The Law Society of Newfoundland and Labrador

2014 - 2015 Annual Report

The Law Society of Newfoundland and Labrador
Annual Report 2014 - 2015
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The Law Society of Newfoundland and Labrador

Annual Report
2014 - 2015

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Fiscal Year Ended December 31, 2014
(covering: General Fund, Lawyers' Insurance Programme,
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BENCHERS

Officers

President: Kenneth L. Baggs, QC
Vice-President: Susan M. LeDrew

Elective Benchers

Eastern District:

Donald E. Anthony
R. Paul Burgess
Amy M. Crosbie
Barry G. Fleming, QC
Kenneth W. Jerrett
Ann F. Martin
Donovan F. Molloy, QC
Liam P. O'Brien
Leanne M. O'Leary
Ian C. Wallace

Central District:

Marcus A. Evans, QC
Kevin T.A. Preston *(until 4 March 2015)*

Western District:

Shawn C. A. Colbourne, QC
James E. Merrigan, QC

Labrador District:

Adrienne S. Edmunds

Appointed Benchers

Donovan Downer
Linda Harnett
Glenda Reid
Bert Riggs

Honorary Benchers

Lewis B. Andrews, QC
Jeffrey P. Benson, QC
Augustine F. Bruce, QC
Morgan C. Cooper
V. Randell J Earle, QC
J. David B. Eaton, QC
Francis P. Fowler, QC
J. Vernon French, QC
The Hon. Mr. Justice Brian F. Furey
Sheila H. Greene, QC
The Hon Mr. Justice W. Goodridge
The Hon Chief Justice J. D. Green
The Hon Gloria Harding
Edward M. Hearn, QC
Thomas R. Kendell, QC
R. Barry Learmonth, QC
Dana K. Lenehan, QC
Augustus G. Lilly, QC
Dennis C. MacKay, QC
G. David Martin, QC
Paul M. McDonald
The Hon. Mr. Justice George L. Murphy
Irene S. Muzychka, QC
Stephanie L. Newell, QC
Glen L.C. Noel
M. Francis O'Dea, QC
Thomas J. O'Reilly, QC
Ernest G. Reid, QC
John F. Roil, QC
The Hon Mr. Justice D. Russell
Robert M. Sinclair, QC
The Hon. Mr. Justice R. Wells
Marina C. Whitten, QC

Officers of the Law Society of Newfoundland (and Labrador)

Treasurers / Presidents		Secretaries / Vice-Presidents	
	— 1834-1845 Records of the Society were destroyed in the Great Fire of June 9, 1846 —		
1846	Hon Wm. B. Rowe, QC	1846	E. M. Archibald
1849	Bryan Robinson, QC	1847	H. W. Hoyles
1852	E. M. Archibald	1849	F. B. T. Carter
1855	F. B. T. Carter	1855	George Hogsett
1866	Wm. V. Whiteway	1856	Henry A. Clift
1869	Robert J. Pinsent, QC	1869	M. W. Walbank
1870	Wm. V. Whiteway	1866	Robert J. Pinsent
1879	Robert J. Pinsent, QC	1869	M. W. Walbank
1881	J. J. Little, QC	1877	T. I. Keough, QC
1885	Robert J. Kent, QC	1879	Prescott Emerson, QC
1893	Sir Wm. V. Whiteway, KCMG, QC	1885	Prescott Emerson, QC
1908	Sir James S. Winter	1889	A. J. W. McNeily, QC
1911	Daniel J. Greene, KC	1895	D. M. Browning
1912	Donald Morrison, KC	1914	C. O'N. Conroy
1919	J. A. Clift, KC	1916	C. H. Emerson, KC
1923	P. F. Summers, KC	1919	Rt. Hon. Sir Wm. Lloyd
1927	W. R. Howley, KC	1937	J. G. Higgins, QC
1941	C. O'N. Conroy, KC	1947	J. A. Barron, QC
1947	John G. Higgins, QC	1958	G. M. Stirling, CM, QC
1958	R. S. Furlong, QC	1959	T. A. Hickman, QC
1959	G. M. Stirling, CM, QC	1967	D. A. Mercer, QC
1971	R. W. Bartlett, QC	1974	Noel Goodridge, QC
1974	Donald A. Mercer, QC	1976	Francis P. Fowler, QC
1977	Robert Wells, QC	1981	Ernest G. Reid, QC
1981	Francis P. Fowler, QC	1982	Thomas J. O'Reilly, QC
1982	Ernest G. Reid, QC	1983	M. Francis O'Dea, QC
1983	Thomas J. O'Reilly, QC	1984	Peter W. Strong, QC
1984	M. Francis O'Dea, QC	1985	David L. Russell, QC
1985	Peter W. Strong, QC	1986	G. David Martin, QC
1986	David L. Russell, QC	1986	J. Vernon French, QC
1986	G. David Martin, QC	1987	Lewis B. Andrews, QC
1987	J. Vernon French, QC	1988	John F. Roil, QC
1988	Lewis B. Andrews, QC	1989	J. Derek Green, QC
1989	John F. Roil, QC	1990	R. Barry Learmonth
1990	J. Derek Green, QC	1991	Thomas R. Kendell, QC
1991	R. Barry Learmonth	1992	Augustus G. Lilly, QC
1992	Thomas R. Kendell, QC	1993	V. Randell J. Earle, QC
1993	Augustus G. Lilly, QC	1994	Reginald H. Brown, QC
1994	V. Randell J. Earle, QC	1995	Dana K. Lenehan, QC
1995	Reginald H. Brown, QC	1996	Gloria Harding
1996	Dana K. Lenehan, QC	1997	J. David B. Eaton, QC
1997	Gloria Harding	1998	Dennis C. MacKay, QC
1998	J. David B. Eaton, QC	1999	Robert M. Sinclair, QC
1999	Dennis C. MacKay	2000	Jeffrey P. Benson, QC
2000	Robert M. Sinclair, QC	2001	William H. Goodridge, QC
2001	Jeffrey P. Benson, QC	2002	Stephanie L. Newell, QC

Treasurers / Presidents

2002	William H. Goodridge, QC
2003	Stephanie L. Newell, QC
2004	Brian F. Furey, QC
2005	Edward M. Hearn, QC
2006	Paul M. McDonald
2007	Marina C. Whitten, QC
2008	Sheila H. Greene, QC
2009	Irene S. Muzychka
2010	Glen L.C. Noel
2011	Augustine F. Bruce
2012	Morgan C. Cooper
2013	George L. Murphy, QC
2014	Kenneth L. Baggs, QC

Secretaries / Vice-Presidents

2003	Brian F. Furey, QC
2004	Edward M. Hearn, QC
2005	Paul M. McDonald
2006	Marina C. Whitten, QC
2007	Sheila H. Greene, QC
2008	Irene S. Muzychka
2009	Glen L.C. Noel
2010	Augustine F. Bruce
2011	Morgan C. Cooper
2012	George L. Murphy, QC
2013	Kenneth L. Baggs, QC
2014	Susan M. LeDrew

LAW SOCIETY STAFF

Executive Director:	Brenda B. Grimes, QC	
Director of Legal Education:	Francis P. O'Brien	
Legal Director:	Phyllis E. Weir	
Library Director:	Gail A. Hogan	
Librarian:	Heather A. Myers	
Accountant:	Richard T. Yabsley	
Administrators:	Pamela A. Marks	*Professional Responsibility*
	Janice K. Ringrose	*Insurance*
Administrative Assistants:	Anne P. Cross	*Professional Responsibility*
	Lisa E. Kennedy	*Custodianship*
	Erin C. Rowe	*Executive*
	S. Renee Whalen	*Library / Reception*
	Regina M. Whitty	*Education*
Library Technician:	Rosemary A. Myers	
Maintenance:	Donald T. Norman	

MEMBERSHIP

Membership Statistics as of June, 2015:

Practising *(Insured)*:	548
Practising *(Uninsured)*:	197
Non-Practising:	219
Life:	33
TOTAL	997

The total membership figures for the years since Confederation with Canada are as follows:

1950	-	66	1967	-	89	1984	-	371	2001	-	767
1951	-	64	1968	-	106	1985	-	378	2002	-	772
1952	-	66	1969	-	110	1986	-	394	2003	-	798
1953	-	69	1970	-	124	1987	-	408	2004	-	808
1954	-	72	1971	-	129	1988	-	435	2005	-	832
1955	-	75	1972	-	129	1989	-	445	2006	-	858
1956	-	73	1973	-	145	1990	-	477	2007	-	870
1957	-	76	1974	-	153	1991	-	514	2008	-	904
1958	-	76	1975	-	179	1992	-	560	2009	-	923
1959	-	77	1976	-	189	1993	-	588	2010	-	931
1960	-	81	1977	-	203	1994	-	617	2011	-	948
1961	-	83	1978	-	237	1995	-	635	2012	-	931
1962	-	86	1979	-	261	1996	-	669	2013	-	937
1963	-	86	1980	-	281	1997	-	683	2014	-	983
1964	-	86	1981	-	316	1998	-	706	2015	-	997
1965	-	86	1982	-	333	1999	-	728			
1966	-	86	1983	-	351	2000	-	750			

Eight lawyers were called to the Bar of Newfoundland and Labrador on June 13, 2014

Roll#		Roll#	
1643	Nigel Perry Jenkins	1647	Brandon Marshall Trask
1644	Matthew Robert Kennedy	1648	James Ross Strickland
1645	Lisa Jane Smith	1649	Jonathan Wayne Moore
1646	Rebekkah Marie Sheppard	1650	Robert John Parsons

Ten lawyers were called to Bar of Newfoundland and Labrador on October 17, 2014

Roll #		Roll #	
1651	Robert Alexander Bill	1656	Ivan George Cecil Nault
1652	Katrina Rose Marie Hanlon	1657	Shanna Michele Wicks
1653	Sarah Jayne Clarke	1658	Laura Jane Bursell
1654	Joshua William Charles Lehr	1659	Jessica Dorothy Tellez
1655	Ellen Claire O'Gorman	1660	Agnes Wai Tong

Fifteen lawyers were called to the Bar of Newfoundland and Labrador on February 13, 2015

Roll #		Roll #	
1661	Megan Stephanie Sheppard	1669	Natika Jennifer Hearn
1662	Justin Gordon John Caines	1670	Jennie Myra Donnelly McDonald
1663	Johnathan McDonald	1671	David Charles Bennett
1664	Emily Renée Young	1672	Stephen Johnathan Moyer Lichti
1665	Alexandra Kindervater	1673	*Blank*
1666	Tracy Lynn Bannier	1674	Solène Marie-Paule Murphy
1667	Matthew Victor William Moulton	1675	Adrienne Hau Yin Ding
1668	Dominic Joseph Foley	1676	Holly Faith Anne Chapman

Five lawyers were called to the Bar of Newfoundland and Labrador on April 17, 2015

Roll #		Roll #	
1677	Carolyn Rebecca Mouland	1680	Meaghan Elizabeth McCaw
1678	Judith Florence Rae	1681	Colin David Andrews
1679	Margaret Emily Wente		

Lawyers were first regulated in Newfoundland under a Royal Charter of 1826; the Law Society was incorporated on July 1, 1834.

The Barrister and Solicitor Rolls, as of April 17, 2015, record that 1680 members have been called to the Bar since 1826.

The Benchers record with regret the death of the following members and past members during the period from June 2014 to June 2015:

James J. Greene, QC
called as a solicitor on October 15, 1953; called as a barrister on October 19, 1953; Roll #227

The Honourable Mr. Justice John J. O'Neill
called as a solicitor on December 2, 1954; called as a barrister on January 26, 1955; Roll #234

Kevin T. A. Preston
called April 12, 1988; Roll #711

William (Bill) A. Cadigan
called April 11, 1990; Roll #757

Allan Henry
called July 2, 1991; Roll #819

LAW SOCIETY COMMITTEES

STANDING COMMITTEES

Excutive Committee

Kenneth L. Baggs, QC, *President*
Susan M. LeDrew, *Vice-President*
Barry G. Fleming, QC
R. Paul Burgess
Donald E. Anthony
Brenda B. Grimes, QC, *ex officio*

Complaints Authorization Committee

Barry G. Fleming, QC, *Chair*
J. David B. Eaton, QC, *Vice-Chair*
Linda Harnett, *Appointed Bencher*
Phyllis E. Weir, *ex officio*

Alternate Members

Donald E. Anthony
Amy M. Crosbie
Sheila H. Greene, QC
Glenda Reid, *Appointed Bencher*
Marina C. Whitten, QC
Bert Riggs, *Appointed Bencher*

Discipline Committee

Glen L.C. Noel, *Chair*
John M. Green, QC, *Vice-Chair*

Law Society Members:

John M. Babb, QC
Glen S. Belbin
Katrina A. Brannan, QC
Janis C. Byrne
Wayne D. Chamberlain, QC
Sandra R. Chaytor, QC
S. Bruce Chislett
Paul L. Coxworthy
Michael J. Crosbie, QC
Jean V. Dawe, QC
V. Randell J. Earle, QC
Anne M. Fagan, QC
Donald J. Gallant, QC
Bruce C. Grant, QC
Deborah L.J. Hutchings
David A. King, QC
R. Barry Learmonth, QC
Mary J. Mandville, QC
Tobias F. McDonald, QC
John W. McGrath, QC
James C. Oakley, QC
Mary C. O'Brien
John V.B. O'Dea, QC
D. Richard Robbins
Linda M. Rose, QC
Daniel W. Simmons, QC
Ellen E.M. Turpin, QC
James E. Vavasour, QC
John D. Brooks, QC
Dennis N. Clarke
Paul D. Dicks, QC
Tamara L. Drover
Gladys H. Dunne
Gregory A. French
Stephanie S. Hickman
David W. Jones, QC
Lee Ann L. Montgomery
Lynn M. Moore
Gregory A.C. Moores
Tracey Pasley
Stephen F. Penney
Richard S. Rogers
James L. Thistle, QC
Thomas E. Williams, QC
Rodney J. Zdebiak

Appointed Representatives:

Bernard Bolger
Angela Bowes
Herbert Burry
Frederick Drover
Raymond Rose
Dr. Marina Sexton

Education Committee

Ian C. Wallace, *Chair*

David G. L. Buffett, QC
J. David B. Eaton, QC
Heather M. Jacobs, QC
D. Bradford Wicks, QC
Susan M. LeDrew, *ex officio*
Francis P. O'Brien, *ex officio*

Accounts and Finance Committee

Barry G. Fleming, QC, *Chair*

Glenda Reid
Brenda B. Grimes, QC, *ex officio*
Richard T. Yabsley, *ex officio*

Bar Admission Committee

J. David B. Eaton, QC, *Chair*

Aubrey L. Bonnell, QC
Sandra M. Burke, QC
V. Randell J. Earle, QC
Gregory M. Smith
Francis P. O'Brien, *ex officio*

Library Committee

Liam P. O'Brien, *Chair*

Rebecca C. Phillipps
Padraig J. Mohan
Maeve A. Baird
Angela M. Whitehead
Andrew A. Fitzgerald
Benjamin J. Blackmore
Daniel M. Boone, QC *(by invitation)*
Bert Riggs, *Appointed Bencher*
Gail A. Hogan, *ex officio*
Heather A. Myers, *ex officio*
Brenda B. Grimes, QC, *ex officio*

Claims Review Committee

Thomas J. Johnson, *Counsel*
Lewis B. Andrews, QC
Gary L. Baird
Janice K. Ringrose, *ex officio*

Honours and Awards Committee

Marcus A. Evans, QC, *Chair*

John D. Brooks, QC
V. Randell J. Earle, QC
Bert Riggs, *Appointed Bencher*
Edward J. Shortall, QC

Insurance Committee

R. Paul Burgess, *Chair*

Philip J. Buckingham
Edward M. Hearn, QC
(until 24 March 2015)
Stephen J. May, *CLIA Board Rep.*
(until 21 November 2014)
Thomas J. Johnson, QC
Donald E. Anthony
Raymond P. Walsh, *FCIP*
Janice K. Ringrose, *ex officio*
Brenda B. Grimes, QC, *ex officio*

SS Daisy Legal History Committee

Christopher P. Curran, QC, *Co-chair*
The Honourable Judge John L. Joy, *Co-chair*

