

# THE LAW SOCIETY OF BRITISH COLUMBIA

## MINUTES

**MEETING:** Benchers

**DATE:** Friday, November 5, 2010

**PRESENT:**

Glen Ridgway, QC, President	David Loukidelis, DAG
Gavin Hume, QC, 1 <sup>st</sup> Vice-President	Benjimen Meisner
Bruce LeRose, QC, 2 <sup>nd</sup> Vice-President	David Mossop, QC
Haydn Acheson	Suzette Narbonne
Rita Andreone	Thelma O'Grady
Satwinder Bains	Lee Ongman
Kathryn Berge, QC	Gregory Petrisor
Patricia Bond	David Renwick, QC
Robert Brun, QC	Claude Richmond
E. David Crossin, QC	Alan Ross
Tom Fellhauer	Catherine Sas, QC
Leon Getz, QC	Richard Stewart, QC
Stacy Kuiack	Herman Van Ommen
Jan Lindsay, QC	Art Vertlieb, QC
Peter Lloyd, FCA	Kenneth Walker

**ABSENT:**

Joost Blom, QC	Carol Hickman
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**STAFF PRESENT:**

Tim McGee	Michael Lucas
Deborah Armour	Bill McIntosh
Stuart Cameron	Jeanette McPhee
Robyn Crisanti	Doug Munro
Lance Cooke	Lesley Pritchard
Su Forbes, QC	Adam Whitcombe
Jeffrey Hoskins, QC	

**GUESTS:**

Chris Axworthy, Faculty of Law Dean, Thompson Rivers University  
Dom Bautista, Executive Director, Law Courts Center  
Mark Benton, QC, Executive Director, Legal Services Society  
Johanne Blenkin, Executive Director, BCCLS  
Penelope Chandler, Ministerial Assistant to the AG of BC  
The Honourable Michael de Jong, QC, Attorney General of BC  
Donna Greschner, Faculty of Law Dean, UVIC  
Jeremy Hainsworth, Reporter, Lawyers Weekly  
Jamie Maclaren, Executive Director, Access Pro Bono Law  
Joel McLaughlin, Ministerial Assistant to the AG of BC  
Stephen McPhee, President, CBABC  
Caroline Nevin, Executive Director, CBABC  
Wayne Robertson, QC, Executive Director, Law Foundation of BC  
Rob Seto, Director of Programs, CLEBC  
Rob Wood, ADM, Court Services

## CONSENT AGENDA

### 1. Minutes

The minutes of the meeting held on October 1, 2010 were approved as circulated.

### Consent Resolutions

The following resolutions were **passed unanimously and by consent**.

### 2. Act & Rules Subcommittee: Amendment to Professional Conduct Handbook on Regulatory Compliance

***BE IT RESOLVED to amend Chapter 13 of the Professional Conduct Handbook by rescinding rule 3 and substituting the following:***

Regulatory compliance

A lawyer must

- (a) reply promptly to any communication from the Law Society;
- (b) provide documents as required to the Law Society;
- (c) not improperly obstruct or delay Law Society investigations, audits and inquiries;
- (d) cooperate with Law Society investigations, audits and inquiries involving the lawyer or a member of the lawyer's firm;
- (e) comply with orders made under the Legal Profession Act or Law Society Rules; and
- (f) otherwise comply with the Law Society's regulation of the lawyer's practice.

### REQUIRES SIMPLE MAJORITY OF BENCHERS VOTING

### 3. Act & Rules Subcommittee: Amendments to Return to Practice Rules

***BE IT RESOLVED to rescind Rule 2-59(2) and substitute the following:***

- (1.1) Subrule (1) applies
  - (a) despite any other Rule, and
  - (b) whether or not the lawyer holds or is entitled to hold a practicing certificate.
- (1.2) A lawyer or applicant must apply in writing to the Committee for permission to practise law under subrule (1).
- (1.3) An application under subrule (1.2) may be combined with an application under Rule 2-57(3) [*Returning to practice of law after an absence*].

- (2) As a condition of permission to practise law under subrule (1), the Credentials Committee may require one or more of the following in addition to passing the qualification examination:
  - (a) successful completion of all or part of one or more of the following:
    - (i) the admission program;
    - (ii) another course offered by the Society or a provider approved by The Society.
  - (b) a written undertaking to do any or all of the following:
    - (i) practise law in British Columbia immediately on being granted permission;
    - (ii) not practise as a sole practitioner;
    - (iii) practise law only in a situation approved by the Committee for a period set by the Committee, not exceeding 2 years;
    - (v) practise only in specified areas of law;
    - (vi) not practise in specified areas of law.

## **REQUIRES 2/3 MAJORITY OF BENCHERS PRESENT**

### **REGULAR AGENDA – for Discussion and Decision**

#### **4. President's Report**

Mr. Ridgway referred the Benchers to his written report — circulated by email prior to the meeting — for an outline of his activities as President during the month of October 2010.

#### **5. CEO's Report**

Mr. McGee provided highlights of his monthly written report to the Benchers (Appendix 1 to these minutes), including the following matters:

- a. Federation of Law Societies of Canada Bi-Annual Conference - Saint John, New Brunswick - September 23 – 25, 2010
- b. People Initiatives at the Law Society
- c. Proposed Changes to the *Notaries Act*
- d. White Paper on the *Limitation Act*
- e. Core Process Review Project

#### **6. Report on Outstanding Hearing and Review Reports**

The Benchers received and reviewed a report on outstanding hearing decisions.

