

MINUTES

COMMITTEE: Ethics Committee

DATE: September 5, 1996

5. CHAPTER 7, RULE 1: DISBURSEMENT FUNDING PROGRAM

A lawyer requested the Committee's opinion on whether it is proper for a lawyer to enter into an agreement with a client and a bank for the advancement by the bank of funds to cover the client's disbursements. The arrangement would be part of a program designed to deal with situations where the client commences an action for personal injury on a contingency fee basis but does not have sufficient funds to pay the disbursements. The program is endorsed by the British Columbia Branch of the Canadian Bar Association.

The Committee noted that it is not improper for a lawyer to advance disbursements for the client's action under these circumstances. The proposed program is simply a variation of the advancement of funds by a lawyer to cover the client's disbursements and, accordingly, is proper.