Mel Baker, Ph.D.
The Hon. Judge Gerald J Barnable
Thomas J. Burke, QC
John F.E. Drover
Christopher English
David J. Jones, QC
The Hon. J. Derek Green,
Chief Justice of Newfoundland & Labrador
Robert P. Pittman
James E. Merrigan, QC, *Bencher Liaison*
Francis P. O'Brien, *ex officio*

Real Estate Committee

Susan M. LeDrew, *Chair*

Shawn C.A. Colbourne, QC
Catherine J. Perry
Graham A. Wells, QC
Brenda B. Grimes, QC, *ex officio*

Student Awards Committee

Heather Jacobs, QC, *Chair*

Andrew Fitzgerald
Denis J. Mahoney
Gail Hogan, *ex officio*
Francis P. O'Brien, *ex officio*

Access to Justice Committee

Ian Wallace, *Chair*

Donovan Downer
Adrienne S. Edmunds
Donovan F. Molloy, QC
Glenda Reid
Francis P. O'Brien, *ex officio*
Brenda B. Grimes, QC, *ex officio*

Life Membership Committee

Ian C. Wallace, *Chair*

Barry G. Fleming, QC
Bert Riggs, *Appointed Bencher*

AD HOC COMMITTEES

LLP Committee

Dennis N. Clarke, *Chair*

John V. B. French
Stephanie S. Hickman
Neil L. Jacobs

PRESIDENT'S ANNUAL REPORT

Kenneth L. Baggs, QC

It is my privilege to present the President's annual report for 2014-2015 which summarizes some of the significant events, accomplishments and activities of the Law Society during my term.

Call to Bar for New Lawyers

One of the more pleasant tasks a President of the Law Society carries out is participating in the various ceremonies and celebrations of the Law Society, including the Call to Bar ceremonies. Four (4) of these took place from June 2014 to June 2015. The result of these was the admission of 38 new lawyers to our Bar. As is customary, the Law Society hosted receptions following these Call to Bar ceremonies at the Law Society offices.

While the practice of law is exciting and rewarding, it also brings with it much responsibility. It is important that all members of the Law Society continue to provide guidance and support to these new colleagues as they move forward on their chosen career path.

New Judges

Another notable ceremonial occasion is when a member of the Law Society makes the transition from the Bar to the Bench upon being appointed as a judge. Although this appointment marks the end of that person's membership in the Law Society, it is still an occasion to be recognized and celebrated by the members of the Law Society as it highlights the esteem in which this former member is held. I was honoured to attend and give remarks at the Swearing-In ceremony of Judge Phyllis A. Harris, who was appointed to the Provincial Court in Happy Valley-Goose Bay. Regrettably, I was unable to attend the Swearing-In ceremony for Justice Jane M. Fitzpatrick, who was appointed to the Supreme Court in St. John's. Our Vice-President, Susan M. LeDrew did so instead.

I also attended and gave remarks at the Inaugural sitting of the Honourable George L. Murphy, and the Swearing-In ceremony for the Honourable Raymond P. Whalen as Chief Justice of the Trial Division of the Supreme Court.

The Law Society, in partnership with the Courts, hosted receptions for the appointments of the new judges.

New Queen's Counsel

It was a pleasure to attend the Swearing-In of Queen's Counsel on 28 November 2014. Members appointed were: Daniel M. Boone, William W.C. Boyd, Augustine F. Bruce, Wayne D. Chamberlain, Ronald A. Cole, Donald J. Gallant, Brenda B. Grimes, Heather M. Jacobs, Thomas J. Johnson, James E. Merrigan, Donovan F. Molloy, Sheilagh M. Murphy, Paul G. Noble, James C. Oakley, John V.B. O'Dea, Lorna A. Proudfoot, Adam J. Sparkes, Ellen E. M. Turpin, John L. Vivian, and D. Gordon Woodland.

This is a well-deserved honour and recognition for the members appointed and I was privileged to attend on Benchers' behalf and to congratulate our new Queen's Counsel at the reception hosted by the Law Society following the ceremony.

Former Judges and Members

On occasion, a President is asked to speak at a ceremony organized to pay tribute to a member or former member who is no longer with us. This year I was privileged to be asked to participate in the ceremony held to commemorate the life of the late Justice John James O'Neill. While sadness is always part of such an occasion, it also provides an opportunity for those attending to learn of and celebrate the accomplishments of the one who is no longer with us.

Benchers, Law Society staff and members were saddened to learn of the untimely passing of members: James Greene, QC; Alan Henry; William (Bill) Cadigan; and Kevin Preston, who will all be greatly missed by family, friends and colleagues.

The Work of the Law Society:

Benchers, the Executive Committee and Law Society Professional Staff

As the governing body of the Law Society, Benchers have the authority to regulate the practice of law and the legal profession in the public interest. Benchers consists of 17 elected members of the Law Society and four lay members appointed by a Committee chaired by the Chief Justice of the Trial Division of the Supreme Court of Newfoundland and Labrador.

Members of our bar are often unaware of the work that is done behind the scenes by Benchers. Being a Bencher requires dedication, engagement and, sometimes, a significant commitment of time but it is also a very rewarding experience. In the course of regulating in the public interest, Benchers deal with many interesting issues and make decisions which can have a fundamental impact on the profession. Members are encouraged to take the time to get involved in the Law Society, whether by running for election as a Bencher or by volunteering for one of the Committees.

Benchers, in conjunction with the Executive Committee, the Complaints Authorization Committee, the Insurance Committee, the Education Committee and many others, have important roles to play in policy development and legislative change, all with the objective of protecting the public interest. In order to successfully carry out these roles, significant reliance must be placed on the information, guidance and advice provided by the Law Society's senior professional staff under the leadership of the Executive Director, Brenda B. Grimes, QC.

The Law Society's professional and administrative staff are diligent in advising, informing and supporting Benchers and the Executive Committee in furtherance of our protection of the public interest mandate. Benchers look forward to continuing to work in collaboration with them in the continued discharge of our responsibilities as a Law Society, and the successful regulation of the practice of law and the legal profession in the public interest.

Notable Positive Initiatives / Results Achieved this Year

Benchers and Law Society staff work hard to ensure that the Law Society is operating effectively and efficiently. Members can be confident that our Law Society is well placed to carry out its public protection mandate. Some examples of positive initiatives / results include:

1. Benchers receive necessary information on key operations and programs, including finances, insurance and custodianships on a regular basis;

2. As the financial statements show, the Law Society (and all of its programs) is in a very strong position, in keeping with actuarial recommendations. Results of operations for the past several years have been relatively stable with 2014 operations showing revenues exceeding expenses primarily due to favourable claims experience with the Lawyers' Insurance Programme and the continued strong performance of the Society's investment portfolio. These positive results have allowed the Society to maintain its member fee structure unchanged through 2015 for the fourth consecutive year while continuing its statutory mandate of public protection;

3. Ongoing monitoring of our infrastructure requirements to ensure that the integrity and safety of Law Society information is protected and that we can effectively receive and deliver information;

4. Continued improvement in the general transparency and understanding of Law

Society operations by Benchers and members including the introduction of an Orientation Manual for Benchers;

5. Adoption of a Conflict of Interest Policy for Benchers;

6. Review of the Committee structure with Benchers approving the following committees for the upcoming year: Executive Committee, Complaints Authorization Committee, Discipline Committee, Education Committee, Accounts and Finance Committee, Bar Admission Committee, Claims Review Committee, Insurance Committee, *SS Daisy* Legal History Committee, Student Awards Committee, Honours and Awards Committee, Real Estate Committee, Library Committee, LLP Committee and, Access to Justice Committee. Members will have already received a request for expressions of interest for some of these committees;

7. National Discipline Standards were adopted with implementation effective January 1, 2015; and a new policy, Publication – Discipline Proceedings was adopted;

8. A program for Mandatory Continuing Legal Education (CLE) in Newfoundland and Labrador was approved with an implementation date of 2016.

Committee Work

The work of Law Society staff and Benchers is often augmented by the work done by its various committees, many of whom have included summaries of their activities elsewhere in this Annual Report. The committees assist in a wide range of areas including education, finance and accounts, the library, discipline and professional conduct, admissions and insurance. The work is always challenging and often time consuming but it is invaluable to the success and effective operation of the Law Society. The dedication of these committee members must be recognized.

Federation of Law Societies of Canada

Canada's fourteen provincial and territorial law societies govern over 100,000 lawyers and 3,500 Québec notaries in the public interest. The Federation of Law Societies of Canada is their national coordinating body.

