

COMMITTEE: Ethics Committee

DATE: June 10, 2009

8. CHAPTER 11, RULE 8: WHETHER CONDITIONS PLACED ON CHEQUES IS CONSISTENT WITH RULE

In an article in the March 2009 Advocate: "Lost and Stolen Cheques, Bank drafts and Trust Cheques: Some Modest but Partial Solutions," the authors, Messrs Olson and McGowan, suggest that lawyers consider marking trust cheques in such a way as to discourage fraudulent use of such cheques. Some steps the authors recommend are to mark trust cheques as:

- (1) "for deposit only by payee – not negotiable" and
- (2) "not payable more than x days (say 60 days) after date."

The Law Society's Trust Department has received a number of calls asking whether it is proper to mark cheques in this way.

It was the Committee's view that the precautions the authors suggest are reasonable and are not inconsistent with Rule 8.

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