**2009-2011 STRATEGIC PLANNING AND PRIORITIES MATTERS – for Discussion and/or Decision****7. Discipline Guidelines Task Force: Publication of Conduct Reviews**

Mr. Van Ommen briefed the Benchers on the background of the Discipline Guidelines Task Force report at Tab 7 of the meeting materials, thanking Mr. Cooke for his thoughtful analysis of the policy issues underlying determination of the extent to which the Law Society's "Conduct Reviews" ought to be made public. Mr. Van Ommen advised that following its review of those issues, the task force concluded:

- the degree of public disclosure (or privacy) to be associated with Conduct Reviews is such an important constitutive element that a decision to change Law Society policy on publication might have a significant effect on what guidelines are required
- the primary purpose of a Conduct Review is professional education, enhancement of professional competence
- the primary purposes of publishing summaries of Conduct Reviews are
  - public confidence in the legal profession
  - general deterrence in the legal profession
- identifying the lawyer in question in the course of publishing a summary of a Conduct Review would undermine the review's primary purpose
- a vigorous publication policy that falls within the scope of the current Rules—not identifying the lawyer in question—would be desirable

Mr. Van Ommen moved (seconded by Mr. Stewart) that the Benchers resolve that summaries of all Conduct Reviews be published within the existing Rules unless the Discipline Committee directs otherwise.

Points raised in the ensuing discussion included:

- Commitment to full transparency in the discipline process calls for identifying the lawyers in question in published summaries of discipline proceedings, including Conduct Reviews
- Identification of the lawyers in question would
  - raise issues of fairness
  - increase the difficulty of resolving disputed facts
  - raise the Discipline Committee's threshold for ordering Conduct Reviews
- the existing Rules permit publication of summaries of Conduct Reviews—without name disclosure—in a range of contexts
- a vigorous publication policy that falls within the scope of the existing Rules—not identifying the lawyer in question—would improve transparency and deterrence without negating the professional education value of the Conduct Review.

- publication of summaries of Conduct Reviews without name disclosure might fall short of public and government expectations
- moving from our past practice of publishing summaries of Conduct Reviews very rarely to general publication within the existing Rules—except when the Discipline Committee directs otherwise—may be a useful first step
  - the issue of whether name disclosure should also be required could be examined after gathering some experience with general publication
- in some cases, for example where the conduct concerned may have resulted from an underlying serious mental or physical health issue, name disclosure could be stigmatizing and damaging without serving any legitimate purpose such as deterrence or enhancing public confidence

The motion was carried.

## GUEST PRESENTATIONS

### 8. Hon. Michael de Jong, QC, Attorney General of BC

Mr. Ridgway welcomed the Honourable Mr. de Jong, Ms. Chandler and Mr. McLaughlin to the meeting.

The Attorney General noted the value of his periodic attendances at Bencher meetings and expressed appreciation for the cooperation he regularly receives from LSBC and CBABC leadership in relation to consultation arrangements.

The Attorney General briefed the Benchers on a number of matters, including:

- feedback from the profession on the White Paper on Family Law Relations Act Reform
- feedback from the profession on the White Paper on Limitation Act Reform
- the provincial government's protocol and process for dealing with pending requests for various legislative amendments, including the *Legal Profession Act* and the *Notaries Act*

Questions and discussion followed.

### 9. Rob Wood ADM, Court Services Branch

Mr. Wood delivered a presentation to the Benchers, outlining BC Court Services Branch's vision and planning for "e-Court": using innovation and technology to transform BC's justice system. Mr. Wood's presentation outlined criteria measuring e-Court success in five areas:

- Systems Integration
- Centres of Excellence
- Consistent Workflows

- e-Hearings
- People Planning

Questions and discussion followed.

***IN CAMERA SESSION***

The Benchers discussed other matters *in camera*.

2010-11-24/WKM

The Law Society  
of British Columbia



## ***Chief Executive Officer's Monthly Report***

A Report to the Benchers by

Timothy E. McGee

November 5, 2010

## Introduction

My report this month provides updates and information on a number of different items, including our financial results for the third quarter, compliance with CPD requirements year to date, information from the ILLACE and IBA conferences in Vancouver and an update on the annual review process for the Strategic Plan.

### 1. Financial Report – Q3 Operating Results

Highlights of the financial results to September 30, 2010 are summarized in Appendix 1. Some of the results for the third quarter of 2010 are noted below, and additional information can be found in the more detailed financial statements attached as Appendix 2.

#### General Fund

##### *General Fund (excluding TAF)*

The General Fund financial results expected to date and for the year are very similar to those expected in our last report to the Benchers.

The General Fund operating results has a positive variance of \$1,200,000 to September 30, 2010.

Revenue is \$14,353,000, \$395,000 (2.8%) ahead of budget due to the following:

- The Wirick custodianship generated an unexpected recovery of \$110,000.
- Practicing membership is 69 members ahead of budget to date, resulting in \$110,000 in additional revenue
- PLTC students are 26 ahead of budget, resulting in \$70,000 in additional revenue
- Continuing Professional Development (CPD) penalty fees resulted in an unbudgeted \$71,000
- Interest income is less than budgeted due to market interest rates

Operating expenses are \$11,709,000, \$816,000 below budget, of which \$290,000 relates to expenditures that are expected to occur in the fourth quarter, \$200,000 relates to the timing of external counsel fees and \$447,000 arises mainly from staffing cost savings unexpected at the time the 2010 budget was established in July 2009, offset by additional operating costs highlighted below.

