

The Law Society of Newfoundland and Labrador

2015 - 2016 Annual Report



The Law Society of Newfoundland and Labrador
Annual Report 2015-2016

ISBN 978-1-77220-016-4

Law Society Seal:
Gerald Squires, RCA, LL D

Published by the Law Society of Newfoundland and Labrador
This Report covers the period
June 2015 - June 2016

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BENCHERS

Officers

President: Susan M. LeDrew
Vice-President: Barry G. Fleming, QC

Elective Benchers

Eastern District:

Donald E. Anthony
R. Paul Burgess
Amy M. Crosbie
Robin L.M. Fowler
Ann F. Martin
Donovan F. Molloy, QC
Liam P. O'Brien
Leanne M. O'Leary
Ian S. Patey
Ian C. Wallace

Central District:

Rebecca A. Redmond MacLean
Renee L.F. Appleby

Western District:

Trevor A. Stagg
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
Kenneth L. Baggs, 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
Brian F. Furey, QC
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)

— 1834-1845 Records of the Society were destroyed in the Great Fire of June 9, 1846 —

Treasurers / Presidents

1846	Hon. Wm. B. Rowe, QC
1849	Bryan Robinson, QC
1852	E. M. Archibald
1855	F. B. T. Carter
1866	Wm. V. Whiteway
1869	Robert J. Pinsent, QC
1870	Wm. V. Whiteway
1879	Robert J. Pinsent, QC
1881	J. I. Little, QC
1885	Robert J. Kent, QC
1893	Sir Wm. V. Whiteway, KCMG, QC
1908	Sir James S. Winter
1911	Daniel J. Greene, KC
1912	Donald Morrison, KC
1919	J. A. Clift, KC
1923	P. J. Summers, KC
1927	W. R. Howley, KC
1941	C. O'N. Conroy, KC
1947	John G. Higgins, QC
1958	R. S. Furlong, QC
1959	G. M. Stirling, CM, QC
1971	R. W. Bartlett, QC
1974	Donald A. Mercer, QC
1977	Robert Wells, QC
1981	Francis P. Fowler, QC
1982	Ernest G. Reid, QC
1983	Thomas J. O'Reilly, QC
1984	M. Francis O'Dea, QC
1985	Peter W. Strong, QC
1986	David L. Russell, QC
1986	G. David Martin, QC
1987	J. Vernon French, QC
1988	Lewis B. Andrews, QC
1989	John F. Roil, QC
1990	J. Derek Green, QC
1991	R. Barry Learmonth, QC
1992	Thomas R. Kendell, QC
1993	Augustus G. Lilly, QC
1994	V. Randell J. Earle, QC
1995	Reginald H. Brown, QC
1996	Dana K. Lenehan, QC
1997	Gloria Harding
1998	J. David B. Eaton, QC
1999	Dennis C. MacKay, QC
2000	Robert M. Sinclair, QC
2001	Jeffrey P. Benson, QC

Secretaries / Vice-Presidents

1846	E. M. Archibald
1847	H. W. Hoyles
1849	F. B. T. Carter
1855	George Hogsett
1856	Henry A. Clift
1869	M. W. Walbank
1866	Robert J. Pinsent
1869	M. W. Walbank
1877	T. I. Keough, QC
1879	Prescott Emerson, QC
1885	Prescott Emerson, QC
1889	A. J. W. McNeily, QC
1895	D. M. Browning
1914	C. O'N. Conroy
1916	C. H. Emerson, KC
1919	Rt. Hon. Sir Wm. Lloyd
1937	J. G. Higgins, QC
1947	J. A. Barron, QC
1958	G. M. Stirling, CM, QC
1959	T. Alex Hickman, QC
1967	D. A. Mercer, QC
1974	Noel Goodridge, QC
1976	Francis P. Fowler, QC
1981	Ernest G. Reid, QC
1982	Thomas J. O'Reilly, QC
1983	M. Francis O'Dea, QC
1984	Peter W. Strong, QC
1985	David L. Russell, QC
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1995	Dana K. Lenehan, QC
1996	Gloria Harding
1997	J. David B. Eaton, QC
1998	Dennis C. MacKay, QC
1999	Robert M. Sinclair, QC
2000	Jeffrey P. Benson, QC
2001	William H. Goodridge, 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, QC
2010 Glen L.C. Noel
2011 Augustine F. Bruce, QC
2012 Morgan C. Cooper
2013 George L. Murphy, QC
2014 Kenneth L. Baggs, QC
2015 Susan M. LeDrew

Secretaries / Vice-Presidents

2003 Brian F. Furey, QC
2004 Edward M. Hearn, QC
2005 Paul M. McDonald
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2007 Sheila H. Greene, QC
2008 Irene S. Muzychka, QC
2009 Glen L.C. Noel
2010 Augustine F. Bruce, QC
2011 Morgan C. Cooper
2012 George L. Murphy, QC
2013 Kenneth L. Baggs, QC
2014 Susan M. LeDrew
2015 Barry G. Fleming, QC

