-	(27)
Staffing Costs	187,551	181,464	166,833	6,087	20,718
Records Management	320,397	298,343	300,057	22,054	20,340
<i>Finance</i>					
Travel and Meeting	6,750	6,750	3,392	-	3,358
Direct Program Expense	54,500	49,355	47,412	5,145	7,088
Program Administration	33,880	53,100	36,008	(19,220)	(2,128)
Professional Services	15,000	15,000	-	-	15,000
Staffing Costs	918,209	1,047,900	833,267	(129,691)	84,942
Finance	1,028,339	1,172,105	920,079	(143,766)	108,260

APPENDIX AA-1

Human Resources					
Travel and Meeting	13,100	12,600	12,214	500	886
Direct Program Expense	87,261	36,883	69,574	50,378	17,687
Grants and Per Diems	-	-	43	-	(43)
Program Administration	7,823	8,008	4,052	(185)	3,771
Professional Services	66,200	66,200	35,344	-	30,856
Staffing Costs	802,234	670,433	763,950	131,801	38,284
Human Resources	976,618	794,124	885,177	182,494	91,441
Staff Vacancies	(117,293)	(56,142)	-	(61,151)	(117,293)
Interfund Cost Recovery	(673,648)	(633,922)	(633,460)	(39,726)	(40,188)
Corporate Services	3,042,728	2,975,660	2,915,636	67,068	127,093
Education and Practice					
Credentials					
Travel and Meeting	51,012	57,768	41,791	(6,756)	9,221
Direct Program Expense	-	-	1,173	-	(1,173)
Grants and Per Diems	24,000	24,000	24,000	-	-
Program Administration	11,064	10,320	11,746	744	(682)
Professional Services	163,911	128,000	201,444	35,911	(37,533)
Staffing Costs	307,826	365,103	384,067	(57,277)	(76,241)
Credentials	557,813	585,191	664,221	(27,378)	(106,408)
Member Services					
Travel and Meeting	1,200	1,080	1,370	120	(170)
Direct Program Expense	-	-	5,558	-	(5,558)
Program Administration	50,328	47,860	57,748	2,468	(7,420)
Professional Services	-	996	89	(996)	(89)
Staffing Costs	673,027	652,635	628,497	20,392	44,530
Member Services	724,555	702,571	693,262	21,984	31,293
Professional Legal Training Course and Education					
Travel and Meeting	102,000	101,710	81,311	290	20,689
Direct Program Expense	384,700	319,600	436,378	65,100	(51,678)
Program Administration	124,550	125,800	169,537	(1,250)	(44,987)
Professional Services	-	-	110	-	(110)
Staffing Costs	1,356,469	1,250,017	1,086,477	106,452	269,992
Professional Legal Training Course and Education	1,967,719	1,797,127	1,773,813	170,592	193,906
Practice Standards					
Travel and Meeting	29,000	34,500	41,454	(5,500)	(12,454)
Direct Program Expense	5,500	5,500	24,195	-	(18,695)
Program Administration	9,866	8,616	8,360	1,250	1,506
Professional Services	36,000	50,250	43,204	(14,250)	(7,204)
Staffing Costs	494,048	501,862	481,181	(7,814)	12,867
Practice Standards	574,414	600,728	598,394	(26,314)	(23,980)
Practice Advice					
Travel and Meeting	20,000	16,000	19,299	4,000	701
Direct Program Expense	28,000	15,000	49,757	13,000	(21,757)
Grants and Per Diems	-	-	300	-	(300)
Program Administration	50,000	41,000	53,644	9,000	(3,644)
Professional Services	200	-	161	200	39
Staffing Costs	611,414	517,524	459,741	93,890	151,673
Practice Advice	709,614	589,524	582,902	120,090	126,712
Membership Assistance Programs	236,000	230,000	236,190	6,000	(190)
Staff Vacancies	(168,375)	(87,592)	-	(80,783)	(168,375)
Interfund Cost Recovery	(120,193)	(116,925)	(351,394)	(3,268)	231,201
Interfund Program Recovery	(945,614)	(819,524)	(808,602)	(126,090)	(137,012)
Education and Practice	3,535,933	3,481,100	3,388,786	54,833	147,147

