April 18, 2024

Sent via e-mail

Blackfin Sports Group

Re: Law Corporation Proposal

Donald J. Avison, KC
Executive Director/Chief Executive Officer

The Law Society of British Columbia ("LSBC") Executive Committee has reviewed your proposal to provide services and has agreed to issue this "no action" letter.

1. Services

Blackfin Sports Group ("Blackfin") currently consists of two companies each incorporated under the *Business Corporations Act:* Blackfin Law Corporation ("BLC") and Blackfin Sports Advisors Ltd. ("BSA"). Lawyers Chris Beardsmore and Chris Gear (the "Lawyer Shareholders") are shareholders in both companies and James Douglas is a shareholder in BSA (the Lawyer Shareholders and James Douglas, together, the "Shareholders"). BLC provides clients with legal services and BSA provides clients with non-legal consulting services such as sponsorship sales and strategy services and management and operations strategy and execution services.

2. Consolidation

The Shareholders intend to consolidate Blackfin's business into one company (namely, BSA) and to change the name of that company to a name that includes "Law Corporation" and which is acceptable to the BC Registry and LSBC (hereinafter, the "Law Corporation"). Following the consolidation, the Law Corporation will provide a combination of legal services and non-legal consulting services (together, the "Services") to clients of the Law Corporation.

3. No Action

LSBC understands that the Lawyer Shareholders and James Douglas will be relying upon this letter in connection with the completion of a Shareholders Agreement among the Shareholders and the Law Corporation (the "Shareholders Agreement"). Based on the proposal, the terms of the Shareholders Agreement, and any additional information provided to LSBC in relation to the proposal, LSBC agrees not to take any action to prevent (i) James Douglas from owning shares in the Law Corporation, or (ii) the Law Corporation from providing the Services, in each case on the basis that the Law Corporation is inconsistent with s. 82 (1)(c) of the *Legal Profession Act* and Chapter 3, Rule 3.6-7 of the *Code of Professional Conduct for British Columbia* (the "Code") provided the following conditions are met:

3.1 The Lawyer Shareholders of the Law Corporation have actual control over the delivery of any Services which are legal services;

3.2 The Lawyer Shareholders at all times exercise independent professional judgment and take any action necessary to comply with their obligations under the *Legal Profession Act*, (the Act), the *Law Society Rules* (the Rules) and the *Code* other than those required by s. 82(1)(c) of the *Legal Profession Act* and Chapter 3, Rule 3.6-7 of the Code;

3.3 The Lawyer Shareholders take all reasonable steps to ensure that anyone who is not a lawyer providing Services through the Law Corporation:

3.3.1 provides only Services comprising non-legal consulting services, and provides same with appropriate skill, judgement and competence;

3.3.2 cooperates with ongoing compliance by the Lawyer Shareholders with the Act, Rules and Code; and

3.3.3 cooperates with the Lawyer Shareholders to ensure that where providing Services to the public that have a connection to the practice of law as carried on by the Law Corporation, such Services are under the supervision of one or more of the Lawyer Shareholders.

3.4 The Lawyer Shareholders take all reasonable steps, including the implementation of screening measures, if necessary, to ensure that no disclosure of privileged or confidential information is made to any person not entitled to that information, including a person appointed by the regulatory body of another profession in relation to the practice of another shareholder, contractor or employee of the Law Corporation.

3.5 The Lawyer Shareholders take all reasonable steps to ensure that anyone who is not a lawyer providing Services through the Law Corporation will comply with the provisions of the Act, the Rules, and the Code respecting conflicts of interest as they apply to lawyers.

3.6 The LSBC acknowledges that the Lawyer Shareholders intend for the Law Corporation to bill for Services comprising legal services only on a fee for completed service basis. However, to the extent the Law Corporation decides to take a retainer for Services comprising legal services or the Law Corporation otherwise engages in activity which triggers a need for a trust account under the Rules, the Lawyer Shareholders must maintain a trust account and a trust accounting system that are in compliance with the Rules and are within the exclusive control of the Lawyer Shareholders.