As a member of the Federation of Law Societies of Canada, the Law Society has access to a broader range of resources to assist it in carrying out its mandate. Matters of national importance which are discussed at the Federation level quite often lead to the creation of and implementation of common policies in each jurisdiction. This commonality helps in the adoption of uniform best practices and provides for a larger pool of precedent on which to draw when interpreting matters locally. It also ensures that mobility between provinces is more seamless. All of this is of benefit to the profession and protects the public interest.

This past year the Federation has undertaken a governance review in order to ensure that it is equipped to meet the needs of all jurisdictions in Canada and the public we serve.

We derive much value from the Federation in many ways. Notable among these is the collaboration among staff from each Law Society (which is invaluable in terms of identification of issues and sharing of best practices) and the Federation's intervention in a number of Supreme Court of Canada cases the results of which had (or could have had) a significant impact on our members.

The President and Vice-President, along with Ms. Grimes, QC and Ms. Greene, QC, attended the Federation's Annual Conference in Halifax in October, 2014 where the focus was on Access to Justice issues. Participants were required to participate in a poverty simulation and meet with various groups that deal with these and other issues in the local community. Following this meeting, Benchers created the Access to Justice Committee and the Law Society is also represented on the Newfoundland and Labrador Access to Justice Steering Committee.

The President and Vice-President along with Ms. Grimes, QC, Ms. Greene, QC and Mr. Fleming, QC attended Federation Meetings in Ottawa in March, 2015. The meeting focused on governance issues. Discussions were candid and useful addressing the benefits gained from the Federation and ways to improve value for each jurisdiction in the future.

Law Foundation

We are fortunate and grateful once again to have the continued financial support of the Law Foundation of Newfoundland and Labrador for law libraries and the *SS Daisy* Legal History Committee. For the calendar and fiscal year end, 31 December 2014, the Foundation granted $76,000.00 for law libraries in the province. This funding is allocated among the Law Society library in St. John's and the libraries in Corner Brook and Gander. The Foundation also continues to support the work of the *SS Daisy* Legal History Committee. In 2012, funding of $16,500.00 was granted for three publication projects. The third and final publication produced with this funding was published in 2014 with the redirection of funds from the Forbes Project to Carter Volume II. The Governors of the Law Foundation are Aubrey Bonnell, QC, Chair, Jeffrey Benson, QC, F. Geoffrey Aylward, QC, Daniel Boone, QC, L. Wade Locke, Adam Sparkes, QC and Sheri Wicks. Mr. Lawrence Collins is the Foundation's Executive Director. On behalf of Benchers and the Law Society, I would like to extend sincere thanks to the Law Foundation and its Board of Governors for its continued support, which is crucial to maintaining and upgrading the library resources so essential to the profession and the public.

Our Volunteers

The dedication of numerous members and non-members who contribute, on a volunteer basis, to the important work of the Law Society does not go unnoticed. Whether they are contributing at the Benchers' level, on one of the Law Society's committees or in other ways, our volunteers strengthen our professional community, thus enhancing and advancing the integrity, credibility and future of the profession. On behalf of Benchers and the Law Society, thank you for all of your hard work and commitment.

Conclusion

The Law Society has an important mandate to fulfill in ensuring that the integrity of the profession is maintained and the interests of the public are protected. As the Bar grows larger and barriers to mobility disappear, new issues and challenges arise. Changes in the way legal services are delivered and increasing reliance on electronic communication contribute to the complexity of the Law Society's work. As a Bencher and President, it is easy to see how much the work of the Law Society has changed in response to our changing world. Many other changes will occur as time goes on, as the Law Society strives to ensure that its method of regulation is dynamic and responsive to the challenges of a changing profession. Being a Bencher is an important, sometimes onerous, always challenging but incredibly rewarding and enjoyable experience. Consideration in participating in the work of the Law Society at this level is encouraged.

In closing, it is a privilege to have, and to have had, the opportunity to serve the profession and our members as a Bencher and as President. I am grateful to have had this opportunity. Our experiences as Benchers create a unique perspective on the regulatory issues facing our profession.

Benchers, Executive Committee members and the entire Law Society team are to be commended for their valued support and assistance. Best wishes to all involved in the Law Society for continued success.

VICE-PRESIDENT'S ANNUAL REPORT

Susan M. LeDrew

The *Law Society Act, 1999* (the *"Act"*) prescribes the Vice-President's role in the disciplinary process. The Vice-President receives reports from the Legal Director and submits allegations to the Complaints Authorization Committee. The Complaints Authorization Committee, a statutory committee consisting of three Benchers, at least one of whom is an appointed Bencher, screens allegations of conduct deserving of sanction. Conduct deserving of sanction is defined in section 41 of the Act to include professional misconduct, failure to maintain the standards of practice, conduct unbecoming a member of the Society, acting in breach of the Act or the Law Society Rules and failing to adhere to the Code of Professional Conduct.

The Vice-President, with the consent of the parties, may attempt to resolve an allegation or may refer the allegation to alternate dispute resolution. If the allegation is resolved the mediator confirms the resolution and the file is closed. Where a satisfactory resolution is not achieved then the allegation is referred to the Complaints Authorization Committee. The initial assessment of an allegation is subject to the third party allegation policy.

A third party allegation is an allegation received from a non-client or a lawyer opposed in interest to the client of the solicitor against whom the allegation is made. Following a review of the allegation on the basis of specific factors, the Vice-President has discretion to decline or to defer the investigation pending the final determination of a proceeding. When an investigation is deferred, the Vice-President requests, from the respondent, a consent and a waiver of delay. When an investigation is declined, the complainant is advised that outstanding issues, if any, may be re-filed with the Law Society subsequent to the final determination of the proceeding.

The powers of the Complaints Authorization Committee are prescribed by section 45 of the Act and include the authority to conduct investigation, conduct a practice review and require the member's appearance before the Committee. The investigation/review is conducted through the Legal Director's office. Following its final consideration of an allegation, the Complaints Authorization Committee will either dismiss the allegation or, where there are reasonable grounds to believe that a respondent has engaged in conduct deserving of sanction, the Committee will authorize the Complaint. A complainant whose allegation is dismissed by the Complaints Authorization Committee has a right to appeal to the Supreme Court, Trial Division.

Following authorization of the Complaint, the Complaints Authorization Committee may counsel or caution the respondent, may instruct the Vice-President to file the Complaint and refer it to the Disciplinary Panel, make an application for appointment of a Custodian of the member's practice, and suspend or restrict the member's licence to practice.

The Disciplinary Panel, appointed pursuant to section 42 of the *Act*, is comprised of Law Society members and lay representatives, appointed by the Minister of Justice. For the purpose of dealing with Complaints referred and applications made to the Disciplinary Panel, the Chairperson appoints an Adjudication Tribunal, consisting of two

members and one lay representative, to hear the matter. The Hearing proceeds pursuant to sections 47 through 51 of the *Act*. A party to the Hearing has the right to appeal an Order or Decision of the Adjudication Tribunal to the Supreme Court of Newfoundland and Labrador, Trial Division.

Information concerning Complaints processed during the current reporting period follows. The Complaints Authorization Committee has authorized eleven Complaints; one of which resulted in a letter of counsel; four resulted in letters of caution and six were referred to the Disciplinary Panel. The Complaints Authorization Committee suspended a member's licence to practice pending the determination of the Complaint by an Adjudication Tribunal. Currently there are eight Complaints before the Disciplinary Panel.

Hundreds of hours of volunteer time are contributed on an annual basis by members of the Complaints Authorization Committee and by members of the Disciplinary Panel to the Law Society's disciplinary process. The Society could not function without the dedication and volunteer time of committee members. Your contribution is significant and very much appreciated.

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BAR ADMISSION COURSE COMMITTEE REPORT

The Law Society requires all Students-at-Law to attend at the Bar Admission Course and successfully complete the Bar Admission Course Examinations as part of the Law Society's licensing requirements.

The 2014 Bar Admission Course began on October 7, 2014 and continued until November 24, 2014. The Bar Admission Course involves in-class teaching, generally scheduled from 9:00 am – 5:00 pm daily, and the Course runs for a period of seven (7) weeks in total. Daily attendance at the Bar Admission Course is mandatory for all Students-at-Law. There are approximately 150 scheduled hours of instruction in the Bar Admission Course, delivered through lectures, seminars and workshops. The instruction is primarily provided by Law Society staff, practicing lawyers, judges and other professionals and invited presenters.