APPENDIX AA-2

Executive Services

Communications, Publications and Executive Support

Travel and Meeting	18,499	18,898	5,287	(399)	13,212
Direct Program Expense	101,062	111,200	129,129	(10,138)	(28,067)
Grants and Per Diems	5,000	5,000	408	-	4,592
Program Administration	125,035	92,847	149,769	32,188	(24,734)
Staffing Costs	988,826	969,534	816,340	19,292	172,486
Communications, Publications and Executive Support	1,238,422	1,197,479	1,100,933	40,943	137,490

Information Services

Travel and Meeting	3,600	4,110	3,504	(510)	96
Direct Program Expense	500	-	434	500	66
Program Administration	361,908	302,475	298,353	59,433	63,555
Professional Services	-	5,000	-	(5,000)	-
Staffing Costs	996,588	966,348	894,787	30,240	101,801
Information Services	1,362,596	1,277,933	1,197,078	84,663	165,518

Staff Vacancies	(96,949)	(43,896)	-	(53,053)	(96,949)
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Interfund Cost Recovery	(405,566)	(368,443)	(385,147)	(37,123)	(20,419)
Executive Services	2,098,503	2,063,073	1,912,864	35,430	185,640

Policy and Legal Services

Policy and Tribunal

Travel and Meeting	67,350	55,550	63,601	11,800	3,749
Direct Program Expense	113,700	95,850	112,131	17,850	1,569
Program Admin/Prof Services/Staffing Costs	2,066,259	1,810,325	1,694,261	255,934	371,998
Policy and Tribunal	2,247,309	1,961,725	1,869,993	285,584	377,316

Unauthorized Practice

Travel and Meeting	8,000	9,000	7,131	(1,000)	869
Direct Program Expense	2,650	2,000	2,401	650	249
Program Administration	6,700	4,000	6,247	2,700	453
Professional Services	105,500	109,000	106,943	(3,500)	(1,443)
Staffing Costs	221,441	210,927	197,380	10,514	24,061
Unauthorized Practice	344,291	334,927	320,102	9,364	24,189

Staff Vacancies	(87,241)	(42,274)	-	(44,967)	(87,241)
Interfund Cost Recovery	(231,629)	(227,292)	(239,086)	(4,337)	7,457
Policy and Legal Services	2,272,730	2,027,086	1,951,009	245,644	321,721

APPENDIX AA-3

Regulation

Professional Conduct - intake and investigations

Travel and Meeting	39,900	37,831	30,629	2,069	9,271
Direct Program Expense	42,770	39,900	34,302	2,870	8,468
Grants and Per Diems	-	-	300	-	(300)
Program Administration	21,908	23,586	30,249	(1,678)	(8,341)
Professional Services	422,700	504,004	455,371	(81,304)	(32,671)
Staffing Costs	3,878,682	3,527,759	3,171,494	350,923	707,188
Professional Conduct - intake and investigations	4,405,960	4,133,080	3,722,345	272,880	683,615

Discipline

Travel and Meeting	21,150	32,480	15,985	(11,330)	5,165
Direct Program Costs	10,600	19,000	6,903	(8,400)	3,697
Program Administration	7,910	6,898	7,186	1,012	724
Professional Services	230,700	245,800	382,822	(15,100)	(152,122)
Staffing Costs	1,046,150	1,034,926	847,347	11,224	198,803
Discipline	1,316,510	1,339,104	1,260,243	(22,594)	56,267

Forensic Accounting

Travel and Meeting	7,500	5,630	4,979	1,870	2,521
Direct Program Costs	3,250	33,850	2,256	(30,600)	994
Program Administration	7,320	7,840	5,627	(520)	1,693
Professional Services	230,900	211,000	72,339	19,900	158,561
Staffing Costs	691,509	665,442	322,541	26,067	368,968
Forensic Accounting	940,479	923,762	407,742	16,717	532,737

Custodianships

Travel and Meeting	6,450	6,300	6,988	150	(538)
Direct Program Costs	10,400	11,200	16,160	(800)	(5,760)
Program Administration	103,290	115,000	105,191	(11,710)	(1,901)
Professional Services	45,521	96,900	102,782	(51,379)	(57,261)
Staffing Costs	1,157,266	1,131,797	1,025,969	25,469	131,297
Custodianships	1,322,927	1,361,197	1,257,090	(38,270)	65,837