Below are some of the details on staffing cost savings:

- One manager position has been eliminated



- Two vacant positions are currently being assessed and have not been filled at this time
- Two senior management positions (Chief Legal Officer and Communications Manager) were vacant for the first quarter of this year
- Two forensic accounting positions are being recruited
- Eliminated leased car policy resulting in \$30,000 savings

Offsetting these savings, a highlight of additional operating costs incurred to date:

- Legal Aid commission \$50,000
- Core Process review \$55,000
- Appointed Bencher per diem policy change \$16,000

### ***2010 Forecast - General Fund (excluding TAF)***

The 2010 General Fund (excluding TAF) budget was expected to have an operating deficit of \$1,242,000 as a result of incorporating the forensic accounting program into the General Fund. With the additional revenue received and reduced operating expenses, the deficit is projected to be \$300,000, very similar to our last report.

This 2010 forecast assumes the following:

#### **Revenue**

- Wirick custodianship recovery - \$110,000
- 10,375 projected members to year end compared to 10,300 budget - \$122,000
- Additional 26 PLTC students - \$70,000
- Unbudgeted CPD penalty revenue - \$71,000
- Additional electronic filing revenue - \$60,000

As a note, we have included in the 2011 General Fund budget the increased revenue base for projecting the 2011 levels for practicing members and PLTC students, and a projection for CPD penalty fees has been incorporated. Custodianship recoveries have been budgeted at historical levels.

#### **Operating Expenses**

For the 2010 year, operating expenses are projected to be less than expected as a result of the following:

- Elimination of one manager position
- Elimination of the leased car policy
- Two vacant positions under assessment to determine needs

- Expected lower expenses of \$240,000 due to remaining staff vacancies in excess of the staff vacancy contingency budget.

As a note, the reduction in General Fund operating expenses arising from the first two items have been incorporated into the 2011 practice fee / General Fund budget and the 2011 vacancy contingency budget has been increased to \$500,000 to reflect current experience. It should be noted that although we do expect to have significant vacancy savings this year, our turnover rate is still quite low.

### ***TAF-related Revenue and Expenses***

TAF revenue received to September 30, 2010 reflects only the first two quarters of 2010 but remains consistent with our expectations. The third quarter is just being received. Operating expenses are tracking slightly below budget.

The BC Real Estate Association has revised their market projection for 2010, now projecting a 7% decrease in real estate unit sales, down from the previous projection of a decrease of 3.1%. We will continue to monitor changes in the TAF revenue levels and economic forecasts.

### ***Special Compensation Fund***

The Special Compensation Fund is on track. The positive variance in Special Compensation Fund relates to the timing of costs and recoveries, as there was little activity in the Fund during the first nine months of the year.

### ***Lawyers Insurance Fund***

The markets were up and down in the first nine months of the year, but on an upward trend over the past few months. The market value of the long-term investments at September 30th was up \$3.0 million on a year to date basis. The investment return is 4.4% to date, slightly below the comparative benchmark of 5.2%. In August, the Finance committee met with our investment managers to review the investment performance for the first six months of the year. Both Sceptre and Beutel explained that their performance was mainly due to weakness in the equity portions of their portfolios. The Finance Committee agreed to take no action at this time, but will continue to monitor the performance of the managers.

There were few investment portfolio sales/purchases during the first nine months of the year, therefore little realization of investment income through the income statement. The increase in market value earned to date is reflected only in the balance sheet values unless it is realized.

LIF operating revenue and expenses are better than budget, with revenues ahead of budget \$310,000 (3.5%) and expenses below budget \$390,000 related to one unfilled position and reduced investment management fees.

## **2. Update - 2009 – 2011 Strategic Plan – Annual Review Process**

The December 10, 2010 Benchers meeting agenda will include the first stage of the annual review of the Law Society's Strategic Plan. At the meeting, we will review and update the Benchers on the work currently underway or completed on each of the initiatives set out in the current plan. The Benchers will also receive and review the reports of each of the four Advisory Committees including the priorities for 2011 identified by those committees.

The Strategic Plan is a three-year plan approved in 2009 and therefore no major overhaul of the central goals and objectives would be expected for 2011. What is required, however, is a review by the Benchers to ensure they are satisfied with the current pace of progress and to determine whether any new initiatives should be identified, prioritized and added to the plan for the final year. Our goal is to complete that review and have determinations made over the next two Benchers' meetings. Beginning in mid-2011, the Benchers will begin work on a new three-year Strategic Plan. This will involve reassessing all aspects of the current plan and developing a new plan for the period 2012 – 2015.

## **3. International Institute of Law Association Chief Executives Conference in Vancouver (IILACE)**

The 2010 IILACE Conference held in Vancouver in late September brought together the Chief Executives of bar regulatory and representative organizations from over 15 countries. As the host jurisdiction, the Law Society played a significant role in setting the agenda and facilitating the discussions.

As always, I find the most value in this conference is the opportunity to compare notes with my colleagues from around the world facing similar operational and strategic goals and challenges. On a practical level, the single most common challenge confronting law regulators is the need to demonstrate competence and efficiency to an ever-skeptical public and in some jurisdictions government. I was able to positively inform the discussions by providing details of our use of Key Performance Measures coupled with a communications strategy designed to demonstrate our activities in the public interest. Many organizations struggle with their commitment and ability to follow through on regulatory transparency. In this regard, the Law Society is near the forefront of world regulatory bodies.

The overarching theme of the conference was entitled "The Core Values of the Legal Profession". The topic was explored on a variety of different levels over the three days, including a plenary session, breakout groups, and participation in a survey and follow-up discussion and analysis. The results of the survey are attached to this report as Appendix 3. I will highlight some of the results, both predictable and surprising, in my remarks.

