

PERFORMING in the PUBLIC INTEREST

2008 ANNUAL REVIEW



The Law Society of British Columbia



REGULATING THE LEGAL PROFESSION

The Law Society regulates
British Columbia's legal
profession with the aid of the
province's Legal Profession
Act. Unlike the Canadian Bar
Association and other lawyer
interest or advocacy groups,
the mandate of the Law
Society is the protection of the
public interest, and it has the
authority to set and enforce
standards for lawyers.

In a broader context, the Law Society of British Columbia is one of 14 law societies that govern the legal profession across Canada's provinces and territories. This self-regulatory system, rather than one administered by government, is in place to protect the fundamental right

of the public to advice from independent lawyers: it allows lawyers the freedom to lawfully serve their clients' best interests, without being subject to outside influence.

To ensure balanced oversight, the Law Society's governors, known as Benchers, include lawyers elected by the profession, non-lawyers appointed by the provincial government and the Attorney General of BC.

The Law Society is funded entirely by the province's 11,000 lawyers and receives no funding from government.

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PERFORMING in the PUBLIC INTEREST

Our cover theme reflects the two most important concepts guiding the Law Society of BC: first, that we regulate in the public interest, and second, that we are accountable to the public. To emphasize this we have introduced key performance

measures by which our performance can be judged by the public, government and our members. In 2008 we began to use these measures for evaluation and, in this regard, it has been a transition year for us. We are pleased to be able

to present the results of our first year of key performance measures in this annual review.

the PUBLIC

President's Message One of the great privileges that comes with service as a Bencher of the Law Society is the opportunity to focus on the challenges the legal profession is likely to face in this fast-changing world. As I conclude my term as President of the Law

Society, I would like to make a few comments about some of those challenges as they have presented in 2008. In 2008



The most pressing challenge for us in my view is the ongoing effort to deliver legal services to the public

in a cost-effective way. In 2008 the Benchers identified enhancing access to legal services as one of the core strategic objectives for the Law Society. This is an issue that requires a longterm strategic approach if the public interest in the administration of justice is to be protected.

A related issue the profession will need to address is the growing commoditization of legal work traditionally done by lawyers. Commoditization has been described variously as the simplification of routine legal services through the packaging of standardized products and self-help kits, or more particularly as the delivery of generic legal products through the Internet or other forms of information technology. It presents a challenge because clients may be drawn to low cost generic products without appreciating that their circumstances require a more individualized solution. Commoditization may also present opportunities for lawyers to provide routine legal services through lower cost products, but the tension between cost and individual service is likely to become more acute as technological solutions become more sophisticated.

Technology itself presents challenges to traditional legal practice. In an age when clients can source case law on the Internet as readily as lawyers, it is perhaps not surprising that we see the rise of self-represented litigants. In an information age it is likely that lawyers will have to continually strive to demonstrate that they add value because basic legal information

will be accessible to all. In addition to creating challenges, information technology also presents opportunities for lawyers to operate more efficiently, reducing the cost of their services to their clients without necessarily reducing profitability. But lawyers cannot, it seems to me, assume that they can continue to practise as they did in simpler times. It was not many years ago that lawyers were questioning the business case for e-mail. How will we respond to the next generation of

technological innovation?

In the coming years, the profession will also need to address what appears to be a growing trend for lawyers in BC to gravitate towards work in larger centres for larger firms, to meet business needs rather than the needs of the individual consumer. Our Benchers from outside the Lower Mainland have been warning us of the difficulty they are encountering in attracting young lawyers to smaller communities to provide services to individuals. Practice statistics seem to bear this out. In 1998 just under 70% of BC lawyers in private practice were practising in

the Benchers identified enhancing access to legal services as one of the core strategic objectives for the Law Society.

firms of 10 or fewer lawyers. But in the next decade, two-thirds of the lawyers entering the private bar joined firms of more than 10 lawyers. Sole practitioners and small firms have been the lifeblood of our profession for serving individuals, particularly in smaller communities. We need to consider how these needs can continue to be met.

Finally, we are reminded by the Clementi Report and its aftermath that self-regulation is not a status to be taken for granted. Challenges to self-regulation are not always overt. In 2008, as in the several years previous, the Federal Government sought to address money laundering and terrorist financing threats by regulating lawyers' relationships with their clients. Law societies throughout Canada have responded by enacting new rules concerning client identification and verification and receipt of cash from clients. By enacting our own rules we can cooperate in the effort to combat money laundering activities while maintaining the independent regulation of lawyers that protects the right of the public to advice from an independent bar.

Many of the issues addressed by the Benchers in 2008 related to these challenges. Final approval of the Continuing Professional Development program, set to begin in 2009, should help lawyers maintain and improve their professional capabilities so that services can be provided to the public at a reasonable cost. Our Law Society has been a leader in Canada in encouraging ongoing professional development, as illustrated by our free online Small Firm Practice course aimed at helping sole practitioners and small firm lawyers manage their practices effectively. The Benchers have also continued to contribute constructive commentary on the proposed new civil litigation rules to support the goal of reducing system costs without diminishing the ability of citizens to obtain an adjudication of their disputes according to law.

The Law Society also joined with the Canadian Bar Association to create an Articling Registry in the hope that more students can be attracted to rural communities to practice. More will need to be done but a start has been made.

One of the signal achievements of the Law Society in 2008 was the successful initiative to encourage the BC Government to make its statutes freely available to the public. For many years British Columbia had been the only province that charged the public for the privilege of viewing up-to-date statute law. Through the efforts of many people, including particularly my predecessors Rob McDiarmid, QC and Anna Fung, QC, and our colleagues in the

Canadian Bar Association, the Law Foundation and the Ministry of the Attorney General, current BC statutes are now freely available to the public, as they should be.

For each of these challenges, there are opportunities for the profession to fulfill

its historic role of protecting clients' legal rights and supporting the rule of law. I am confident that the Law Society will hold up its end. We are very fortunate in having a very able CEO in Tim McGee and a very diligent staff at the Law Society. I know that my successor Gord Turriff, QC, will be a fierce defender of the independence of the bar and will discharge his duties with dedication and conscientiousness. I wish him well in his year.

I have been very honoured to serve as President of the Law Society for 2008 and thank you for the privilege of serving my profession.

John J.L. Hunter, QC

Our Law Society has been a leader in Canada in encouraging ongoing professional development.