Staff Vacancies

	(430,142)	(470,214)	-	40,072	(430,142)
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Regulation

	7,555,734	7,286,929	6,647,420	268,805	908,314
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Building Costs

Property Taxes	520,344	505,185	493,723	15,159	26,621
Financing Costs	75,732	85,920	100,657	(10,188)	(24,925)
Building Operating Expenses	1,218,356	1,120,780	1,148,894	97,576	69,462
Total Building Costs	1,814,432	1,711,885	1,743,274	102,547	71,158

TOTAL PROGRAM EXPENSES BEFORE TAP

	21,085,561	20,305,554	19,309,300	780,007	1,776,262
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Trust Administration Program

Trust Administration Fee Revenue	3,247,500	3,237,000	2,165,619	10,500	1,081,881
Travel and Meeting	157,205	189,250	108,791	(32,045)	48,414
Direct Program Costs	45,260	67,300	48,558	(22,040)	(3,298)
Program Administration	225,296	212,836	168,896	12,460	56,400
Professional Services	30,360	30,500	16	(140)	30,344
Staffing Costs	1,691,376	1,638,044	1,591,546	53,332	99,830
TAP Depreciation	63,350	63,350	58,548	-	4,802
Total Trust Assurance Program Expenses	2,212,847	2,201,280	1,976,355	11,567	236,492
Interfund Cost Allocation	300,000	300,000	300,000	-	-
Total Trust Assurance Program Expenses	2,512,847	2,501,280	2,276,355	11,567	236,492
Trust Assurance Program	734,653	735,720	(110,736)	(1,067)	845,389

TOTAL GENERAL FUND CONTRIBUTION

	734,653	735,720	332,701	(1,067)	401,951
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APPENDIX BB

THE LAW SOCIETY OF BRITISH COLUMBIA
Operating Budget
For the Year ended December 31, 2015
GENERAL FUND DETAILED BENCHER GOVERNANCE EXPENSES

	2015 Budget	2014 Budget	2013 Actual	2015 v 2014 Budget Var	2015 v 2013 Actual Var
Bencher Meetings					
Travel and Meeting	\$148,444	\$166,920	\$139,362	(\$18,476)	\$9,082
Direct Program Expense	1,200	3,950	4,738	(2,750)	(3,538)
Grants and Per Diems	75,000	75,000	65,316	-	9,684
Program Administration	4,400	11,850	5,906	(7,450)	(1,506)
Professional Services	-	-	893	-	(893)
Bencher Meetings	229,044	257,720	216,215	(28,676)	12,829
Office of the President					
Travel and Meeting	83,512	53,000	63,754	30,512	19,758
Direct Program Expense	-	630	5,772	(630)	(5,772)
Grants and Per Diems	160,000	159,996	158,714	4	1,286
Program Administration	1,220	1,095	1,463	125	(243)
Office of the President	244,732	214,721	229,703	30,011	15,029
Benchers Retreat					
Travel and Meeting	77,500	78,637	99,830	(1,137)	(22,330)
Direct Program Expense	7,000	5,000	-	2,000	7,000
Program Administration	500	300	675	200	(175)
Professional Services	-	30	-	(30)	-
Staffing Costs	-	300	-	(300)	-
Benchers Retreat	85,000	84,267	100,505	733	(15,505)
Life Benchers Dinner					
Travel and Meeting	20,500	22,020	16,229	(1,520)	4,271
Direct Program Expense	2,800	2,300	2,209	500	591
Program Administration	600	700	580	(100)	20
Life Benchers Dinner	23,900	25,020	19,018	(1,120)	4,882
Certificate Luncheon					
Travel and Meeting	3,020	3,880	2,255	(860)	765
Direct Program Expense	800	1,150	2,261	(350)	(1,461)
Program Administration	1,400	1,000	1,141	400	259
Certificate Luncheon	5,220	6,030	5,657	(810)	(437)
Law Society Award/Bench & Bar Dinner					
Travel and Meeting	1,530	1,957	1,004	(427)	526
Direct Program Expense	500	800	(748)	(300)	1,248
Program Administration	250	330	217	(80)	33
Law Society Award/Bench & Bar Dinner	2,280	3,087	473	(807)	1,807
Public Forums					
Travel and Meeting	-	-	9	-	(9)
Grants and Per Diems	-	-	5,000	-	(5,000)
Program Administration	-	-	12,507	-	(12,507)
Public Forums	-	-	17,516	-	(17,516)
FLS / CanLII / Pro Bono Contributions					
Direct Program Expense	-	-	26,232	-	(26,232)
FLS / CanLII / Pro Bono Contributions	0	0	26,232	0	(26,232)