**4. Vancouver 2010 International Bar Association Conference (IBA)**

The Law Society was a co-sponsor of two events during the recent IBA conference in Vancouver and hosted a lunch meeting at the Law Society for approximately 30 Bar Issues Commission executives. Both President Ridgway and I attended a number of the conference sessions and we were both pleasantly surprised and impressed with the quality of the sessions. In particular, the relatively small meetings and robust Q&A sessions made the sessions interactive and relevant. For example, the session on the roll out around the world of anti-terrorist money laundering rules and restrictions as they pertain to lawyers was fascinating. Our own Stu Cameron participated on a panel giving the Canadian and BC perspective and approach. Stu was surrounded after the session with many representatives looking to adopt the BC (and Federation) approach. Glen will have more to say about our attendance at the IBA in his remarks.

**5. Land Title & Survey Authority - Lawyer Survey About Electronic Filing**

Recent amendments to the *Land Title Act* authorize the Director of Land Titles to require electronic filing of certain land title documents by certain classes of filers. The Land Title & Survey Authority has asked the Law Society to assist them in evaluating usage of the land title registry by:

- Sending a link to an online survey to practising BC lawyers in the areas of corporate commercial practice, real estate, family law and wills & estates
- Including a link to the survey in the next EBrief distribution

The Executive Committee reviewed this request and, with the Committee's approval, we have agreed to assist the Land Title & Survey Authority with this survey and will be distributing it in the near future.

**6. LSBC - Lawyer Survey / Public Survey**

In addition to the Employee Survey I wrote about in my October 1, 2010 report, the Law Society will conduct Lawyer and Public Surveys by the end of the year. We have used similar surveys in the past to measure public perception of our work as a regulator. These surveys also provide valuable insight into how we can improve our communications with the public and our members.

### ***Lawyer Survey***

The Lawyer Survey will evaluate the perception and usefulness of the materials used to communicate to lawyers and determine what, if any, changes need to be made.

Specifically, we will be seeking information on the following:

- Awareness of various Law Society communication vehicles
- Readership and usefulness of various Law Society publications, and in particular of the Benchers' Bulletin (importance of receiving a printed copy, importance of the feature article, the most-read and least-read sections)
- Usability of the website and comments for improvement
- Attitude toward electronic distribution of information, and interest in making some publications electronic-only
- Suggested improvements to any communication vehicles
- Attitudes regarding and usage of social media tools

### ***Public Survey***

The Public Survey will track public perception of the effectiveness of the Law Society to regulate lawyers. The research gained from this survey will be used to shape future communication and public relations strategies and will also serve as a benchmark upon which to base ongoing measurement of the effectiveness of the Law Society.

Questions will gather the following information:

- Familiarity with lawyers and the work they do
- Incidence of circumstances that could have benefitted from the assistance of a lawyer
- Perception of the expertise, trustworthiness and efficiency of lawyers
- Perception of the quality of service provided by lawyers
- Perception of the commitment of lawyers to public service
- Perception of the value lawyers provide
- Confidence in the ability of the Law Society to allow only qualified people to enter the practice of law, set standards of practice, handle complaints fairly and discipline lawyers

These two surveys were approved by the Executive Committee, with clear direction that we should provide follow-up after the results are in to evaluate their effectiveness for the purposes intended. Robyn Crisanti, our Manager of Communications and Public Relations, will be leading this work and will report back to the Benchers at a future meeting.

## 7. Update - Continuing Professional Development

As of September 30, 2010, there were 10,153 members subject to the CPD requirement.

The following numbers summarize the CPD reporting to September 30, 2010:

- 2,704 complete
- 547 only ethics category incomplete (12 CPD hours reported)
- 3,141 partial (fewer than 12 hours)
- 3,449 no hours yet reported
- 312 in special reporting category (moved in or out of practice in reporting period)

Members received a second email reminder in early October 2010. Additional reminders will be sent as the year-end approaches.

The reporting numbers to date are much better than at the same time in 2009 and we are experiencing a smoother take up of course and activity accreditation services. As was the case last year, we expect that many of the members reporting no hours to date have some hours but have so far not reported them. We will be monitoring this closely as the year (and reporting period) ends.

## 8. Professional Ethics

I would like to thank the following Benchers, Life Benchers and Committee members who participated as guest Professional Ethics teachers during the month of October. The students and faculty all greatly appreciate the time and expertise you shared with them.

### **PLTC - Vancouver**

Jan Lindsay, QC  
Alan Ross  
Gordon Turriff, QC  
Anna Fung, QC

### **University of Victoria**

Kathryn Berge, QC  
Richard Stewart, QC  
Patricia Bond  
Ralston Alexander, QC  
Angie Westmacott (Credentials  
Committee member)

### **University of British Columbia**

Gavin Hume, QC  
Art Vertlieb, QC  
Leon Getz, QC  
Alan Ross  
Jan Lindsay, QC  
Robert Brun, QC  
Ralston Alexander, QC

**9. Update – Proposed Changes to Notaries Act**

Since the last Bencher meeting, President Ridgway has written further to the Deputy Attorney General and the Assistant Deputy Minister expressing the views of the Benchers on the amendments proposed by the Society of Notaries to the *Notaries Act*. Most recently, President Ridgway and I met with the Attorney General in Vancouver to discuss matters relating to the proposed changes to the *Notaries Act* and on matters relating to the proposed changes to the *Legal Profession Act*, which have been put forward by the Law Society. The meeting with the Attorney was informative and President Ridgway will be providing further information in his remarks.

**10. Update – Core Process Review Project**

We are now in the final phase of the Core Process Review. The project team has delivered a preliminary draft report to Management Board and an all day review and evaluation session is scheduled for November 8, 2010 with additional sessions to be scheduled as necessary to finalize a report for the Benchers. This is the most difficult stage from an analytical perspective because we now must organize and make sense of the hundreds of ideas and suggestions that have emerged from the last ten months of consultations. The goal is to provide the Benchers with an overview of recommendations and related costs and benefits analysis. While many “quick wins” have emerged, there are several more significant systemic solutions, which require further work and refinement before they can be finalized in a report. We are working to complete this work by the Bencher meeting in December or January.