Benchers and Chief Executive Officer

First Row, left to right: Rita C. Andreone (Vancouver County) Gavin H.G. Hume, QC (Vancouver County) Second Vice-President G. Glen Ridgway, QC (Nanaimo County) President John J.L. Hunter, QC (Vancouver County) First Vice-President Gordon Turriff, QC (Vancouver County) Marguerite (Meg) E. Shaw, QC (Okanagan District)

> Second Row, left to right: James D. Vilvang, QC (Vancouver County) Patrick Kelly (Lay Bencher) Thelma O'Grady (Vancouver County) Carol W. Hickman (Westminster County) Leon Getz, QC (Vancouver County) CEO Timothy E. McGee

Third Row, left to right: Haydn Acheson (Lay Bencher) Arthur E. Vertlieb, QC (Vancouver County) Bruce A. LeRose, QC (Kootenay County) Richard N. Stewart, QC (Victoria County) Kathryn Berge, QC (Victoria County)

Fourth Row, left to right: David M. Renwick, QC (Westminster County) Jan Lindsay (Westminster County) Robert D. Punnett, QC (Prince Rupert County) David W. Mossop, QC (Vancouver County) Barbara Levesque (Lay Bencher)

Last Row, left to right: Robert C. Brun, QC (Vancouver County) loost Blom, QC (Vancouver County) Stacy Kuiack (Lay Bencher) Terence E. La Liberté, QC (Vancouver County) Dr. Maelor Vallance (Lay Bencher) Ronald S. Tindale (Cariboo County) Kenneth M. Walker (Kamloops District)

> Not pictured: Ken Dobell (Lay Bencher) William F.M. Jackson (Cariboo County) Peter B. Lloyd (Lay Bencher) June Preston, MSW (Lay Bencher) David A. Zacks, QC (Vancouver County)

How the Law Society is Governed

The governors of the Law Society of BC are called Benchers and they are responsible for ensuring that the Law Society fulfills its public interest mandate. Twenty-five of the Benchers are lawyers elected by

the legal profession, and six Benchers, known as "Lay Benchers," are non-lawyers appointed by the provincial government. The Attorney General of BC is an ex officio Bencher.

The number of Benchers elected in each county is mandated by Law Society rules and based on the distribution of lawyers throughout the province.

Benchers serve two-year terms. Elected Benchers represent nine regions of the province. The number of Benchers elected in each region is based on the number of lawyers in that region. Lay Benchers are appointed by the provincial government and are experienced individuals from diverse professional and business backgrounds. A Bencher can serve a maximum



of four terms, after which he or she becomes a Life Bencher, Life Benchers may participate in Bencher meetings but cannot vote.



Lay Benchers, left to right: Patrick Kelly, Dr. Maelor Vallance, Barbara Levesque, Haydn Acheson, Peter B. Lloyd. Not pictured: Stacy Kuiack

The Chief Executive Officer of the Law Society is accountable to the Benchers' Executive Committee and the Benchers. Together with senior management, they form a full leadership complement that determines and oversees the strategic direction and regulatory performance of the Law Society.

BENCHERS' FOCUS IN 2008

THE FOLLOWING ARE HIGHLIGHTS OF WORK DONE BY THE BENCHERS IN 2008:

- The Benchers adopted client identification and verification rules, measures being taken by the legal profession across Canada to help restrict crime and money laundering.
- The Retention of Women in Law Task Force, an initiative led by the Benchers and including prominent participants from other organizations, continued to conduct research and develop strategies for a business case to be presented to BC law firms. The Retention of Women in Law Task Force Report and Business Case can be found on the Law Society's website.
- New rules were developed for mandatory Continuing Professional Development, including setting the number of qualifying hours and activities, which became effective January 1, 2009.
- The Benchers supported the development of an Articling Registry where students and law firms can register to fill articling positions.
- The Benchers contributed to the work of the Independence and Self-Governance and Access to Legal Services advisory committees, and to the Delivery of Legal Services Task Force.

2008 Lay Benchers' Commentary

The six Lay Benchers are appointed to bring a nonlawyer's perspective to regulation of the legal profession, and to ensure that the public interest is always paramount. We are accorded the same opportunity to participate in policy debates, discipline committees and hearings, and the other committees of the Law Society as the elected Benchers. The governance model of the legal profession is always evolving, as it should, to suit the circumstances of today's society. In particular, there is work going on to support the Federation of Law Societies as it takes steps to create regulatory standards on a national basis. While still at an early stage, we are fully supportive of this initiative and believe it will better serve the public interest to have easily understood Canadian standards for the training, admission and discipline of lawyers.



ENHANCE ACCESS TO LEGAL SERVICES

Access to legal services goes to the heart of the public interest in the administration of justice. Areas of focus for improving access include:

- considering whether and how non-lawyers could provide certain legal services
- identifying ways to reduce financial barriers to accessing legal services

ENHANCE PUBLIC CONFIDENCE THROUGH APPROPRIATE AND EFFECTIVE REGULATION

Appropriate and effective regulation of lawyers is critical to public confidence in the legal profession. Areas that have been identified for possible regulatory reform include:

- better regulation of lawyers who receive a significant number of less serious complaints
- separating the investigative and adjudicative functions of the Benchers
- proposing legislative amendments to assist the Law Society in lawyer regulation

EFFECTIVE EDUCATION OF LAWYERS AND THE PUBLIC

Ensuring the public has access to legal information and has information about how the legal system operates, and that lawyers are well-trained and remain so throughout their careers, are both essential to fostering public confidence in the legal profession. Opportunities that have been identified to increase awareness and education include:

- educating the public about the law and the legal system on a variety of levels
- a mentoring program to improve lawyers' understanding of the principles of professional conduct
- initiatives to improve the skills lawyers use to advocate for their clients

The Strategic Plan will be reviewed by the Benchers annually to measure progress and to ensure its direction and initiatives remain priorities. The full 2009 – 2011 Strategic Plan can be found on the Law Society's website.

Chief Executive Officer's Message I am pleased

that the Law Society is able to present an expanded report on its performance in this 2008 Annual Review, incorporating, for the first time, the results of our Key Performance Measures. The KPMs set out goals and objectives for each of the Law Society's regulatory

and service programs together with clear standards against which to measure performance and progress.

As a tool the KPMs are useful in two important ways. First, they help management and the Benchers assess the effectiveness of our programs and make adjustments as necessary. Second, they provide the public with a clear set of benchmarks to gauge how well we are doing in discharging our regulatory mandate in the public interest. The Law Society is a leader among regulators in Canada in adopting this approach and I invite you to read more about it in

Another important development in 2008 was the adoption by the Benchers of the 2009-2011 Strategic Plan. This new plan reflects the strategic

this review.

policy priorities for the Law Society for the next three years. The overarching policy goals of the plan are:

- Enhancing access to legal services
- Enhancing public confidence in the legal profession through appropriate and effective regulation, and
- Effective education of lawyers and of the public

I invite you to read more about the new strategic plan and the strategies and initiatives already underway in pursuit of these goals in this review and on our website.