APPENDIX BB-1

Federation of Law Societies Meetings

Travel and Meeting	17,000	27,000	16,570	(10,000)	430
Direct Program Expense	-	-	284	-	(284)
Program Administration	-	-	10	-	(10)
Staffing Costs	90,328	87,512	35,465	2,816	54,863
Federation of Law Societies Meetings	107,328	114,512	52,329	(7,184)	54,999

General Meetings

Travel and Meeting	19,492	16,740	19,274	2,752	218
Direct Program Expense	11,841	7,650	8,609	4,191	3,232
Program Administration	34,850	36,781	33,707	(1,931)	1,143
General Meetings	66,183	61,171	61,590	5,012	4,593

QC Reception

Travel and Meeting	4,070	5,840	5,002	(1,770)	(932)
Direct Program Expense	690	700	674	(10)	16
Program Administration	240	300	228	(60)	12
QC Reception	5,000	6,840	5,904	(1,840)	(904)

Welcome/Farewell Dinner

Travel and Meeting	12,500	11,485	12,625	1,015	(125)
Direct Program Expense	6,000	10,500	7,546	(4,500)	(1,546)
Program Administration	500	650	656	(150)	(156)
Welcome/Farewell Dinner	19,000	22,635	20,827	(3,635)	(1,827)

Volunteer Gifts

Direct Program Expense	8,700	8,000	7,833	700	867
Program Administration	4,175	3,300	3,052	875	1,123
Volunteer Gifts	12,875	11,300	10,885	1,575	1,990

Gold Medal Award

Direct Program Expense	7,075	4,700	4,217	2,375	2,858
Program Administration	-	-	48	-	(48)
Gold Medal Award	7,075	4,700	4,265	2,375	2,810

Executive Committee

Travel and Meeting	18,149	23,772	17,558	(5,623)	591
Direct Program Expense	-	-	16,990	-	(16,990)
Program Administration	892	-	724	892	168
Executive Committee	19,041	23,772	35,272	(4,731)	(16,231)

Finance & Audit Committee

Travel and Meeting	3,500	1,500	998	2,000	2,502
Program Administration	-	-	39	-	(39)
Finance & Audit Committee	3,500	1,500	1,037	2,000	2,463

Finance Committee

Travel and Meeting	-	3,500	2,346	(3,500)	(2,346)
Program Administration	-	-	39	-	(39)
Finance Committee	-	3,500	2,385	(3,500)	(2,385)

Equity & Diversity Advisory Committee

Travel and Meeting	10,000	10,000	7,140	-	2,860
Program Administration	-	-	319	-	(319)
Staffing Costs	-	-	4,367	-	(4,367)
Equity & Diversity Advisory Committee	10,000	10,000	11,826	-	(1,826)

Access to Legal Services Advisory Committee

Travel and Meeting	5,000	10,000	5,797	(5,000)	(797)
Program Administration	-	-	138	-	(138)
Staffing Costs	-	-	104	-	(104)
Access to Legal Services Advisory Committee	5,000	10,000	6,039	(5,000)	(1,039)

Rule of Law & Lawyer Independence Advisory Committee

Travel and Meeting	5,000	5,000	6,065	-	(1,065)
Program Administration	-	-	30	-	(30)
Rule of Law & Lawyer Independence Advisory Committee	5,000	5,000	6,095	-	(1,095)

APPENDIX BB-2

Acts and Rules Committee

Travel and Meeting	5,000	5,000	6,995	-	(1,995)
Program Administration	180	180	98	-	82
Acts and Rules Committee	5,180	5,180	7,093	-	(1,913)

Family Law Task Force

Travel and Meeting	-	-	2,808	-	(2,808)
Program Administration	-	-	68	-	(68)
Family Law Task Force	-	-	2,876	-	(2,876)

ADR Working Group

Program Administration	-	-	7	-	(7)
ADR Working Group	-	-	7	-	(7)