Timothy E. McGee  
Chief Executive Officer



**Summary of Financial Highlights - 2010**  
(\$000's)

<b>2010 General Fund Results - YTD September 2010</b>				
	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>
<b>Revenue</b>				
Membership fees	11,606	11,479	127 *	1.11%
PLTC and enrolment fees	983	913	70	7.67%
Electronic filing revenue	456	399	57	14.29%
Interest income	223	300	(77)	-25.67%
Other revenue	1,085	867	218 **	25.14%
	<u>14,353</u>	<u>13,958</u>	<u>395</u>	
<b>Expenses including 845 Cambie</b>	<u>11,709</u>	<u>12,525</u>	<u>816 ***</u>	<u>6.51%</u>
	<u>2,644</u>	<u>1,433</u>	<u>1,211</u>	

\* Membership numbers are 10,369 to date  
 \*\* CPD late fees 71k not budgeted, Custodianship recoveries 126k over budget  
 \*\*\* Mainly staff cost savings, external counsel fees timing and timing of other expenditures

<b>2010 General Fund Year End Forecast (excluding Capital &amp; Depreciation)</b>		
<b>Practice Fee Revenue</b>	<u>Ave # of Members</u>	<u>Forecast Variance</u>
<b>2008 Actual</b>	10,035	
<b>2009 Actual</b>	10,213	
<b>2010 Budget</b>	10,300	
<b>2010 YTD</b>	10,369	
<b>2010 Forecast</b>	10,375	
<b>Revenue</b>		
Membership revenue (75 members over budgeted membership of 10,300)		122
Custodianship recoveries - Wirick		110
PLTC fees (26 additional students)		71
CPD late fees		71
Electronic filing		60
Custodianship recoveries - Other		16
Interest income		(77)
		<u>373</u>
<b>Expenses</b>		
Unplanned vacancies savings (net of budget - \$200k)		243
Investigator / Analyst positions under assessment		187
Reduction management position		107
External counsel fees savings		87
Offsite Electronic Filing Server - capital rather than operating		60
Elimination of leased car policy		31
Core Processes Review - unbudgeted		(80)
Donations to Legal Aid - overage		(50)
Other overages		(24)
		<u>561</u>
<b>2010 General Fund Forecast - Variance</b>		934
<b>2010 General Fund Budget</b>		<u>(1,242)</u>
<b>2010 General Fund Forecast</b>		<u>(308)</u>



**Trust Assurance Program Forecast**

	<b>2010</b>	<b>2010</b>	
	<b>Forecast</b>	<b>Budget</b>	<b>Variance</b>
<b>TAF Revenue</b>	2,467	2,467	-
Trust Administration Department	2,112	2,371	259
<b>Trust Assurance Program</b>	355	96	259
Use of TAF Reserve	-	-	-
<b>Net Trust Assurance Program</b>	<u>355</u>	<u>96</u>	<u>259</u>

Most recent Real Estate Association projection - 7.0% decrease in unit sales from 2009 to 2010, which has increased from the previously reported forecast of a -3.1 decrease.

Revenue for first two quarters has tracked to budget, however, third quarter revenue is currently being received with Oct. 31st being the deadline, so at this point it is difficult to set an accurate forecast to the end of 2010.

Savings attributable to planned travel that will not take place, cancelled printing of trust guide and professional services.

**2010 Lawyers Insurance Fund Long Term Investments - YTD September 2010**

<b>Market Value</b>	
September 30, 2010 *	99,516,934
December 31, 2009	95,359,569
<b>YTD Performance</b>	4.4%
<b>Benchmark Performance</b>	5.2%

\* redemption of amounts from July to September have been excluded

**The Law Society of British Columbia**  
**General Fund**  
**Results for the 9 Months ended September 30, 2010**  
(\$000's)

	2010 Actual	2010 Budget	\$ Var	% Var
<b>Revenue</b>				
Membership fees (1)	11,606	11,479		
PLTC and enrolment fees	983	913		
Electronic filing revenue	456	399		
Interest income	223	300		
Other revenue	1,085	867		
<b>Total Revenues</b>	<b>14,353</b>	<b>13,958</b>	<b>395</b>	<b>2.8%</b>
<b>Expenses</b>				
Regulation	4,357	5,002		
Education and Practice	2,231	2,260		
Corporate Services	1,872	1,819		
Bencher Governance	983	944		
Communications and Information Services	1,274	1,293		
Policy and Legal Services	931	1,076		
Depreciation	246	265		
<b>Total Expenses</b>	<b>11,894</b>	<b>12,659</b>	<b>765</b>	<b>6.0%</b>
General Fund Results before 845 Cambie and TAP	2,459	1,299	1,160	
<b>845 Cambie net results</b>	<b>185</b>	<b>134</b>	<b>51</b>	
<b>General Fund Results before TAP</b>	<b>2,644</b>	<b>1,433</b>	<b>1,211</b>	
<b>Trust Administration Program (TAP)</b>				
TAF revenues	1,282	1,283	(1)	
TAP expenses	1,632	1,789	157	9%
<b>TAP Results</b>	<b>(350)</b>	<b>(506)</b>	<b>156</b>	
<b>General Fund Results including TAP</b>	<b>2,294</b>	<b>927</b>	<b>1,367</b>	

(1) Membership fees include capital allocation of \$1.819m (YTD capital allocation budget = \$1.806m).