The importance of coordinating a national approach to issues common to all law societies in Canada was reflected in the broad range of

> topics addressed by the Federation of Law Societies of Canada during 2008. The Law Society of BC continued to play a leadership role in many of these matters, including the implementation of the model rule on client identification and verification in support of antimoney laundering and the Task Force

on the Approved Canadian Law Degree. This task force is chaired by John J.L. Hunter, QC, who added that responsibility to his duties as President of the Law Society of BC in 2008. Through these initiatives and many others the Federation is emerging as an increasingly important vehicle assisting member law societies in responding to issues and developing strategies on matters of national scope and scale.

KPMs provide the public with a clear set of benchmarks to gauge how well we are doing in discharging our regulatory mandate.

The storm clouds of a worsening worldwide economy and troubled capital markets were forming throughout 2008 and have continued to the time of writing. During this period we have not seen a significant change in the demand for our regulatory or member services. Historically turbulent economic conditions tend to increase the frequency of complaints to our Professional Conduct department and of reports to the Lawyers Insurance Fund. We are mindful of these trends and will continue to ensure we are properly positioned to meet our regulatory mandate.

The Law Society is well positioned to meet the evolving challenges of providing effective and efficient selfregulation.

I am fortunate to work with a knowledgeable and dedicated team of employees at the Law Society and I would like to recognize and thank them for their hard work throughout 2008. We survey our employees every year

to identify ways to engage everyone more fully in their work and to make the organization stronger.

The Law Society also benefits greatly from the work of hundreds of lawyer and non-lawyer volunteers who give generously of their time and skill in support of the work of our committees and task forces and I thank them for that. I would also like to thank the Benchers for their vast commitment of time and effort in 2008. In particular, I would like to thank our 2008 President John J. L. Hunter, QC, for providing me and the organization as a whole with

great counsel and support throughout the year and to extend a warm welcome to our 2009 President Gordon Turriff, QC.

Looking forward, I believe the Law Society is well positioned to meet the evolving challenges of providing effective and efficient self-regulation of the legal profession in the public interest.

Timothy E. McGee

Chief Executive Officer

CORE FUNCTIONS of the LAW SOCIETY

REGULATORY

PROFESSIONAL CONDUCT, DISCIPLINE, TRUST ASSURANCE, CUSTODIANSHIPS AND PRACTICE STANDARDS

ADMISSIONS

Credentials, Continuing Professional **Development, Articling and Professional Legal Training Course**

ADVICE and ASSISTANCE

Practice Advice, Lawyers Insurance Fund and Policy and **Legal Services**

About the Law Society The Law Society sets and enforces standards for the admission, education, professional responsibility and competence of new and practising lawyers. Specifically, this entails:

- determining standards for admission to the legal profession
- overseeing the education of articled students and setting conditions for lawyers' continuing professional development
- setting ethical standards
- setting competency standards
- investigating allegations of lawyer misconduct, resolving complaints and taking disciplinary action
- protecting client funds held in trust by lawyers



In order to fulfill this mandate, the Law Society is organized into core regulatory and service areas:

Professional Conduct and Discipline:

investigate complaints about lawyers and pursue disciplinary action

Custodianships: takes over a lawyer's practice when the lawyer cannot continue and has not made appropriate arrangements for his or her clients

Trust Assurance: conducts trust fund accounting compliance audits and reviews law firms' trust accounting practices

Admissions: ensures lawyers are properly qualified and of good character before they begin to practise law

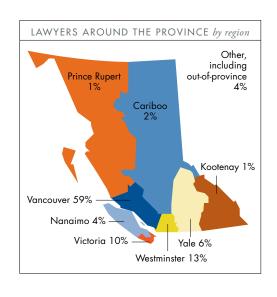
Practice Standards: conducts practice reviews of lawyers and monitors remedial programs

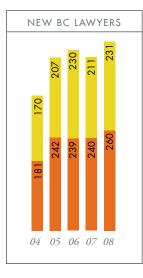
Practice Advice: provides advice to lawyers on ethical and practice issues

Policy and Legal Services: develops policy, conducts legal research and monitors developments on issues involving professional regulation and topics of importance to the Law Society's mandate

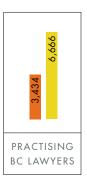
Lawyers Insurance Fund: operates a mandatory insurance program for BC lawyers, providing liability and trust protection coverage.

THE LEGAL PROFESSION in BRITISH COLUMBIA at a GLANCE

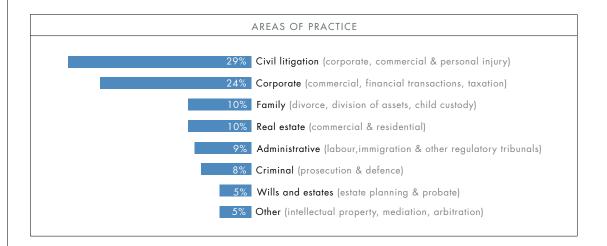




We noted that the number of women entering law exceeded men, but women were leaving in greater numbers.



WOMEN . MEN =



FIRST YEAR RESULTS OF **KEY PERFORMANCE MEASURES**

2008 IS THE FIRST YEAR THE LAW SOCIETY OF BC HAS USED KEY PERFORMANCE MEASURES FOR EVALUATION. THERE ARE A NUMBER OF MEASURES COVERING THE CORE OPERATIONS OF THE LAW SOCIETY, WITH THE FOCUS ON MEASURING OUTCOMES, HOW RESOURCES ARE USED, AND STAKEHOLDER SATISFACTION.

2008 PERFORMANCE REVIEW

Professional conduct and discipline

The Law Society assesses, investigates and takes action in response to complaints about BC lawyers. Professional Conduct is the department of the Law Society that handles the initial complaints; the Discipline department represents the Law Society in disciplinary proceedings against lawyers.

COMPLAINTS PROCESS

All complaints undergo a preliminary assessment to determine whether they fall within the Law Society's jurisdiction. Similar to other regulatory bodies, the Law Society receives some complaints that are outside its jurisdiction. For example, complaints about lawyers' fees generally must be handled by a court registrar unless both parties wish to participate in a fee mediation service provided by the Law Society at a modest cost.

Where the Law Society has jurisdiction, the complaints are assessed. A number of complaints typically involve disagreements or misunderstandings between clients and their

The penalties for proven misconduct vary from a reprimand to suspension and/or disbarment.