Cloud Computing Working Group

Travel and Meeting	-	-	15	-	(15)
Cloud Computing Working Group	-	-	15	-	(15)

Governance Review Task Force

Program Administration	-	-	4	-	(4)
Governance Review Task Force	-	-	4	-	(4)

Legal Service Providers Task Force

Travel and Meeting	-	-	18,846	-	(18,846)
Legal Service Providers Task Force	-	-	18,846	-	(18,846)

Governance Review Committee

Travel and Meeting	5,000	-	4,716	5,000	284
Governance Review Committee	5,000	-	4,716	5,000	284

REAL-Law Foundation

Grants and Per Diems	-	-	75,000	-	(75,000)
REAL-Law Foundation	-	-	75,000	-	(75,000)

Legal Services Regulatory Framework Task Force

Travel and Meeting	10,000	-	-	10,000	10,000
Legal Services Regulatory Framework Task Force	10,000	-	-	10,000	10,000

Budget Contingency

	75,000	75,000	-	-	75,000
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Interfund Cost Recovery

	(179,857)	(186,134)	(192,019)	6,277	12,162
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TOTAL BENCHER GOVERNANCE COMMITTEE EXPENSES	765,501	759,821	750,311	5,680	15,190
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APPENDIX CC

THE LAW SOCIETY OF BRITISH COLUMBIA For the Year Ended December 31, 2015 EXPENSE CATEGORIES

Travel and Meeting Expenses

Catering
Lounge/Kitchen Supplies
Transportation
Hotel
Outside Facilities
Food and Beverage
Child Care Expenses
Annual Benchers Gifts
Travel-Other Charges

Direct Program Expenses

Public Relations
Licences and Registration Fees
News Paper Notices
Dues and Assessments
Actuary Fee
External Audit Fee
Consultants and Contractors
Program Contract Services

Grants, Honorariums and Per Diems

FLS / CanLII / Pro Bono Contribution
Scholarship and Fellowships
Grants
Charitable Donations
Honorariums
Per Diem

Office Rent and Parking Allocation

Office Rent Allocated
Office Parking Allocated

Staffing Costs

Salaries
Employee Benefits
Recruiting Expense
Professional Development/Skills Development/Conferences

Program Administration

Bank Charges
Custody Fees
Interest Expense
Unclaimed Trust Interest Expense
Bad Debt Expense
Books
Subscriptions
Video/Other Non-Software Media
Health & Safety Supplies/Services
Liability Insurance
Defalcation Insurance
Storage External
Locksmith Services
Courier
Document Filing
Mail
Intra-Office Moving Costs
Office Stationery and Supplies
Miscellaneous Office Items
Printing
Photocopying
Telephone and Fax Charges
Cellular Charges
Online Service Charges
Web Hosting
Computer Maintenance and Supplies
Equipment Repair & Maintenance
Headsets and Supplies

Professional Services

External Counsel Fees
Other Disbursements
Accounting Fees
Process Servers
Filing Fees
Court Reporting
Witness Expenses
Medical Report
Interpreting Services
Expert Evidence
Investigations
Transcription Services

APPENDIX DD

THE LAW SOCIETY OF BRITISH COLUMBIA
For the Year ended December 31, 2015
NUMBER OF MEMBERS SERVED FOR EACH EMPLOYEE

	LSBC (2015 Budget)	LSA (2014 Budget)	LSUC (2014 Budget)
Number of practising members	11,310	9,020	41,555
Number of employees			
Total	195	140	550
Less:			
Pro Bono Law Alberta	-	(2)	-
PLTC	(11)	(1)	-
Properties & Facilities	(3)	-	-
Insurance	(23)	(15)	-
Catering	-	-	(16)
	158	122	534
Number of members served for each employee	72	74	78

Note:

1. Staffing numbers from Alberta & Ontario are based on limited information.
2. LSUC practicing members includes approximately 4,350 paralegals

The Law Society *of British Columbia*



MOTION 1: JAMIE MACLAREN

BE IT RESOLVED that the Benchers implement the resolution of the members passed at the June 10, 2014 special general meeting, and declare that the proposed law school at Trinity Western University is not an approved faculty of law for the purposes of the Law Society's admissions program.