**The Law Society of British Columbia**  
**General Fund - Balance Sheet**  
**As at Sep 30, 2010**  
(\$000's)

	<b>Sep 30</b>	<b>Dec 31</b>
	<b>2010</b>	<b>2009</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	92	3
Unclaimed trust funds	1,604	1,439
Accounts receivable and prepaid expenses	698	1,372
B.C. Courthouse Library Fund	1,007	724
Due from Lawyers Insurance Fund	5,410	16,302
	<u>8,811</u>	<u>19,840</u>
<b>Property, plant and equipment</b>		
Cambie Street property	11,687	11,886
Other - net	1,445	1,439
	<u>21,943</u>	<u>33,165</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	2,288	4,305
Liability for unclaimed trust funds	1,604	1,439
Current portion of building loan payable	500	500
Deferred revenue	3,465	14,893
Deferred capital contributions	84	92
B.C. Courthouse Library Grant	1,007	724
Due to Special Compensation Fund	-	9
Deposits	26	28
	<u>8,974</u>	<u>21,990</u>
<b>Building loan payable</b>	<u>5,100</u>	<u>5,600</u>
	<u>14,074</u>	<u>27,590</u>
<b>Net assets</b>		
Invested in P,P&E, net of associated debt	7,591	7,226
Capital Allocation	1,747	957
Unrestricted	(1,469)	(2,608)
	<u>7,869</u>	<u>5,575</u>
	<u>21,943</u>	<u>33,165</u>

**The Law Society of British Columbia**  
**General Fund - Statement of Changes in Net Assets**  
**For the 9 Months ended Sep 30, 2010**  
(\$000's)

	Invested in P,P & E net of associated debt	Unrestricted	Net Unrestricted	Capital Allocation	2010 Total	2009 Total
	\$	\$		\$	\$	\$
<b>Net assets - December 31, 2009</b>	7,226	(2,608)	4,618	957	5,575	5,059
Net (deficiency) excess of revenue over expense for the period	(664)	1,139	475	1,819	2,294	516
Repayment of building loan	500	-	500	(500)	-	-
Purchase of capital assets:						
LSBC Operations	328	-	328	(328)	-	-
845 Cambie	201	-	201	(201)	-	-
<b>Net assets - September 30, 2010</b>	<b>7,591</b>	<b>(1,469)</b>	<b>6,122</b>	<b>1,747</b>	<b>7,869</b>	<b>5,575</b>

**The Law Society of British Columbia**  
**Special Compensation Fund**  
**Results for the 9 Months ended September 30, 2010**  
(\$000's)

	July 2010 Actual	2010 Budget	\$ Var	% Var
<b>Revenue</b>				
Annual assessment	398	386		
Recoveries	117	-		
<b>Total Revenues</b>	<b>515</b>	<b>386</b>	<b>129</b>	<b>33.4%</b>
<b>Expenses</b>				
Claims and costs, net of recoveries	105	551		
Administrative and general costs	51	23		
Loan interest expense	(26)	-		
<b>Total Expenses</b>	<b>130</b>	<b>574</b>	<b>(444)</b>	<b>-77.4%</b>
<b>Special Compensation Fund Results</b>	<b>385</b>	<b>(188)</b>	<b>573</b>	

**The Law Society of British Columbia**  
**Special Compensation Fund - Balance Sheet**  
**As at Sep 30, 2010**  
(\$000's)

	Sep 30 2010	Dec 31 2009
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1	1
Due from Lawyers Insurance Fund	882	2,753
Due from General Fund	-	9
	<u>883</u>	<u>2,763</u>
	<u>883</u>	<u>2,763</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	7	8
Current portion of claims payable	-	1,886
Deferred revenue	127	505
	<u>134</u>	<u>2,399</u>
<b>Net assets</b>		
Unrestricted net assets	749	364
	<u>749</u>	<u>364</u>
	<u>883</u>	<u>2,763</u>

**The Law Society of British Columbia**  
**Special Compensation Fund - Statement of Changes in Net Assets**  
**For the 9 Months ended Sep 30, 2010**  
(\$000's)

	<b>Unrestricted</b>
	\$
<b>Net assets - December 31, 2009</b>	364
Net excess of revenue over expense for the period	<u>385</u>
<b>Net assets - September 30, 2010</b>	<u><u>749</u></u>

**The Law Society of British Columbia  
Lawyers Insurance Fund  
Results for the 9 Months ended September 30, 2010  
(\$000's)**

	<b>2010 Actual</b>	<b>2010 Budget</b>	<b>\$ Var</b>	<b>% Var</b>
<b>Revenue</b>				
Annual assessment	9,152	8,845		
Investment income (1)	1,027	3,607		
Other income	41	29		
<b>Total Revenues</b>	<b>10,220</b>	<b>12,481</b>	<b>(2,261)</b>	<b>-18.1%</b>
<b>Expenses</b>				
<b>Insurance Expense</b>				
Provision for settlement of insurance deductibles	11,537	11,537		
Salaries and benefits	1,564	1,715		
Contribution to program and administrative costs of General Fund Office	1,023	1,029		
Actuaries, consultants and investment brokers' fees	404	420		
Allocated office rent	279	428		
Premium taxes	87	87		
	11	8		
	<b>14,905</b>	<b>15,224</b>		
<b>Loss Prevention Expense</b>				
Contribution to co-sponsored program costs of General Fund	472	539		
<b>Total Expenses</b>	<b>15,377</b>	<b>15,763</b>	<b>386</b>	<b>2.4%</b>
Lawyers Insurance Fund Results before 750 Cambie	(5,157)	(3,282)	(1,875)	
<b>750 Cambie net results</b>	<b>337</b>	<b>221</b>	<b>116</b>	
<b>Lawyers Insurance Fund Results</b>	<b>(4,820)</b>	<b>(3,061)</b>	<b>(1,759)</b>	

(1) There is an unrealized gain of \$3.06m for the year recognized through net assets (not through income statement). See Statement of Changes in Net Assets.