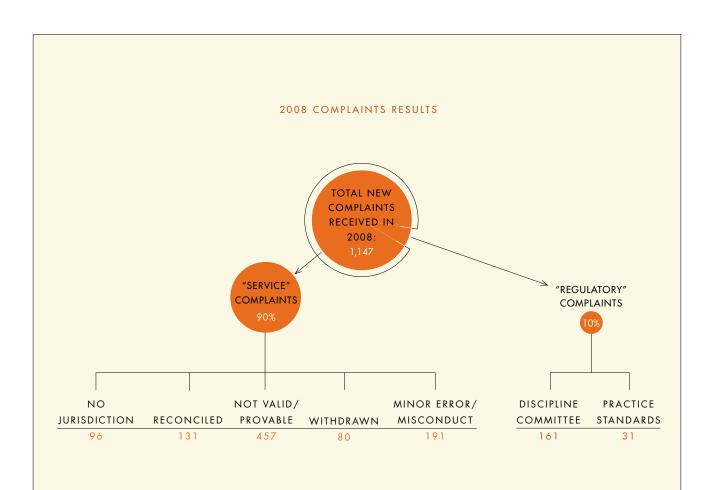
lawyers and the intervention of the Professional Conduct department can often resolve the issue. Where the complaint is closed without further action against the lawyer, the person making the complaint may appeal that decision to the

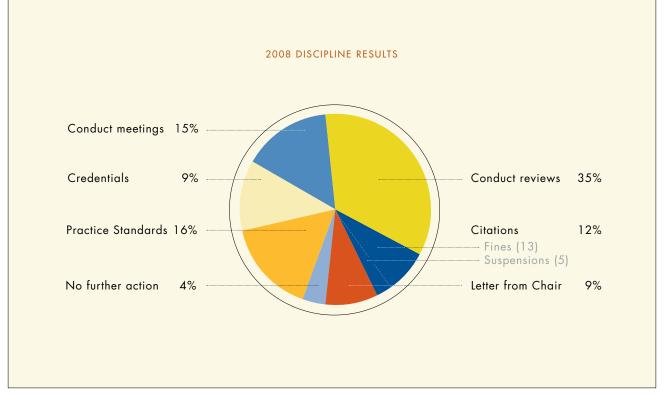
composed of at least one Lay Bencher and others. Where there is evidence of professional misconduct, the complaints are referred to the

Complainants' Review Committee,

Discipline Committee, made up of Benchers and non-Bencher members, which can take a range of actions. If the Committee authorizes a citation against the lawyer, a hearing takes place before a panel of Benchers. The case for the Law Society is presented by Law Society counsel and the lawyer involved may be represented by his or her own counsel. The penalties for proven misconduct vary from a reprimand to suspension and/or disbarment. Discipline hearings are generally open to the public.

Certain complaints are referred to the Practice Standards Committee, composed of Benchers and non-Bencher members, which prescribes actions with a remedial focus. These include placing restrictions on a lawyer's practice, imposing supervision, or requiring specified professional courses.







The provincial Ombudsman's office is the external body to which members of the public can complain regarding a Law Society decision.

OVERVIEW OF ACTIVITY IN 2008

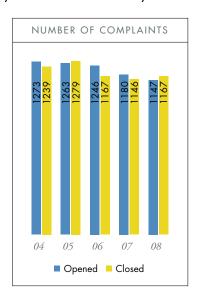
In 2008 the Law Society opened 1,147 complaint files. The majority related to the following areas of practice: family law (24%); civil litigation excluding motor vehicle accidents (17%); real estate transactions (16%). Approximately 90% of the total complaints received had a communication or service issue at their root. The remaining 10% raised more serious concerns, related to professional misconduct.

Approximately 35% of serious complaints that were advanced to the Discipline Committee resulted in a

Conduct Review; 16% were referred to the Practice Standards Committee for competence reviews and other actions; and 15% resulted in conduct meetings, with approximately 12% resulting in a formal citation and a discipline hearing. Of the remaining 22%, in 9% of the cases a letter of reprimand was sent to the lawyer; in another 9% of the cases, the lawyers involved were no longer practising, so the complaint information was placed on the lawyer's file for review by the

Credentials Committee should the lawyer re-apply for admission to the Law Society; and in 4% of the cases no further action was taken.

The department closed 1,167 files in 2008, including files carried over from the previous year. While the majority of complaints are resolved in less than a year, some take longer because of their complexity and evidence-gathering requirements.





KEY PERFORMANCE MEASURES

To assure the public that our processes are responsive to public complaints about lawyers, the Law Society identified key measures to evaluate critical aspects of the discipline process. Specifically, we wanted to know that those making complaints were reasonably satisfied with the timeliness, fairness, thoroughness and courtesy of our complaint process. We also thought that the overall frequency of complaints ought not to increase over time. Finally, we were concerned to show that the provincial Ombudsman was not making adverse comment on our process, and the Complainants' Review Committee was not overturning a significant number of Professional Conduct decisions.

RESULTS OF KEY PERFORMANCE MEASURES

While there are no absolute measures of satisfaction, nearly two-thirds of the complainants said they were satisfied with the thoroughness and fairness of our process. Seventy-two percent said they were satisfied with the timeliness of the process. The frequency of complaints relative to the number of practising lawyers in BC did not increase in 2008. In fact, the rate declined to 11.4% from 12% the previous year.

The provincial Ombudsman's office is the external body to which members of the public can complain regarding a Law Society decision. In 2008 a total of five inquiries were received from the provincial Ombudsman's office and in all cases, the Law Society responded to the satisfaction of the Ombudsman.

In five cases out of 79 taken to the Complainants' Review Committee appeals were upheld and one was referred to the Discipline Committee.

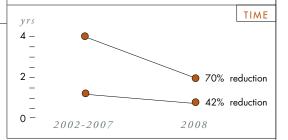
Custodianships

WHEN LAWYERS CANNOT CONTINUE PRACTISING DUE TO ILLNESS, DEATH, DISCIPLINARY ACTION OR FOR OTHER REASONS, THE LAW SOCIETY MAY APPLY TO THE COURT TO HAVE A CUSTODIAN APPOINTED. THE MANDATE OF CUSTODIANSHIPS IS TO PROTECT THE CLIENTS OF THESE PRACTICES. CUSTODIANS TAKE CUSTODY OF ALL FILES, BANK ACCOUNTS AND ACCOUNTING RECORDS, AND DEAL WITH CLIENTS ON URGENT MATTERS. CUSTODIANS ENSURE THAT TRUST FUNDS ARE PROPERLY ACCOUNTED FOR AND DISBURSED, AND HELP CLIENTS FIND A SUITABLE NEW LAWYER. IN MAY 2007 AN AMENDMENT TO THE LEGAL PROFESSION

ACT ALLOWED THE LAW SOCIETY TO BE APPOINTED AS A CUSTODIAN. THE GOAL OF THIS CHANGE IS TO IMPROVE EFFICIENCY AND LOWER COSTS BY STANDARDIZING AND

Custodianships due to disciplinary matters are being resolved from a historical (2002 – 2007) 4-year period to a 1.2-year period in 2008. Custodianships due to death or disability issues are being CENTRALIZING CUSTODIANSHIPS. reduced from a historical 2-year period to a .75-year period.