3.7 The Lawyer Shareholders acknowledge and agree that all information within their knowledge regarding the consolidation and the proposed provision of Services and any contractual or other arrangements related to or required to affect the proposed consolidation has been disclosed to the LSBC and acknowledge that a breach of this condition will be grounds for immediate rescission of this no-action letter.

3.8 The Lawyer Shareholders must ensure that anyone who is not a lawyer providing Services through the Law Corporation directly or indirectly to the public complies with the Rules on indemnification and is covered by professional liability insurance appropriate to the scope of their services and the risk to the public of loss arising from their Services.

3.9 The Lawyer Shareholders ensure compliance with Part 9 of the *Legal Profession Act*, and Part 9, Division 1 of the Rules, and any amendments, other than s. 82(1) (c) with respect to applying for, and carrying on the practice of law through, a law corporation.

3.10 The Lawyer Shareholders will immediately notify and seek approval from the LSBC of any material changes to the terms of the draft Shareholders Agreement that has been provided to the LSBC.

3.11 The Law Corporation provides a report to the Executive Director of the LSBC on an annual basis, or more frequently as determined by the Executive Director, concerning the requirements set out in clauses 3.1 to 3.9.

3.12 The Law Corporation includes the following disclosure on any website, social media and other media maintained by the Law Corporation to promote the Services and the Law Corporation provides this disclosure in written form to each client in its engagement terms:

Blackfin Sports Group is the trade name of [name of Law Corporation], a law corporation consisting of lawyers regulated by the Law Society of British Columbia and others, in accordance with a letter issued by the Law Society of British Columbia. The letter may be viewed at https://www.lawsociety.bc.ca/our- initiatives/innovation-sandbox/.

3.13 The Law Corporation consents to the disclosure by the LSBC of the Shareholders' names and the scope of Services which the Law Corporation may provide, this "no-action" letter, and any rescission of the "no-action" letter under clause 3.7, generally on its website and in response to inquiries from the public or regulatory bodies and for the purpose of informing the public about the Law Corporation and the Services the Law Corporation may provide in conjunction with the Law Corporation's participation in the Innovation Sandbox.

3.14 The Law Corporation and the Lawyer Shareholders indemnify and save harmless LSBC, its Benchers, officers, agents and employees from all claims, demands, losses, damages, costs, fines, penalties and expenses that LSBC, its Benchers, officers, agents or employees may sustain, incur, suffer, or be put to at any time, based upon, arise out of or occur, directly or indirectly, by reason of any act or omission in the provision of the Services.

3.15 The Law Corporation does not assert, imply or otherwise suggest in any way that this "no-action" letter is an approval, endorsement or certification of the Services.

4. Rescission

Notwithstanding any term of this letter, the LSBC may take action in accordance with Parts 3 and 4 of the Rules against the Law Corporation, the Lawyer Shareholders, or both, if:

4.1 The Law Corporation or the Lawyer Shareholders fail to meet any of the conditions set out in Part 3 of this letter.

4.2 The Law Corporation engages in, or proposes to engage in, conduct in relation to the provision of the Services that presents a risk of harm to the public or undermines the integrity of the administration of justice.

4.3 Material information not disclosed by the Lawyer Shareholders comes to the LSBC's attention or misinformation is discovered that would have materially affected the decision to issue this "no-action" letter.

5. Acknowledgement

By acceptance of this "no action" letter, the Law Corporation acknowledges that:

5.1 This no-action letter will take effect from the date of this letter and remain in effect until the LSBC provides written notice of rescission pursuant to Part 4 of this letter or otherwise determines that other regulatory measures are appropriate in relation to the Services.

5.2 If the LSBC determines that some or all of the Services require a license or further regulatory processes, the Law Corporation agrees to submit an application in that licensing and/or regulatory process if it wishes to continue providing the Services.

Thank you again for your proposal and we trust that you will be successful in providing the Services to the public.

Sincerely,

Don Avison, KC *(he/him)*
Executive Director/Chief Executive Officer