**The Law Society of British Columbia**  
**Lawyers Insurance Fund - Balance Sheet**  
**As at Sep 30, 2010**  
(\$000's)

	<b>Sep 30</b>	<b>Dec 31</b>
	<b>2010</b>	<b>2009</b>
<b>Assets</b>		
Cash and cash equivalents	3,022	20,573
Accounts receivable and prepaid expenses	417	377
Due from members	16	35
General Fund building loan	5,600	6,100
Investments	106,374	105,082
	<u>115,429</u>	<u>132,167</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	242	1,690
Deferred revenue	3,000	6,075
Due to General Fund	5,410	16,302
Due to Special Compensation Fund	882	2,753
Provision for claims	56,634	54,471
Provision for ULAE	8,223	8,073
	<u>74,391</u>	<u>89,364</u>
<b>Net assets</b>		
Unrestricted net assets	23,538	25,303
Internally restricted net assets	17,500	17,500
	<u>41,038</u>	<u>42,803</u>
	<u>115,429</u>	<u>132,167</u>

**The Law Society of British Columbia**  
**Lawyers Insurance Fund - Statement of Changes in Net Assets**  
**For the 9 Months ended Sep 30, 2010**  
(\$000's)

	<b>Unrestricted</b>	<b>Internally Restricted</b>	<b>Total</b>
	\$	\$	\$
<b>Net assets - December 31, 2009</b>	25,303	17,500	42,803
Net deficiency of revenue over expense for the period	(4,820)	-	(4,820)
Unrealized gains on available-for-sale financial assets arising during the period	3,055	-	3,055
<b>Net assets - September 30, 2010</b>	<u>23,538</u>	<u>17,500</u>	<u>41,038</u>

**1. Please check which of the following you believe is a core value of the legal profession (check all that apply).**

	answered question	20
	skipped question	0
	Response Percent	Response Count
Competence in your own field of practice.	85.0%	17
Participating in activities designed to improve the profession.	30.0%	6
Assisting in the training and preparation of new lawyers.	35.0%	7
Continuous professional development.	65.0%	13
Promoting morality and civility.	50.0%	10
Promoting diverse cultural interests in the profession.	15.0%	3
<b>The independence of the lawyer.</b>	<b>95.0%</b>	<b>19</b>
Providing affordable legal services.	15.0%	3
Providing pro bono legal services.	30.0%	6
Fair treatment of clients in relation to fees.	40.0%	8
Confidentiality/professional secrecy.	90.0%	18
Avoiding/preventing conflicts of interest.	90.0%	18
Honesty.	75.0%	15

**1. Please check which of the following you believe is a core value of the legal profession (check all that apply).**

<b>Integrity.</b>	85.0%	17
<b>Respect towards professional colleagues.</b>	55.0%	11
<b>Respect for the rule of law.</b>	90.0%	18
<b>Promoting the fair administration of justice.</b>	55.0%	11
<b>Loyalty to the client.</b>	55.0%	11
<b>Treating clients' interests as paramount, subject to ethical standards.</b>	40.0%	8
<b>The self-regulation of the profession.</b>	45.0%	9
<b>Submitting to disciplinary proceedings.</b>	25.0%	5
<b>Freedom of expression.</b>	15.0%	3
<b>Honouring your undertakings as a lawyer.</b>	45.0%	9
<b>Protecting the property of clients.</b>	20.0%	4
<b>Promoting professional associations of lawyers.</b>	10.0%	2
<b>Making a profit.</b>	5.0%	1
<b>Pursuing a balanced lifestyle.</b>	5.0%	1
<b>Courage.</b>	20.0%	4

**2. Whom/what do you believe to be the most effective guardian of the core values of the legal profession?**

		answered question	20
		skipped question	0
		Response Percent	Response Count
<b>Regulators of lawyers</b>		<b>60.0%</b>	<b>12</b>
Lawyer representative associations		40.0%	8
Lawyers		50.0%	10
Government		0.0%	0
Courts		20.0%	4
Public		5.0%	1
Other (please specify)		5.0%	1

1. conscience

Sun, Sep 26, 2010  
11:40 PM

**3. How closely are the core values of the legal profession reflected in actual practice?**

		answered question	20
		skipped question	0
		Response Percent	Response Count
Fully		35.0%	7
<b>Somewhat</b>		<b>65.0%</b>	<b>13</b>
Not at all		0.0%	0

4. With respect to Question #3 above, how do you think the core values of the profession are reflected today, compared to 10 years ago?

	answered question	19
	skipped question	1
	Response Percent	Response Count
Better	42.1%	8
Worse	57.9%	11