OVERVIEW OF ACTIVITY IN 2008 There were 11 new custodianship appointments in 2008, 10 of which were in-house. This brought the number of in-house custodianships to 18 out of a total 45 in progress. During the year, 15 locum arrangements were entered into with outside



counsel. These are cases in which lawyers are deceased, or unable to practise temporarily due to illness, disciplinary action or other causes. Two of these became custodianships. Eight outside counsel custodians were discharged in 2008, which is the historical average, and the first in-house custodianship was discharged. Discharge occurs when the responsibilities of the custodian have been fulfilled.

KEY PERFORMANCE MEASURES

In order to assure the public that our custodianship program is operating as effectively and efficiently as possible, the Law Society identified two key measures to evaluate the timeliness and cost of custodianships. First, we wanted to compare the average time required to complete a custodianship, relative to historical averages. Second, we compared the average cost of a custodianship relative to historical averages.

RESULTS OF KEY PERFORMANCE MEASURES

Although the in-house custodianship program is still relatively new, the results for 2008 indicate that the average cost of custodianships, under the new program, is less than the five-year average.



Practice standards

PRACTICE STANDARDS CONDUCTS PRACTICE REVIEWS OF LAWYERS WHO HAVE BEEN REFERRED FOR ACTION BY OTHER DEPARTMENTS OF THE LAW SOCIETY AND ASSISTS LAWYERS TO ADHERE TO STRINGENT STANDARDS OF COMPETENCE THROUGH ADVICE AND ONLINE RESOURCES. AFTER COMPETENCE REVIEWS ARE CONDUCTED, REMEDIAL ACTIONS AND/OR PRACTICE RESTRICTIONS MAY BE IMPOSED.

OVERVIEW OF ACTIVITY IN 2008 Practice Standards responded to 23 referrals in the year, 15 from Professional Conduct, six from the Discipline Committee, one from a Discipline Hearing panel, and one from the Complainants' Review Committee. Of these, compliance reports were ordered on 17 files and practice competence reviews were ordered on 15 files.

KEY PERFORMANCE MEASURES

The principal focus of the Practice Standards department is assisting lawyers who have been referred to it to improve the level of competence and provide better service to the public. In order to evaluate the extent of their improvement, the Law Society established a 5-point scale to determine whether the lawyers who have completed their referrals have improved.

RESULTS OF KEY PERFORMANCE MEASURES

All 14 lawyers whose Practice Standards files were completed and closed in 2008 improved by at least one point on the measurement scale. Thirteen of 14 lawyers finished at a rating of 3 or higher as required to achieve successful file closure. One case not meeting this threshold resulted in a practice restriction.

At least 90% of the lawyers responding to a survey rated their satisfaction level at 3 or higher on a 5-point scale for the following programs:

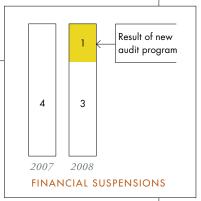
- Succession and emergency planning assistance (76%)
- Practice Refresher Course (78%)
- Practice Locum Program (77%)
- Bookkeeper Support Program (78%)
- Small Firm Practice Course (93% above average rating)

Trust assurance

THE LAW SOCIETY HAS COMPREHENSIVE RULES REGARDING THE RECEIPT, DEPOSIT, TRANSFER AND PAYMENT OUT OF CLIENTS' TRUST FUNDS AND THE TYPES OF TRUST ACCOUNTING RECORDS THAT MUST BE KEPT. THE TRUST ASSURANCE DEPARTMENT IS RESPONSIBLE FOR ENSURING THAT LAW FIRMS COMPLY WITH THESE RULES THROUGH ITS IN-FIELD COMPLIANCE AUDIT PROGRAM, AND FOR IMPROVING COMPLIANCE THROUGH EDUCATION AND OVERSIGHT. THE PROGRAM CONSISTS OF THE MANDATORY FILING OF AN ANNUAL TRUST REPORT, A REVIEW OF EVERY TRUST REPORT FILED AND A COMPLIANCE AUDIT PROGRAM, WHICH SEES ALL BC LAW FIRMS BEING AUDITED OVER A SIX-YEAR CYCLE. WHERE DEFECTS OR FAILURES IN COMPLIANCE ARE IDENTIFIED, THE DEPARTMENT WORKS

WITH THE FIRMS TO REMEDY THE FAILURE, AND IN SOME CASES REFERS THE LAWYER TO THE PROFESSIONAL CONDUCT DEPARTMENT FOR FURTHER INVESTIGATION.

OVERVIEW OF ACTIVITY IN 2008 During 2008 the department completed 388 in-field compliance audits and referred 49 cases to Professional Conduct. The increase in referrals was expected, given the increase in the number of firms undergoing audits: 31 of the 49 referrals resulted directly from audits being performed. Over the long term, it is anticipated that increased monitoring will result in greater compliance, thereby reducing the number of referrals.



The department developed additional resources during the year to help firms prepare for an audit, and collaborated with the Practice Advice staff to alert lawyers to the top deficiencies auditors found when reviewing trust fund accounting.

KEY PERFORMANCE MEASURES

In conjunction with our rules on trust accounting, the Trust Assurance program is intended to assure the public that funds entrusted to lawyers will be used as instructed and accounted for properly. The key performance measures for this program evaluate when this is not happening. The Law Society measured the number of financial suspensions arising from non-compliance with the trust rules, and made referrals to Professional Conduct where there is a possibility that the lawyer may not have handled trust funds properly. In addition, we looked at the incidence of non-compliance based on answers to the annual trust report.

RESULTS OF KEY PERFORMANCE MEASURES

There was an 8% increase in referrals to Professional Conduct for financial improprieties. As described above, this increase was expected due to the increased audit activity in the year and thoroughness of auditing procedures. The measure of improved performance on key compliance questions from lawyer trust report filings will require a second year of data, and the department expects to be able to report on this in the 2009 Annual Review.