The Law Society of British Columbia



MOTION 2: TONY WILSON

BE IT RESOLVED THAT:

1. A referendum (the "Referendum") be conducted of all members of the Law Society of British Columbia (the "Law Society") to vote on the following resolution:

"Resolved that the Benchers implement the resolution of the members passed at the special general meeting of the Law Society held on June 10, 2014, and declare that the proposed law school at Trinity Western University is not an approved faculty of law for the purpose of the Law Society's admissions program."

Yes _____ No _____ (the "Resolution")

2. The Resolution will be binding and will be implemented by the Benchers if at least:
 - (a) 1/3 of all members in good standing of the Law Society vote in the Referendum; and
 - (b) 2/3 of those voting vote in favour of the Resolution.
3. The Benchers hereby determine that implementation of the Resolution does not constitute a breach of their statutory duties, regardless of the results of the Referendum.
4. The Referendum be conducted as soon as possible and that the results of the Referendum be provided to the members by no later than October 30, 2014.



MOTION 3: DAVID MOSSOP, QC

WHEREAS:

1. The Benchers have before them for consideration at the September 26 meeting two motions in relation to the proposed law school at Trinity Western University;
2. There is currently litigation in British Columbia, Ontario and Nova Scotia that relates directly to approval of the proposed law school and the proceedings are expected to be heard before the end of this year; and
3. The Benchers have the discretion under Rule 2-27(4.1) to make a decision at any time on whether to adopt a resolution declaring that the proposed law school is not an approved faculty of law;

THEREFORE BE IT RESOLVED that consideration of the motions before the Benchers for decision at the September 26 meeting be postponed until the next regular meeting of the Benchers at least 14 days after the Benchers and the members of the bar have had an opportunity to consider the reasons of a trial decision in one of the legal actions now before the courts.



Memo

To The Benchers
From Deb Armour
Date September 3, 2014
Subject National Discipline Standards - Quarterly Reporting on Standard 9

The Federation of Law Societies of Canada's National Discipline Standard 9 requires that the law societies report quarterly on the status of Standards 6, 7 and 8:

Each law society will report annually to its governing body on the status of standards 3, 4 and 5. For standards 6, 7 and 8, each law society will report quarterly to its governing body on the status of the standards.

Please see below our quarterly report on those standards. Standards 6 and 8 were met for the 3 months ending July 31, 2014. We did not meet standard 7. However, as can be seen from the report, significant improvement has been made since the last report on Standard 7.

STANDARD		STATUS
HEARINGS		
6.	<p>75% of citations or notices of hearings are issued and served upon the lawyer or Québec notary within 60 days of authorization.</p> <p>95% of citations or notices of hearings are issued and served upon the lawyer or Québec notary within 90 days of authorization.</p>	<p>MET 100% of citations issued and served in this reporting period were issued and served within 60 days of authorization (11/11 citations).</p> <p>MET 100% of citations issued and served in this reporting period were issued and served within 90 days of authorization (11/11 citations).</p>
7.	<p>75% of all hearings commence within 9 months of authorization.</p> <p>90% of all hearings commence within 12 months of authorization.</p>	<p>NOT MET 64% of hearings commenced in this reporting period were commenced within 9 months of citation authorization (7/11 hearings). Last report results were 40%.</p> <p>NOT MET 73% of hearings commenced in this reporting period were commenced within 12 months of citation authorization (8/11 hearings). Last report results were 68%.</p>

STANDARD		STATUS
8.	Reasons for 90% of all decisions are rendered within 90 days from the last date the panel receives submissions	MET 90.9% of discipline decisions issued in this reporting period were issued within 90 days (10/11 decisions).



THE CANADIAN
BAR ASSOCIATION
L'ASSOCIATION DU
BARREAU CANADIEN

INFLUENCE. LEADERSHIP. PROTECTION.



August 31, 2014

Timothy E. McGee
Chief Executive Officer
The Law Society of British Columbia
845 Cambie Street
Vancouver, BC V6B 4Z9

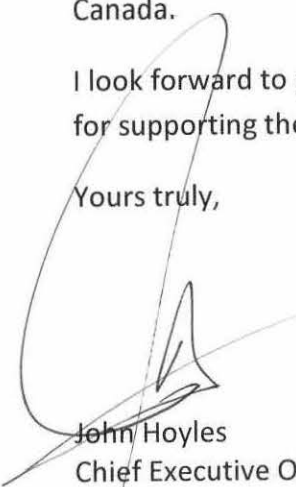
Dear Tim,

RE: Funding for Wellness Education Program

I wanted to write you a note to thank you on behalf of the Legal Profession Assistance Conference for the funding the Law Society of British Columbia has generously contributed to develop an online wellness information education program and seminars for all lawyers in Canada.