In the 2014 Bar Admission Course there were 24 students enrolled. Students attending the Course were articling in a variety of legal environments. Approximately two thirds of students were articling with a firm in private practice, with approximately one third articling in a public sector placement, for example with the NL Legal Aid Commission, the Crown Attorney's Office or the Department of Justice (Civil Division). While the majority of students were articling in the St. John's metropolitan area, this year's Course also had a good geographical representation of students articling throughout the Province, for example in Carbonear, Gander, Grand Falls-Windsor, Stephenville, Corner Brook, Happy Valley-Goose Bay and Labrador City.

To pass the Bar Admission Course, students must pass six Bar Admission Course licensing examinations in the following areas: Family Law, Commercial Law, Civil Procedure, Criminal Law, Administrative Law and Real Estate / Wills. Each of these six licensing examinations exam is 3½ hours long and focuses on the lectures and in-class presentations, the Bar Admission Course materials and the approximately 80 provincial and federal statutes and regulations covered in the Course. The Bar Admission Course materials consist of 11 separate volumes and cover thousands of pages of content.

The goal of the Bar Admission Course is to give new lawyers a comprehensive overview of Newfoundland and Labrador and Canadian law and procedure, and transfer to them the necessary information to ensure entry level competence in the profession. The Course is intensive, practical and relevant to what a new lawyer will see in practice.

What follows is an overview, providing further particulars on each section of the Course:

Family Law:
Topics include divorce proceedings, parenting (custody and access), child and spousal support, matrimonial property, provincial family legislation, pensions, court procedures, child protection, support enforcement and tax implications of family law. There is also a Judicial panel discussion on the practice of family law.

Corporate/Commercial Law:
Topics include incorporation and organizing a business, registration issues, corporate procedures, corporate finance, the Personal Property Security Act, security opinions, purchase and sale of a business / shares and commercial insolvency.

Civil Procedure:
Topics include limitations of actions, fatal accidents, survival of actions, commencing pro-

ceedings, service, defences, counterclaims, third party proceedings, summary trial, expedited trial, discovery and disclosure of evidence, setting down for trial, the Judgment Enforcement Act, civil appeals, costs and alternative dispute resolution mechanisms.

Practice Skills, Practice Management and Ethics:
The Course presents lawyering-skills workshops where students receive instruction in direct examination, cross-examination, negotiating settlements, interviewing clients, the Law Society's professional liability insurance program, risk management and how to avoid professional negligence claims. As well there is a presentation on maintaining a balance between professional and personal lives, and a presentation on using the resources of the Law Society Library. There are also presentations on the Law Society Trust Accounting requirements and professional conduct and client complaints. There is a separate section on ethics and the Code of Professional Conduct, in which students complete a written assignment.

Criminal Law and Procedure:
Topics include the court structure, presumptions and burdens, classification of offences, pre-arrest, arrest, charge, first appearances, judicial interim release, disclosure, elections and re-elections, solicitor/client matters, preliminary inquiries, pre-trial matters, Charter applications, trial by judge alone, jury trials, the sentencing process, types of sentences, criminal appeals, young offenders, evidentiary matters, voir dires, search and seizure and defences. As well, in this section, students receive instruction on advocacy skills, there is a panel discussion with judges on the topic of advocacy, and students prepare for and participate in a mock trial and sentencing exercises.

Administrative Law:
Topics include the Labour Relations Board, labour and commercial arbitration, municipal law, the Human Rights Commission, the Workplace Health, Safety and Compensation Commission, the professional discipline process, statutory appeals, judicial review of arbitration and a presentation on judicial review and other prerogative orders.

Real Estate and Wills:
Topics include the registry system and land tenure, the real estate transaction, the mortgage, condominiums, professional responsibility in real estate issues, title insurance, survey/location certificates, taxation issues, crown lands, quieting of titles, possessory title, residential tenancies and title searches. There is a real estate transaction workshop and a separate section on wills, estates and probate.

Law Society members or prospective members interested in obtaining further information about the Bar Admission Course should contact Mr. Francis P. O'Brien at (709) 722-4898 or by email francis.obrien@lawsociety.nf.ca.

CONTINUING LEGAL EDUCATION REPORT

The Law Society of Newfoundland and Labrador develops and delivers a program of Continuing Legal Education for members of the Bar. This is achieved through the Law Society's education entity, Newfoundland and Labrador Continuing Legal Education.

Newfoundland and Labrador Continuing Legal Education has, as its goal, the provision of high quality legal education programs which assist in keeping our members current and competent.

Continuing legal education programs are offered to members of the Newfoundland and Labrador Bar in a variety of practice areas. Examples of recent and proposed programs are:

- *Understanding and Effectively Using Financial Statements for Lawyers*
- *Family Law Update*
- *Advocacy Skills Workshop*
- *Family Law Rules Changes: Costs and Offers to Settle in Family Law Proceedings*
- *Mediation Advocacy*
- *Taxation Law*
- *Updated Real Estate*

Lawyers in Newfoundland and Labrador continue to be very interested in Continuing Legal Education and they continue to support our programming by their excellent levels of attendance, positive feedback and suggestions for future programs.

We appreciate our many volunteer lawyers, judges and other professionals who give freely of their time and talents, as presenters at our seminars, to enhance the knowledge and professional standards of other practitioners. The Law Society greatly appreciates these contributions and we are continuously impressed with the excellence and enthusiasm of our presenters.

As Benchers have approved a program of Mandatory Continuing Legal Education beginning in 2016, with reporting in 2017, the Law Society is looking forward to members engaging in meaningful continuing legal education opportunities in future.

Members with program suggestions should contact Mr. Francis P. O'Brien at (709) 722-4898 or by email at francis.obrien@lawsociety.nf.ca.

EDUCATION COMMITTEE REPORT

The Education Committee is responsible for educational issues which arise concerning members and prospective members of the Law Society. The Committee deals with all applications for admission and re-admission to practice, which applications generally involve an assessment of academic credentials, currency of legal knowledge, fitness to practice and good character elements. The Education Committee deals with requests throughout the year from members and prospective members relating to the requirements in the *Law Society Act, 1999* and the *Law Society Rules* on educational and admissions issues.

As such, the Education Committee considers applications from:

- law students regarding admission as a Student-at-Law;
- applications from members of other Law Societies who wish to practice in Newfoundland and Labrador on a temporary basis under the National Mobility Agreement;
- applications from members of other Law Societies who wish to transfer to Newfoundland and Labrador on a permanent basis pursuant to the National Mobility Agreement; and
- applications from non-practicing or former members of the Law Society who wish to reinstate their status to practicing membership.

In all of these cases, the Committee must ensure that the applicant has met the required standards, educational and otherwise.

Each year the Education Committee also reviews and approves the marks from the Bar Admission Course examinations and directs, when required, the writing of supplementary examinations or the completion of further educational requirements before a Student-at-Law is eligible to be called to the Newfoundland and Labrador Bar.

From May 2014-April 2015, the Education Committee:

(i) admitted 38 new applicants as Students-at-Law;

(ii) recommended to Benchers that 23 students, having met the requirements of a Student-at-Law, be called to the Bar in Newfoundland and Labrador;

(iii) approved the application of 16 transfer candidates to be called to the Bar of Newfoundland and Labrador under the National Mobility Agreement; and

(iv) approved a change from non-practicing to practicing status for 20 Law Society members.

INSURANCE COMMITTEE REPORT

Paul Burgess, *Chair*

This report will summarize some of the developments which have occurred over the last year with the Lawyers' Insurance Programme ("Programme"). If members have any questions or require further details, please contact the Chair or our Insurance Administrator, Ms. Janice Ringrose.

This year Mr. Raymond Walsh retired as the insurance adjuster for the Programme after providing 25 years of invaluable service. Mr. Walsh was part of the team who led the Programme through the difficult times when we had challenges obtaining insurance coverage for our members, dealt professionally and efficiently with our members, and has helped our Programme to be as successful as it is today.

Also, Mr. Edward Hearn, QC retired as Insurance Committee member on 24 March 2015 after many committed years. Mr. Hearn, QC was instrumental in helping us get through some of our toughest years and his involvement will undoubtedly be missed.