Admissions

THE ADMISSIONS PROGRAM IS RESPONSIBLE FOR ENSURING THAT NEW LAWYERS ARE APPROPRIATELY QUALIFIED WHEN THEY ARE LICENSED TO PRACTISE LAW IN BC. TO ACCOMPLISH THIS, THE ADMISSIONS PROGRAM EVALUATES THE CREDENTIALS OF THOSE SEEKING ADMISSION TO THE PROFESSION AND ALSO OVERSEES THE ARTICLING PROGRAM AND THE PROFESSIONAL LEGAL TRAINING COURSE. THE ADMISSIONS PROGRAM IS ALSO RESPONSIBLE FOR ADMINISTRATION OF THE ONGOING CONTINUING PROFESSIONAL DEVELOPMENT REQUIREMENTS APPROVED IN 2008.

OVERVIEW OF ACTIVITY IN 2008 In 2008 a record total of 390 students registered for PLTC. The online Articling Registry, a joint initiative with the Canadian Bar Association, was also launched to help students find positions. By May 2009, 365 students and 94 law firms had registered.

Rule changes in 2008 paved the way for introduction of the Continuing Professional Development program, requiring all practising lawyers in BC to complete 12 hours of educational activities annually starting in 2009.

KEY PERFORMANCE MEASURES

The objective of our Admissions program is to see lawyers remain properly qualified both at the start and throughout their careers. To that end, we have developed measures by which students and their principals (lawyers who train and supervise articled students) rate the value of our pre-call admission programs to determine if the courses:

- developed or enhanced lawyering skills
- prepared them for the practice of law
- increased their knowledge of practice and procedures
- prepared them to recognize and deal with ethical and practice management issues

Finally, we aim to ensure that our pre-admission training programs and requirements permit at least 98% of the principals to declare that their articling students are fit to practise law.

RESULTS OF KEY PERFORMANCE MEASURES

The average value rating for articles exceeded 3.5 on a 5-point scale in all IN all

WEASURINGIA

Developed / Proposed for four target areas. 100% of principals declared their students fit Developed/ Prepared for to practise law. enhanced the practice PLTC continues to lawyering skills of law exceed completion Increased Prepared to recognize targets, with 88% knowledge of and deal with ethical practice and and practice of students receiving procedures management a passing grade in issues 2008. In three out of four target areas, the average rating by students and principals exceeded the target of 3.5 or higher.

Practice advice

THE PRACTICE ADVICE PROGRAM IS INTENDED TO ASSIST LAWYERS WITH ISSUES AND QUESTIONS ABOUT PROFESSIONAL ETHICS AND PRACTICE ISSUES. THE GOAL IS TO ENSURE THAT GUIDANCE IS CONTINUOUSLY AVAILABLE TO THE PROFESSION TO SUPPORT COMPLIANCE WITH PROFESSIONAL STANDARDS OF CONDUCT AND BUSINESS. IN-HOUSE ADVISORS PROVIDE INDIVIDUAL ADVISORY SERVICES, MAKE REFERENCE INFORMATION AVAILABLE, AND SPEAK TO LEGAL GROUPS.

OVERVIEW OF ACTIVITY IN 2008 Law Society practice advisors responded to more than 5,000 telephone and e-mail inquiries in 2008, in the range consistent with previous years. They also produced a number of articles and publications directed at providing ADVICE BACK TO LAWYERS lawyers with current information about practice developments and issues.

Timeliness Quality of of response advice Overall Quality of satisfaction referred resources

Over 90% of lawyers rated all areas 3 or higher out of 5.

EQUITY OMBUDSPERSON

The Law Society provides BC law firms with the services of Equity Ombudsperson, Anne Bhanu Chopra. Lawyers, articled students or staff who may be experiencing harassment or inequity in a legal workplace may contact Chopra for confidential and non-judgmental support. Chopra also helps law firms prevent discrimination, resolve concerns over possible discrimination, and promote a healthy work environment.

KEY PERFORMANCE MEASURES

Since the purpose of the Practice Advice program is to assist lawyers to serve their clients, we have developed several measures directed at evaluating the quality of the advice lawyers receive and whether it is received in a timely fashion.

RESULTS OF KEY PERFORMANCE MEASURES

On a 5-point scale, 91% of lawyers rated the timeliness of response at 3 or higher, 92% rated their satisfaction with the quality of advice at 3 or higher; and 92% rated their overall satisfaction level at 3 or higher.

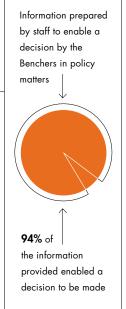
Policy and legal services

THE POLICY AND LEGAL SERVICES DEPARTMENT ASSISTS WITH POLICY DEVELOPMENT, LEGAL RESEARCH AND LEGISLATIVE DRAFTING, AND MONITORS DEVELOPMENTS INVOLVING PROFESSIONAL REGULATION, INDEPENDENCE OF LAWYERS, ACCESS TO JUSTICE, AND EQUITY AND DIVERSITY IN THE LEGAL PROFESSION. THE DEPARTMENT'S GOAL IS TO PROVIDE TIMELY, RELEVANT AND BALANCED INFORMATION AND ADVICE TO

THE BENCHERS, COMMITTEES, TASK FORCES AND TRIBUNALS. IT IS ALSO THE RESPONSIBILITY OF POLICY AND LEGAL SERVICES TO INVESTIGATE, AND IF NECESSARY BRING PROCEEDINGS AGAINST, PEOPLE WHO ARE NOT QUALIFIED TO PROVIDE LEGAL SERVICES IN ORDER TO PROHIBIT UNAUTHORIZED LEGAL PRACTICE.

OVERVIEW OF ACTIVITY IN 2008 The Policy and Legal Services department assisted in the development and implementation of the 2009 - 2011 Strategic Planning, including working with the newly created advisory committees to assist in clarifying their mandates and beginning their work. Time was also spent finalizing policy issues relating to the Continuing Professional Development program, and beginning work on the policy issues to be reviewed by the Delivery of Legal Services and Retention of Women in the Law Task Forces, as well as analyzing issues with respect to rule changes that were proposed and implemented during the year.

Through its responsibility to address issues of unauthorized practice, the department opened 81 files and closed 92 files, and handled another 191 inquiries by providing summary consultation and advice in unauthorized practice matters that did not require a formal file.



KEY PERFORMANCE MEASURES

As the goal of Policy and Legal Services is to provide information and advice to the Benchers, we have developed measures that evaluate whether the Benchers were able to act on the advice and information they received.

RESULTS OF KEY PERFORMANCE MEASURES

Overall, the department met the needs of the Benchers in discharging its responsibilities. In 2008 of the 33 matters considered by the Benchers, action was taken on 31 of them resulting from the advice and information they received.

Lawyers Insurance Fund

THE LAWYERS INSURANCE FUND (LIF) PROVIDES PROFESSIONAL INSURANCE FOR ALL BC LAWYERS IN PRIVATE PRACTICE. THIS ENSURES THAT MEMBERS OF THE PUBLIC ARE COMPENSATED IF A LAWYER HAS BEEN NEGLIGENT OR IF THEY SUFFER A FINANCIAL LOSS AS A RESULT OF THEFT BY A BC LAWYER.