I look forward to providing you with an update on the project in the coming months. Thank you for supporting the issue of wellness in the legal profession.

Yours truly,


John Hoyles
Chief Executive Officer

JDVH/rw

*P.S. Thanks to your persistence!
Chris. G.*

Memo

The Law Society of British Columbia



To Benchers

From Felicia Ciolfitto, Manager, Trust Regulation
Jeanette McPhee, CFO and Director of Trust Regulation

Date September 16, 2014

Subject **Trust Accounting Resources & Educational Opportunities**

As a follow-up to the Bencher discussion at the July 11, 2014 Bencher meeting, this memorandum provides an outline of the Trust Accounting resources and educational opportunities that available to lawyers and their staff/bookkeepers/law firm administrators.

1. **Dedicated telephone line** for trust accounting questions (604.697.5810).
2. **Dedicated email address** for trust accounting questions.
(trustaccounting@lsbc.org).
3. **New Firm Packages** sent to all members completing the Small Firm Practice Course. The package invites members to schedule a complimentary “new firm visit” by one of the trust assurance auditors.
4. **Online Resources** as follows:
 - a. **Forms**
 - i. Payment of Unclaimed Trust Funds to the Law Society
 - ii. Schedule 3 – Declaration of Insolvent Lawyer
 - iii. Transfer form – Electronic transfer of trust funds
 - iv. Confirmation of Law Foundation of BC Interest Remittance Form
 - b. **Checklists**
 - i. New Firm Checklist
 - ii. Sample Checklist of Internal Controls
 - iii. Compliance Audit Books and Records Checklist
 - iv. Disposal Information Checklist
 - c. **Templates**
 - i. Opening new trust account sample letter
 - ii. Canada Deposit Insurance Corporation sample letter
 - iii. Trust Reconciliation Template
 - iv. Sample Statement of Account

- d. **Other resource materials**
 - i. Guidance on how to review trust reconciliation.
 - ii. The Trust Administration Fee information booklet
- 5. Print or PDF versions of the **“Trust Accounting Handbook”**. This is available for use by members, law firm staff/bookkeepers and law firm administrators.
- 6. **In-person courses and webinars on “Trust Accounting 101”** in collaboration with the Law Courts Centre. This course has been offered nine times since October 2010 – both locally and on Vancouver Island and in the Okanagan. Prior to that, the Trust Regulation department participated in Law Office Management 101, in which a portion of the day was dedicated to trust accounting basics. Many of the participants in these courses are bookkeepers and law firm administrators.
- 7. **Small Firm Practice Course:** Self-paced and accessible on-line course available to everyone, not just lawyers. It is designed with self-testing components that allow individuals to measure their own progress and understanding of key practice issues, such as management and trust accounting.
- 8. Participation by Trust Regulation department in the following:
 - a. **Canadian Bar Association - British Columbia Branch (CBA)** – course/webinar on compliance auditing/law firm accounting in February 2012, October 2012 and April 2014.
 - b. **Continuing Legal Education Society of British Columbia (CLE)** –
 - i. 2009 & 2011 speaker at the Solo Small Firm Conference on the subjects of trust accounting as well as fraud/internal controls;
 - ii. October 2013, webinar on trust accounting best practices (rebroadcast on CLE-TV in January 2014).
 - c. **BCLMA Finance Subsection** – yearly speaking engagement on the updates in Trust Accounting (as well as a question and answer session). The BCLMA is an organization that provides professional development, support and networking opportunities to law firm administrators and other law firm related professionals.
 - d. **Professional Legal Training Course (PLTC)** – regular updates to the trust accounting section of the PLTC course materials.
 - e. **Trial Lawyers Association of British Columbia** - published article in, *The Verdict*, Fall 2012, on the subject of trust accounting for litigators.

REDACTED MATERIALS

REDACTED MATERIALS

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