The Lawyers' Insurance Programme has had a successful year from a claims perspective, and we are presently in a healthy and stable financial position. Our Claims Review Committee, consisting of Janice Ringrose, Tom Johnson, QC, Lewis Andrews, QC and Gary Baird, have continued to operate the Programme effectively, which has ensured premium costs to members have remained stable.

Our insurer, CLIA, which is a reciprocal, has been undergoing restructuring. While last year the largest subscriber of CLIA, Alberta, decided to leave the organization, I am pleased to report it did not negatively impact CLIA's financial position.

At the local level, part of the Programme's mandate is to provide excess cover insurance through CLIA. One of the benefits of excess cover through CLIA is the consistent policy wording above the basic $1M provided by members' Law Society insurance and, as well, the unified administration of claims.

Excess coverage can be purchased through CLIA from the Law Society in amounts from $1M to $9M. The premium rate structure per lawyer remains the same as last year and is as follows:

$1,000,000.00 per occurrence / and aggregate = $343
$2,000,000.00 per occurrence / and aggregate = $504
$3,000,000.00 per occurrence / and aggregate = $589
$4,000,000.00 per occurrence / and aggregate = $624
$9,000,000.00 per occurrence / and aggregate = $873

The Insurance Committee continues to benefit from the generosity of each of the members of the Committee who devote significant time out of their busy schedules to ensure the Lawyers' Insurance Programme continues to be effectively administered and is financially stable. The Programme provides the best possible coverage to Members and protects the public as effectively as possible.

LIBRARY COMMITTEE REPORT

The primary objective of the Law Society library is to support lawyer competency through the delivery of high level reference services to members in Newfoundland and Labrador. To provide these services it is essential to maintain the library's excellent collection of texts, reference tools and electronic databases including e-books and e-journals.

This goal is becoming increasingly challenging as the library strives to control costs in a climate of ever escalating pricing for loose leafs and electronic services. The struggle is compounded with law firms deciding to go to a single source for electronic services and cancelling large numbers of their loose leaf texts with the collective thinking being, presumably, that the Law Society library will be able to maintain all services. The library endeavours to maintain a current and accessible collection that is also available to members of the public. This has always been a requirement of Law Foundation funding and has taken on greater prominence in light of recent access to justice initiatives. Balancing access to materials with cost control continues to be of paramount importance to the Law Library.

It is with mixed feelings that we announce the retirement of Heather Myers. Heather is closing an illustrious career as a special librarian in government, a children's librarian and finally a law librarian. Heather's knowledge and experience is extensive and diverse and we will miss her greatly. Heather, a Renaissance woman, will be so engaged as a yoga instructor, student of music and mathematics, bibliophile, traveler and curious intellectual, to name a few, that she will be busier than ever. Thank you for everything, Heather!

On November 27, 2014 Lauren Kean left the Law Society library to begin employment with the legislative library. Lauren was a great asset to our team and we wish her success in her new position. Beginning January 26, 2015 Rosemary Myers was hired as our newest Library Technician. Rosie comes to us with academic library experience and is a welcome addition to the Law Society library staff. Rosie is able to assist members with reference questions, tweets library related information @LSlibraryNL and is also responsible for maintaining the Law Society website.

The library extends its appreciation to members of the Library Committee for generously providing their advice and assistance. Committee members include Liam P. O'Brien, *chair*, Maeve A. Baird, Benjamin J. Blackmore, Daniel M Boone, QC *(by invitation)*, Andrew A. Fitzgerald, Padraig J. Mohan, Rebecca C. Phillipps, Angela M. Whitehead, and Bert Riggs *(appointed Bencher)*.

The Library Committee would like to express its gratitude to the Law Foundation of Newfoundland and Labrador for its continued financial support, without which the Law Society could not provide current in-depth research materials.

STUDENT AWARDS COMMITTEE REPORT

The Student Awards Committee deals with Law Society awards for Articled Students-At-Law. These are the ***Hunt Award***, the ***Provincial Court Judges' Association Award***, the ***Penney Award***, the ***Spracklin Award***, the ***William J. Browne Scholarship*** and the ***Maxwell J. Pratt Scholarship***, respectively.

The ***Hunt Award*** is presented to the Student-at-Law who receives the highest overall average mark in the Law Society of Newfoundland and Labrador's Bar Admission Course. The recipient of the ***Hunt Award*** for the 2014 Bar Admission Course is Mr. Justin Caines. Mr. Caines served Articles of Clerkship at the firm *Cox and Palmer* and his principal was Mr. Denis Fleming. Mr. Caines was called to the Newfoundland and Labrador Bar on February 13, 2015, at which time he commenced practice with *Cox and Palmer*.

The ***Provincial Court Judges' Association Award*** is presented to the Student-at-Law achieving the highest mark in the Criminal Law Examination of the Bar Admission Course. The co-recipients of the ***Provincial Court Judges' Association Award*** for the 2014 Bar Admission Course are Mr. Justin Caines and Ms. Lesley Pike. Ms. Pike served Articles of Clerkship at the firm *NL Legal Aid Commission* and her principal was Ms. Tammy Drover. Ms. Pike will be called to the Newfoundland and Labrador Bar on June 19, 2015. As indicated above, Mr. Caines served Articles of Clerkship at *Cox and Palmer* and was called to the Bar on February 13, 2015.

The ***Penney Award*** is presented to the Student-at-Law achieving the highest mark in the Family Law Examination of the Bar Admission Course. The recipient of the 2014 ***Penney Award*** is Ms. Carolyn Mouland. Ms. Mouland served Articles of Clerkship at the *Crown Attorney's Office* and her principal was Ms. Trina Simms. Ms. Mouland was called to the Newfoundland and Labrador Bar on April 17, 2015, at which time she commenced practice with *Crown Attorney's Office*.

Ms. Mouland is also the winner of the ***Spracklin Award***. The ***Spracklin Award*** is presented to the Student-at-Law achieving the highest mark in the Real Estate / Wills Examination of the Bar Admission Course.

The ***William J. Browne Scholarship*** is presented to a Student-at-Law who has submitted a research essay on a legal issue of current public concern. The recipient of the 2015 ***William J. Browne Scholarship*** is Mr. Mark Aylward who is presently articling with the firm *McInnes Cooper*. Mr. Aylward's research essay entitled *"Random Alcohol Testing: Moving Forward After Irving Pulp."*

The ***Maxwell J. Pratt Scholarship*** is based on academic performance and is presented to a Student-at-Law who is a graduate of Memorial University of Newfoundland and a student at Dalhousie Law School. The recipient of the 2015 ***Maxwell J. Pratt Scholarship*** is Mr. Shane Belbin who is presently articling with the firm *Curtis Dawe*.

The above-described awards will be formally presented on June 12, 2015 at the Law Society of Newfoundland and Labrador Annual Dinner.

AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

for the
Fiscal Year Ended December 31, 2014

Financial Statements of

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Year ended December 31, 2014

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

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INDEPENDENT AUDITORS' REPORT

To the of Law Society of Newfoundland and Labrador

We have audited the accompanying financial statements of the Law Society of Newfoundland and Labrador, which comprise the balance sheet as at December 31, 2014, the statements of earnings, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Lawyer's Insurance Programme derives revenues from transaction levies, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Lawyer's Insurance Programme. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses and cash flows for the year then ended, and current assets and net assets as at December 31, 2014. Our audit opinion on the financial statements for the year then ended was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Law Society of Newfoundland and Labrador as at December 31, 2014, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Accountants
April 16, 2015
St. John's, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Balance Sheet