OVERVIEW OF ACTIVITY IN 2008 In 2008 LIF continued with its commitment to cost-effective claims management. One way LIF controls costs is through claims counsel providing in-house defence

"(LIF) balances the interests of the public, lawyers and the Society, in the sense that claims counsel evidently give careful consideration in good faith to all claims against Law Society members, and consistently 'take the high road' in approaching both coverage and liability issues."

services to insured lawyers. During the year, one-third of all suits against lawyers were defended in-house, resulting in significant cost savings.

Although LIF's experience in claims management remained stable overall in 2008, the claims landscape shifted in the latter part of the year with the downturn in the economy. Observing historical trends over the last 22 years, both the number of reports and their cost are expected to increase, particularly in the commercial law areas that are more prone to risk during a recession.

Nicholl Paskell-Mede Audit findings

KEY PERFORMANCE MEASURES

LIF focuses on the timely and effective resolution of claims, ensuring that legitimate claims are resolved quickly and fairly and that all claims are defended appropriately. Since any disputed claims are ultimately resolved through the courts, there is a high degree of transparency and fairness in the process. However, in order to evaluate our internal management, we engage a thirdparty auditor to evaluate the effectiveness of the program and also have lawyers rate their degree of satisfaction with the program.

RESULTS OF KEY PERFORMANCE MEASURES

In the most recent claims audit, the independent auditor found that LIF's claims counsel "is doing an excellent job, even by its own high standards." When surveyed on the closing of their file, 95% of respondents gave a satisfaction rating of between 4 and 5 on a 5-point scale.

Other key activities in 2008

FEDERATION OF LAW SOCIETIES

The Law Society of BC was an active participant in the Federation of Law Societies of Canada, the national coordinating body of Canada's 14 law societies.

The Federation continued the fight against money laundering by introducing a new "know your client" model rule for adoption by all law societies by November 30, 2008. The rule outlines the steps lawyers must take and records they must keep in order to verify a client's identity.

In September 2008 the Federation established a task force to review standards for approval of law school degrees. Led by BC Law Society President John Hunter, QC, the task force

released a discussion paper and launched a national consultation on basic criteria that law graduates should be expected to meet for bar admission programs across Canada. The task force is expected to hand down a report in 2009.

PUBLIC EDUCATION

The Law Society continued its public outreach program by holding a public forum on youth and the law called Voices on Youth Justice in June 2008. Held in the Law Society building, it featured panellists Mary Ellen Turpel-Lafond, BC's Representative for Children and Youth,

Provincial Court Judge Nancy Phillips, and former youth corrections officer and author Gordon Cruse.

Almost 170 people attended the Law Society's public forum on youth and the law in June 2008.



Our people

2008 Committees, advisory committees and task forces

2008 MANAGEMENT BOARD

Timothy E. McGee

Chief Executive Officer and Executive Director

Stuart Cameron

Director of Discipline / Litigation Counsel

Susan Forbes, QC

Director, Lawyers Insurance Fund

Jeffrey Hoskins, QC

Tribunal and Legislative Counsel

Howard Kushner

Chief Legal Officer

Jeanette McPhee

Chief Financial Officer

Alan Treleaven

Director, Education and Practice

Adam Whitcombe

Chief Information Officer

At the beginning of the year, the Benchers restructured the committee system to be in alignment with their new strategic planning process and priorities. As a result, the Benchers reduced the number of committees and established four advisory committees. Committees will continue to assist with policy development and carry out many regulatory functions under the Legal Profession Act and Law Society Rules. Task forces will work on

special projects for the Benchers. The new advisory committees will conduct research and provide the Benchers with analysis and recommendations.

THE LAW SOCIETY RECOGNIZES THE FOLLOWING BENCHERS AND VOLUNTEERS FOR THEIR DEDICATED SERVICE AND VALUABLE CONTRIBUTIONS IN 2008.

Committees

EXECUTIVE

Benchers:

John Hunter, QC (Chair) Gordon Turriff, QC (Vice-Chair) Gavin Hume, QC Patrick Kelly Bruce LeRose, QC Glen Ridgway, QC Arthur Vertlieb, QC

AUDIT

Benchers:

David Zacks, QC (Chair) Arthur Vertlieb, QC, (Vice-Chair)

Non-Benchers: Paul Albi

Deborah Armour Ted Strocel

COMPLAINANTS' REVIEW

Benchers:

Dr. Maelor Vallance (Chair) Thelma O'Grady (Vice-Chair) Barbara Levesque (replaced Ken Dobell in June) Ronald Tindale

Kenneth Walker Non-Bencher:

Peter Gorgopa

CREDENTIALS

Benchers:

Gordon Turriff, QC (Chair) Richard Stewart, QC (Vice-Chair) Carol Hickman William Jackson Bruce LeRose, QC Barbara Levesque Thelma O'Grady

Ronald Tindale

Dr. Maelor Vallance

Anna Fung, QC (Life Bencher)

Non-Benchers:

Myron Claridge John Leathley, QC Dennis Quinlan

DISCIPLINE

Benchers:

Rita Andreone (Chair) Arthur Vertlieb, QC (Vice-Chair) Patrick Kelly Stacy Kuiack Terence LaLiberté, QC Jan Lindsay Kenneth Walker David Zacks, QC

Jane Shackell, QC (Life Bencher)

Non-Benchers: Dan Bennett Jo Ann Carmichael, QC Jennifer Duncan Stephen Richards

ETHICS

Benchers:

Gavin Hume, QC (Chair) Joost Blom, QC (Vice-Chair) Haydn Acheson Leon Getz, QC David Mossop, QC Meg Shaw, QC James Vilvang, QC lan Donaldson, QC (Life Bencher)

Non-Benchers: Patricia Bond Christine Elliott Peter Ramsay, QC Anne Stewart, QC Bruce Woolley, QC

FINANCE

Benchers:

Gordon Turriff, QC (Chair) Glen Ridgway, QC (Vice-Chair) Kathryn Berge, QC

Bruce LeRose, QC Peter Lloyd David Zacks, QC

PRACTICE STANDARDS

Benchers:

Glen Ridgway, QC (Chair) Robert Punnett, QC (Vice-Chair) Robert Brun, QC Kathryn Berge, QC Peter Lloyd David Renwick, QC Gerald Kambeitz, QC (Life Bencher)

Non-Benchers: Charlotte Morganti Mark Skwarok

SPECIAL COMPENSATION FUND

Benchers:

David Renwick, QC (Chair) Richard Stewart, QC (Vice-Chair) Patrick Kelly Bruce LeRose, QC Patricia Schmit, QC (Life Bencher)

Non-Benchers: Azim Datoo, QC Peter Ramsay, QC

UNAUTHORIZED PRACTICE

Benchers:

William Jackson (Chair) Carol Hickman (Vice-Chair) Haydn Acheson Kathryn Berge, QC Robert Brun, QC Non-Benchers: Fred Hansford, QC

Ken Kramer Joseph Zak

Advisory Committees

ACCESS TO LEGAL SERVICES

Benchers:

Robert Punnett, QC (Chair), David Mossop, QC (Vice-Chair) Stacy Kuiack Peter Lloyd Meg Shaw, QC

Non-Benchers: Stan Lanyon, QC Dr. Carol Matusicky Geoff Plant, QC Wayne Robertson

EQUITY AND DIVERSITY

Benchers:

Thelma O'Grady (Chair) Patrick Kelly (Vice-Chair) Kathryn Berge, QC Robert Brun, QC

Jan Lindsay Glen Ridgway, QC June Preston, MSW (Life Bencher)

Non-Benchers: **Jennifer Chow** Brenda Edwards Elizabeth Hunt

Lila Quastel

INDEPENDENCE AND SELF-GOVERNANCE

Benchers:

Jan Lindsay (Chair) James Vilvana, QC (Vice-Chair) Rita Andreone Patrick Kelly Gordon Turriff, QC Jane Shackell, QC (Life Bencher)

Non-Benchers: Craig Dennis Robin Elliot, QC Prof. Hamar Foster I. Cameron Mowatt

LAWYER EDUCATION

Benchers:

Bruce LeRose, QC (Chair) Leon Getz, QC (Vice-Chair) Thelma O'Grady Robert Punnett, QC Richard Stewart, QC Gordon Turriff, QC Patricia Schmit, QC (Life Bencher) Non-Bencher: Johanne Blenkin

Task Forces

CIVIL JUSTICE REFORM

Benchers:

Joost Blom, QC (Chair) John Hunter, QC Jan Lindsay Robert Punnett, QC Meg Shaw, QC Gordon Turriff, QC Arthur Vertlieb, QC

FAMILY LAW

Benchers:

Carol Hickman (Chair) Kathryn Berge, QC Joost Blom, QC Robert Punnett, QC Richard Stewart, QC Patricia Schmit, QC Meg Shaw, QC Dr. Maelor Vallance

RETENTION OF WOMEN IN LAW

Benchers:

Kathryn Berge, QC (Chair) Gavin Hume, QC Jan Lindsay Richard Stewart, QC

Non-Benchers:

Jennifer Conkie, QC Anne Giardini Rosanne Kyle Maria Morellato, QC Elizabeth Vogt

DELIVERY OF LEGAL SERVICES

Benchers:

Arthur Vertlieb, QC (Chair) Carol Hickman

David Mossop, QC

Robert Punnett, QC

Non-Bencher:

Stanley Lanyon, QC

LIFE BENCHERS

Arthur M. Harper, QC (1959 - 1969)Hon. Charles C. Locke, QC (1961 - 1973)Hon. A. Brian B. Carrothers, QC (1963 - 1973)Hon. Kenneth E. Meredith (1964 - 1973)Darrell T. B. Braidwood, QC (1965 - 1975)Hon. Peter J. Millward, QC (1965 - 1975)Hon. Hugh P. Legg, QC (1969 - 1976)Hon. Mary F. Southin, QC (1971 - 1980)Norman Severide, QC (1975 - 1981)H. Allan Hope, QC (1974 - 1982)Brian W.F. McLoughlin, QC (1974 - 1984)Hon. Thomas R. Braidwood, QC (1973 – 1975; 1979 – 1985) Hon. Jack L.T. Edwards, QC (1978 - 1985)Hon. Dr. James J. Gow, QC (1978 - 1985)Hon. Mr. Justice Bruce I. Cohen (1978 - 1986)Marvin R.V. Storrow, QC (1980 - 1987)Dennis J. Mitchell, QC (1980 - 1988)R. Paul Beckmann, QC (1980 - 1989)Robert M. Dick, QC (1983 - 1991)Hon. Mr. Justice Peter Leask (1984 - 1992)Brian J. Wallace, QC (1985 - 1993)

John M. Hogg, QC (1984 - 1993) P. Michael Bolton, QC (1985 - 1993)Hon. Mr. Justice Robert T.C. Johnston (1986 - 1994)Hon. Mr. Justice Grant D Burnyeat (1988 - 1995)Donald A. Silversides, QC (1984 - 1995)Gary L.F. Somers, QC (1984 - 1995)James M. MacIntyre, QC (1986 - 1995)Cecil O.D. Branson, QC (1988 - 1995)Alan E. Vanderburgh, QC (1989 - 1995)Karen F. Nordlinger, QC (1988 - 1996)Benjamin B. Trevino, QC Richard C.C. Peck, QC Leonard T. Doust, QC (1990 - 1997)William M. Trotter, QC (1990 - 1997)Trudi L. Brown, QC (1992 - 1998)Warren T. Wilson, QC (1991 - 1999)Hon. Ujjal Dosanjh, QC (1995 - 2000)Karl F. Warner, QC (1994 - 2000)Richard S. Margetts, QC (1995 - 2001)Gerald J. Lecovin, QC (1994 - 2001)

Emily M. Reid, QC (1994 - 2001)Jane S. Shackell, QC (1994 - 2001)Ann Howard (1992 - 2002)Marjorie Martin (1992 - 2002)Richard C. Gibbs, QC (1996 - 2002)Howard R. Berge, QC (1992 - 2003)Russell S. Tretiak, QC (1992-2003) Robert D. Diebolt, QC (1996 - 2003)Gerald J. Kambeitz, QC (1996 - 2003)G. Ronald Toews, QC (1996 - 2003) William J. Sullivan, QC (1997 - 2003)Master Peter J. Keighley (1996 - 2004)William M. Everett, QC (1998 - 2004)Ralston S. Alexander, QC (1999 - 2005)Patricia L. Schmit, QC (1998 - 2005)Ross D. Tunnicliffe (1998 - 1999; 2000 - 2005)Robert W. McDiarmid, QC (1998 - 2006)Anna K. Fung, QC (1998 - 2007)Ian Donaldson, QC (2000 - 2007)June Preston, MSW (2001 - 2008)

The Law Society Rules provide that past-presidents and Benchers who complete four terms become Life Benchers (shown here in order of their years of Bencher service). Life Benchers are entitled to attend and speak at Benchers meetings but are not eligible to vote.