## 5. Where can a concise statement of the core values of the legal profession be found?

		answered question	20
		skipped question	0
		<b>Response Count</b>	
		20	
1.	court		Tue, Sep 28, 2010 10:10 AM
2.	Mission statements of some regulators of the profession, as well as lawyer representative organizations.		Mon, Sep 27, 2010 12:15 PM
3.	The attorney's oath.		Mon, Sep 27, 2010 8:30 AM
4.	IBA		Mon, Sep 27, 2010 8:05 AM
5.	iba documents, codes of conduct		Mon, Sep 27, 2010 6:06 AM
6.	<p>A useful set of 'professional principles' can be found in Part 1 section 1(3) of Legal Services Act 2007:</p> <p>a. that lawyers should act with indepenence and integrity.</p> <p>b. that lawyers should maintain proper standards of work,</p> <p>c. that lawyers should act in the best interests of their clients,</p> <p>d. that lawyers who exercise before any court a right of audience, or conduct litigation in relation to proceedings in any court, by virtue of being lawyers should comply with their duty to the court to act with independence in the interests of justice, and</p> <p>e. that the affairs of clients shoul be kept confidential.</p>		Mon, Sep 27, 2010 3:35 AM
7.	IBA PRINCIPLES		Mon, Sep 27, 2010 2:49 AM
8.	In most Law Society and bar association websites		Mon, Sep 27, 2010 12:03 AM
9.	IBA Code of Ethics		Mon, Sep 27, 2010 12:01 AM
10.	Act of advocates		Sun, Sep 26, 2010 11:40 PM

## 5. Where can a concise statement of the core values of the legal profession be found?

11. code of conduct and rules of the Law Society.	Sat, Sep 25, 2010 5:59 PM
12. In the <a href="#">CCBE Charter of Core Principles</a>	Sat, Sep 25, 2010 12:22 AM
13. Preamble to the code of conduct and the oath of attorney.	Fri, Sep 24, 2010 1:56 PM
14. codes of conduct	Fri, Sep 24, 2010 1:44 PM
15. In a statute: Bundesrechtsanwaltsordnung	Fri, Sep 24, 2010 1:29 PM
16. xx	Fri, Sep 24, 2010 1:27 PM
17. Codes of Conduct	Mon, Sep 20, 2010 10:14 AM
18. Conduct Guide	Mon, Sep 20, 2010 8:55 AM
19. CBA Model Code of Conduct	Mon, Sep 20, 2010 2:57 AM
20. Nowhere	



## 6. What are the biggest threats to the core values of the profession?

		answered	20
		skipped question	0
		Response Count	
		20	
1.	judicial independence		Tue, Sep 28, 2010 10:10 AM
2.	Declining opportunities for good mentoring early in one's legal career; emphasis in some places on the provision of legal services as a commodity like any other (competition-oriented perspective).		Mon, Sep 27, 2010 12:15 PM
3.	The cost of maintaining a practice and competition for other professions.		Mon, Sep 27, 2010 8:30 AM
4.	Self interest of lawyers Government intervention Poor leadership in Professional bodies		Mon, Sep 27, 2010 8:05 AM
5.	commercialism, client demands,		Mon, Sep 27, 2010 6:06 AM
6.	The lever of publicly-funded legal aid		Mon, Sep 27, 2010 3:35 AM
7.	GLOBALIZATION		Mon, Sep 27, 2010 2:49 AM
8.	The behaviour of lawyers themselves		Mon, Sep 27, 2010 12:03 AM
9.	Ethics		Mon, Sep 27, 2010 12:01 AM
10.	money driven		Sun, Sep 26, 2010 11:40 PM
11.	dont know		Sat, Sep 25, 2010 5:59 PM

## 6. What are the biggest threats to the core values of the profession?

12. Government activity of one sort or another	Sat, Sep 25, 2010 12:22 AM
13. law school debt and law becoming more of a business	Fri, Sep 24, 2010 1:56 PM
14. competition authorities, free markets	Fri, Sep 24, 2010 1:44 PM
15. The too large number of lawyers, deregulators from Bruxelles	Fri, Sep 24, 2010 1:29 PM
16. Economics	Fri, Sep 24, 2010 1:27 PM
17. Government intervention and lawyer complacency	Mon, Sep 20, 2010 10:14 AM
18. Innovation threatening the independence of the profession	Mon, Sep 20, 2010 8:55 AM
19. Lack of understanding by new lawyers about being a professional	Mon, Sep 20, 2010 2:57 AM
20. Economic factors driving lawyers to cut corners	Tue, Sep 14, 2010 10:42 AM

## 7. Are there any emerging core values not listed in Question #1 above?

		answered question	20
		skipped question	0
		Response Count	
		20	
1.	no		Tue, Sep 28, 2010 10:10 AM
2.	The list is quite good.		Mon, Sep 27, 2010 12:15 PM
3.	Not that I see.		Mon, Sep 27, 2010 8:30 AM
4.	Access to justice		Mon, Sep 27, 2010 8:05 AM
5.	pro bono?		Mon, Sep 27, 2010 6:06 AM
6.	Nothing obvious		Mon, Sep 27, 2010 3:35 AM
7.	PROMOTION AND PROTECTION OF MINORITY RIGHTS .		Mon, Sep 27, 2010 2:49 AM
8.	Remaining independant at point of advice as an employed status lawyer		Mon, Sep 27, 2010 12:03 AM
9.	no		Mon, Sep 27, 2010 12:01 AM
10.	no		Sun, Sep 26, 2010 11:40 PM
11.	don't know		Sat Sep 25

## 7. Are there any emerging core values not listed in Question #1 above?

	2010 5:59 PM
12. Not that I can think of.	Sat, Sep 25, 2010 12:22 AM
13. Service to the public (not just pro bono)	Fri, Sep 24, 2010 1:56 PM
14. no	Fri, Sep 24, 2010 1:44 PM
15. Core values are core values, because they are few, and they are the core. Independence, secrecy and the prevention of conflicts of interests have been and will be our core values.	Fri, Sep 24, 2010 1:29 PM
16. c	Fri, Sep 24, 2010 1:27 PM
17. No	Mon, Sep 20, 2010 10:14 AM
18. No	Mon, Sep 20, 2010 8:55 AM
19. empathy	Mon, Sep 20, 2010 2:57 AM
20. Don't think so	Tue, Sep 14, 2010 10:42 AM