December 31, 2014, with comparative information for 2013

	General Fund	Lawyers' Insurance Programme	Assurance Fund	Endowment Fund	2014	2013
Assets						
Current assets:						
Cash	$ 134,781	$ 882,839	$ 4,020	$ -	$ 1,021,640	$ 816,491
Investments and marketable securities (note 3)	2,447,153	12,255,639	1,068,326	11,246	15,782,364	15,109,389
Accounts receivable other	39,494	-	-	-	39,494	65,975
Trade receivable	51,767	738,710	-	-	790,477	444,808
Prepaid expenses	5,641	173,307	30,669	-	209,617	324,429
Interfund balances	73,243	(73,243)	-	-	-	-
	2,752,079	13,977,252	1,103,015	11,246	17,843,592	16,761,092
Capital assets (note 4)	1,051,433	-	-	-	1,051,433	1,139,847
Claims recovery receivable (note 5)	-	66,000	-	-	66,000	78,000
	$ 3,803,512	$ 14,043,252	$ 1,103,015	$ 11,246	$ 18,961,025	$ 17,978,939
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued liabilities (note 6)	$ 381,403	$ 41,757	$ -	$ -	$ 423,160	$ 337,833
Provision for unpaid claims	20,000	-	-	-	20,000	60,000
Reserve for claims and related costs (note 7)	-	2,829,302	-	-	2,829,302	3,082,626
	401,403	2,871,059	-	-	3,272,462	3,480,459
Net Assets:						
General Fund	3,402,109	-	-	-	3,402,109	3,311,342
Lawyers' Insurance Programme	-	11,172,193	-	-	11,172,193	10,102,073
Assurance Fund	-	-	1,103,015	-	1,103,015	1,073,711
Endowment Fund	-	-	-	11,246	11,246	11,354
	3,402,109	11,172,193	1,103,015	11,246	15,688,563	14,498,480
	$ 3,803,512	$ 14,043,252	$ 1,103,015	$ 11,246	$ 18,961,025	$ 17,978,939

See accompanying notes to financial statements.

On behalf of the Benchers:

President

Vice President

Chair of Insurance Programme

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Statement of Earnings

Year ended December 31, 2014, with comparative information for 2013

	General Fund	Lawyers' Insurance Programme	Assurance Fund	Endowment Fund	2014	2013
Revenue:						
Admission fees (note 9)	$ 90,575	$ -	$ -	$ -	$ 90,575	$ 73,415
Annual fees (note 10)	1,533,694	883,356	36,941	-	2,453,991	2,411,813
Audit program	84,989	-	-	-	84,989	66,480
Bar admission course	54,429	-	-	-	54,429	85,068
Continuing legal education	20,867	-	-	-	20,867	26,212
Grant - Law Foundation	76,000	-	-	-	76,000	76,000
Interest - membership fees	67,953	-	-	-	67,953	70,779
Investment income	126,767	570,268	49,194	142	746,371	711,893
Other income	19,372	75,232	51	-	94,655	22,023
Transaction levy revenue	-	893,855	-	-	893,855	1,106,840
Recoverable from CLIA	-	368,143	-	-	368,143	-
	2,074,646	2,790,854	86,186	142	4,951,828	4,650,523
General and administrative expenses:						
Salaries and benefits	1,005,317	188,397	-	-	1,193,714	1,156,884
Claims and related costs	-	718,748	-	-	718,748	1,279,127
CLIA premiums	-	468,155	-	-	468,155	568,151
Libraries	257,532	-	-	-	257,532	229,075
Miscellaneous expenses	187,564	29,872	-	250	217,686	220,660
Building operation	140,430	-	-	-	140,430	138,184
Discipline expense	140,042	-	-	-	140,042	93,538
Custodianship	-	116,250	-	-	116,250	21,424
Amortization	88,414	-	-	-	88,414	89,621
Benchers' convocations and receptions	78,521	-	-	-	78,521	47,131
Audit program	76,827	-	-	-	76,827	79,410
Insurance	10,281	-	56,882	-	67,163	40,872
Professional fees	32,093	18,916	-	-	51,009	71,846
Federation of Law Societies' fees	47,208	-	-	-	47,208	45,985
Professional development	33,314	-	-	-	33,314	41,611
Professional Assistance Program	-	30,366	-	-	30,366	26,719
Actuarial fees	-	30,030	-	-	30,030	32,485
Bar admission course	17,322	-	-	-	17,322	28,044
Continuing legal education	12,040	-	-	-	12,040	15,317
Admin fees	(120,000)	120,000	-	-	-	-
Provision for unpaid claims	(23,026)	-	-	-	(23,026)	10,000
	1,983,879	1,720,734	56,882	250	3,761,745	4,236,084
Net earnings	$ 90,767	$ 1,070,120	$ 29,304	$ (108)	$ 1,190,083	$ 414,439

See accompanying notes to financial statements.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Statement of Changes in Net Assets

Year ended December 31, 2014, with comparative information for 2013

	General Fund	Lawyers' Insurance Programme	Assurance Fund	Endowment Fund	2014	2013
Net assets, beginning of year	$ 3,311,342	$ 10,102,073	$ 1,073,711	$ 11,354	$ 14,498,480	$ 14,084,041
Net earnings	90,767	1,070,120	29,304	(108)	1,190,083	414,439
Net assets, end of year	$ 3,402,109	$ 11,172,193	$ 1,103,015	$ 11,246	$ 15,688,563	$ 14,498,480

See accompanying notes to financial statements.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operations:		
Net earnings	$ 1,190,083	$ 414,439
Items not involving cash:		
Amortization	88,414	89,621
Unrealised gain on investment	(580,780)	(438,125)
Provision on risk sharing on unpaid claims	(23,026)	10,000
	674,691	75,935
Change in non-cash operating working capital:		
Accrued income on investments and marketable securities	(36,167)	(2,979)
Accounts receivable other	26,481	(20,441)
Trade receivable	(345,669)	(95,409)
Prepaid expenses	114,812	(18,005)
Accounts payable and accrued liabilities	85,327	80,675
Provision for unpaid claims	(16,974)	-
Reserve for claims and related costs	(253,324)	734,881
Claims recovery receivable	12,000	(78,000)
	261,177	676,657
Investing:		
Proceeds from sales of investments and marketable securities	2,276,000	1,600,000
Purchases of investments and marketable securities	(2,332,028)	(1,981,225)
	(56,028)	(381,225)
Increase in cash and cash equivalents	205,149	295,432
Cash and cash equivalents, beginning of year	816,491	521,059
Cash and cash equivalents, end of year	$ 1,021,640	$ 816,491

See accompanying notes to financial statements.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year ended December 31, 2014

The Law Society of Newfoundland and Labrador (the "Law Society") is a regulatory body for the legal profession in the province. The Law Society is a not-for-profit entity and, as such, is exempt from the payment of income tax.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

(a) Fund accounting:

The Law Society records its financial transactions on the fund accounting basis as follows:

(i) General Fund:

Operations include all activities related to the Law Society not directly associated with the Assurance Fund or the Lawyers' Insurance Programme.

(ii) Lawyers' Insurance Programme (the "Programme"):

Operations relate to the administration of professional liability insurance for members of the Law Society whereby professional liability insurance is provided to the members of the Law Society by the Canadian Lawyers' Insurance Association (CLIA). The Programme receives contributions from members of the Law Society through annual insurance premiums. In addition, effective October 1, 2005, the Programme commenced the collection of transaction levies. The levies are collected from members of the Law Society on certain legal transactions and are then reported and remitted to the Programme on a quarterly basis.

(iii) Assurance Fund:

Operations relate to providing compensation to individuals who have suffered a loss due to misappropriation of funds or other fraudulent activities by a member.

(iv) Endowment Fund:

The endowment fund holds investments for the purposes of providing scholarships to law students in the province of Newfoundland and Labrador.

1. Significant accounting policies (continued):

(b) Reserve for claims and related costs:

The reserve for claims and related costs is based upon the change from year to year of the claims and related costs. The reserve value is based upon the greater of the Programme's current year estimate of incurred costs of claims and the actuarial computed discounted costs of possible claims for the current year.

The Programme's appointed actuary is engaged to provide an annual valuation of the reserve for claims and related costs in accordance with the standards of practice adopted by the Canadian Institute of Actuaries. For the purpose of the actuarial valuation, the actuary is making use of certain information contained in the Programme's financial records.

Claims and related costs of the Programme are subject to specific maximum limits set out in the insurance policy with CLIA. CLIA's liability is limited to $1,000,000 per occurrence, and $2,000,000 in aggregate per policy year. A deductible of $5,000 is recoverable from the insured member at the time of claim pay-out. Until June 30, 2009 the Programme was responsible for administrative costs but did not retain any responsibility for the indemnification of claims. From July 1, 2009 onward the Programme has been responsible for administrative costs and for the indemnification of claims to specified limits. The limits per claim year are as follows:

Period	Per occurrence	In aggregate
July 1, 2009 - June 30, 2010	$ 100,000	$ 900,000
July 1, 2010 - June 30, 2011	100,000	1,000,000
July 1, 2011 - June 30, 2012	200,000	1,350,000
July 1, 2012 - June 30, 2013	200,000	1,375,000
July 1, 2013 - June 30, 2014	200,000	1,400,000
July 1, 2014 - June 30, 2015	300,000	1,600,000

(c) Recoveries:

Recoveries from claims and related costs from insurers and other parties are recorded when they can be reasonably estimated and collectability is reasonably assured. Otherwise, the recovery is recorded when received.

1. Significant accounting policies (continued):

(d) Provision for unpaid claims:

Lawyers' Professional Indemnity Company (LawPRO) is an insurance company that is licensed to provide professional liability insurance and the title insurance in numerous jurisdictions across Canada. This insurance applies to acts or omissions committed by an insured in connection with his/her practice as a member of the Law Society, provided the original claim or suit for damages is brought during the policy period.

The 2003 and 2004 insurance program insures all practicing members up to $1,000,000 per claim, after an individual deductible of at least $5,000 per member per claim, to a maximum annual limit of $2,000,000 per insured.

The program is responsible for all claims and legal and adjusting expenses above the members' deductible and has arranged for 90% quota share reinsurance above the members' deductible, retaining the other 10% for its own account for claims relating to 2003. For claims relating to 2004 the program has arranged for 80% quota share reinsurance above the members' deductible, retaining the other 20% for its own account. The Law Society has agreed to share equally in this 10% and 20% retention.

The determination of the provisions for unpaid claims includes reported claims, legal and adjusting fees, less recoveries.

(e) Cash and cash equivalents:

Cash and cash equivalents consist of cash and short-term investments with a maturity of less than 90 days.

1. Significant accounting policies (continued):

(f) Revenue recognition:

The Law Society follows the restricted fund method of accounting for revenue which include annual fees, admission fees, and other fees for education and trust audits, grants, and investment income. Revenue from annual fees are recognized in the general fund over the course of the calendar year. Revenue from insurance and assurance premiums are recognized in the Lawyers' Insurance Programme and General Assurance Program, respectively, as they are earned. Revenue from various other services provided by the Law Society, are recognized in the general fund over time as the services are provided. Investment income is recognized in the corresponding fund in the period in which it is earned.

Unrestricted revenue is recognized in the general fund when it is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as revenue in the endowment fund in the period in which they are received.

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized costs, unless management has elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Law Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Law Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

1. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Items subject to such assumptions include collectibility of receivables, the useful life of capital assets, reserve for claims and related costs, and provision for unpaid claims. Actual results could differ from those estimates.

(i) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Building	Straight line	4%
Furniture and fixtures	Declining balance	25%
Computer equipment	Straight line	33%

2. Trust Account:

The Law Society holds a trust account which represents cash received from law firms for funds unclaimed in trust accounts. At the balance sheet date, the amounts received from law firms and held in trust was $202,070 (2013 - $196,087). The Law Society holds these funds until such time as they are claimed to a maximum period of 10 years after which unclaimed funds are turned over to the Law Foundation.

3. Investments and marketable securities:

Fixed income investments certificates are measured at fair value which is equal to cost plus accrued interest. Equity instruments and mutual funds holdings are measured at fair value.

	2014	2013
Fixed income	$ 12,365,006	$ 12,231,958
Preferred shares	102,760	-
Equity investments	1,386,808	1,468,154
Mutual funds	1,916,545	1,397,923
Investments held in endowment	11,245	11,354
	$ 15,782,364	$ 15,109,389

Included in investment income is interest income of $239,339 (2013 - $179,472), dividend income of $120,757 (2013 - $40,019) and realized gains (losses) on the disposal of marketable securities of $(210,216) (2013 - $47,665).

4. Capital assets:

			2014	2013
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 73,429	$ -	$ 73,429	$ 73,429
Building	1,935,376	968,255	967,121	1,044,537
Furniture and equipment	278,513	267,630	10,883	14,511
Computer equipment	22,110	22,110	-	7,370
	$ 2,309,428	$ 1,257,995	$ 1,051,433	$ 1,139,847

5. Claims recovery receivable:

The claims recovery receivable is non-interest bearing and is to be received in monthly installments of $1,000 until maturity in 2019.

6. Accounts payable and accrued liabilities:

As at December 31, 2014 there was nil (2013 - $904) in payroll related taxes included in accounts payable and accrued liabilities.

7. Reserve for claims and related costs:

	2014	2013
Provision for claims and related costs beginning of year	$ 3,082,626	$ 2,347,745
Current year expense	718,748	1,279,127
Claims and related costs paid during the year	(972,072)	(544,246)
	$ 2,829,302	$ 3,082,626

As at December 31 2014, the outstanding claims liabilities, calculated by the Programme's actuaries in accordance with the standards of practice of the Canadian Institute of Actuaries, were as follows:

	2014	2013
Discounted damages and defence costs	$ 1,944,105	$ 2,193,258
Discounted adjusting and counselling fees	276,596	330,905
Discounted internal claim administration expenses	205,918	187,621
	2,426,619	2,711,784
Provision for adverse deviation	251,822	280,842
Discounted receivable	150,861	90,000
Total discounted liabilities plus provision for adverse deviation	$ 2,829,302	$ 3,082,626

The liabilities have been discounted at a rate of 2.6% (2013 - 2.4%). The provision for adverse deviation for 2014 and 2013 includes a margin of 25 to 200 basis points on the discount rate and 2.5% to 20% on the claims development variables. There is no active market for the trading of claims liabilities, however the present value of the actuarial claims liabilities, including provision for adverse deviation is considered an indicator of fair value.

8. Obligations under operating leases:

The Law Society has equipment and building leases with the following annual lease payments:

2015	$ 13,138
2016	12,885
2017	7,516

9. Admission fees:

Admission fees consist of the following:

	2014	2013
Articled clerks	$ 9,600	$ 6,300
Call to bar	31,875	25,715
Certificate of standing	4,100	3,900
Transfers	45,000	37,500
	$ 90,575	$ 73,415

10. Annual fees:

Annual fees consists of the following:

	2014	2013
Assurance Fund annual membership fee	$ 36,941	$ 36,380
Law Society annual membership fee	1,455,619	1,430,482
Federation fees	44,330	43,600
Professional law corporation fees	33,745	29,855
Insurance premiums	883,356	871,496
	$ 2,453,991	$ 2,411,813

11. Equity in Canadian Lawyers' Insurance Program:

The Programme is a subscriber to the Canadian Lawyers' Insurance Association (CLIA), a reciprocal insurance exchange through which the law societies of six provinces and three territories (or their associated liability insurance entities) enter into agreements of mutual indemnification. CLIA maintains separate reserves for each participating entity with regards to risks assumed, and the Programme has an interest in the surpluses of these reserves. CLIA prepares annual Subscriber Accounts as of December 31, which represents the end of their fiscal year, which are reviewed and approved by CLIA's Advisory Board. These accounts include a reserve for claims liabilities on a discounted basis. The Subscribers Accounts of CLIA as of December 31, 2014 show the Programme's subscriber's equity to be $2,090,172 (2013 - $1,782,024) of which $368,143 is recorded as recoverable as of December 31 2014 (2013 - nil).

12. Financial risks:

Financial instruments consist of cash, trade receivable, trust audit receivable, investments and marketable securities, accounts payable and accrued liabilities, and provision for unpaid claims. The fair values of financial instruments approximates their carrying amounts due to their short term maturity and liquidity.

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Financial instruments are primarily exposed to interest rate volatility, credit and liquidity risk.

(a) Credit risk:

Financial instruments which potentially subject the Law Society to credit risk consist primarily of cash and cash equivalents, trade receivables, and trust audit receivable. The Law Society limits the amount of credit exposure with its cash balances by only maintaining cash with major Canadian financial institutions. Credit exposure is minimized by dealing with only credit worthy counter parties.

(b) Interest rate risk:

Interest rate risk refers to the impact of future changes in interest rates on cash flows and fair values of assets and liabilities. The Law Society is not exposed to any significant interest rate risk due to the short term nature of its financial instruments.

12. Financial risks (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the Law Society will not be able to meet its cash requirements in a timely and cost effective manner. Liquidity requirements are managed through the receipt of funds from the Law Society's various revenue sources. These sources of funds are used to pay operating expenses and meet debt service requirements.