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	
Accountant:	Richard T. Yabsley	
Administrators:	Pamela A. Marks	<i>Professional Responsibility</i>
	Janice K. Ringrose	<i>Insurance</i>
Administrative Assistants:	Anne P. Cross	<i>Professional Responsibility</i>
	Lisa E. Kennedy	<i>Custodianship</i>
	Erin C. Rowe	<i>Executive</i>
	S. Renee Whalen	<i>Law Society / Reception</i>
	Regina M. Whitty	<i>Education</i>
Library Technician:	Rosemary A. Myers	
Maintenance:	Donald T. Norman	

MEMBERSHIP

Membership Statistics as of June, 2016:

Practising (<i>Insured</i>):	554
Practising (<i>Uninsured</i>):	202
Non-Practising:	228
Life:	34
TOTAL	<u>1018</u>

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	2016 - 1018
1966 - 86	1983 - 351	2000 - 750	

Eleven lawyers were called to the Bar of Newfoundland and Labrador on June 19, 2015

Roll#		Roll#		Roll#	
1682	Clare Brackley	1686	Jillian A. Hewitt	1690	Michael P. O'Rielly
1683	Paul J. Thistle	1687	Michael D. Peddle	1691	Joshua J. Santimaw
1684	Alexander C. Barroca	1688	Timothy A. Morris	1692	Meghan E.F. Gardner
1685	Lesley Y. Pike	1689	Stephen A. Anstey		

Twelve lawyers were called to Bar of Newfoundland and Labrador on October 9, 2015

Roll #		Roll #		Roll #	
1693	Giselle Jones	1698	John A. Olthuis	1703	Joshua J.G. Handrigan
1694	Amanda M. Whitehead	1699	Maria N. Sokolova	1704	Mark C. Power
1695	Jonathan G. Mahoney	1700	Rochelle O. Palmer	1705	Ania V. Kolodziej
1696	Shelley J. Handrigan	1701	(see: 19 Feb. 2016 call)		
1697	Gobhina Nagarajah	1702	Caitlin M.G. Urquhart		

Fourteen lawyers were called to the Bar of Newfoundland and Labrador on February 19, 2016

Roll #		Roll #		Roll #	
1701	D. Lynne Butler	1710	Lara M.J. Fraize-Burry	1715	Conor J. Mullin
1706	Brittany L. Keating	1711	Nicholas A. Leamon	1716	Raphaelle Ferland
1707	Graham H.J.B. Campbell	1712	Jasmine C. Compton	1717	Christopher E. McCarthy
1708	Alison M. Doyle	1713	G. John Samms	1718	Trisha L. McCarthy
1709	Lee A. English	1714	Madeleine A. White		

Nine lawyers were called to the Bar of Newfoundland and Labrador on April 15, 2016

Roll #		Roll #		Roll #	
1719	Janna L. Whelan	1722	Kirsten K. A. Calon	1725	Stephen E. Barnes
1720	Gwenyth S. Stadig	1723	Mark K. Aylward	1726	Elizabeth A. Utting
1721	Catherine D. Quinlan	1724	Timothy J. Young	1727	Maxine Vincelette

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

The Barristers and Solicitors Roll, as of April 15, 2016, records that 1726 members have been called to the Bar since 1826.



The Benchers note with regret the death of the following members and former members during the period from June 2015 to June 2016:

The Honourable Mr. Justice Thomas Alexander Hickman

called as a Solicitor on April 7, 1948; called as a Barrister on April 9, 1948, Roll #212

The Honourable Mr. Justice James Randell Gushue

called as a Solicitor on January 28, 1960; called as a Barrister on January 29, 1960, Roll #248

The Honourable Mr. Justice Keith James Harold Mercer

called April 15, 1971, Roll #314

John Geoffrey Kelly

called April 15, 1971, Roll #316

Oliver Corwin Mills, QC

called April 10, 1972, Roll #328

Edward Michael Hearn, QC

called February 7, 1974, Roll #356

James Leslie Thistle, QC

called April 10, 1979, Roll #470

Gerald Ronald Fleming,

called June 27, 2000, Roll #1140

LAW SOCIETY COMMITTEES

STATUTORY COMMITTEES

Executive Committee

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

Complaints Authorization Committee

R. Paul Burgess, *Chair*
J. David B. Eaton, QC, *Vice-Chair*
Linda Harnett, *Appointed Benchers*
Phyllis E. Weir, *ex officio*

Alternate Members

Donald E. Anthony
Amy M. Crosbie
Robin L.M. Fowler
Sheila H. Greene, QC
Donovan F. Molloy, QC

Ian C. Wallace
Marina C. Whitten, QC
Glenda Reid, *Appointed Benchers*
Bert Riggs, *Appointed Benchers*

Disciplinary Panel

Glen L.C. Noel, *Chair*

Law Society Members:

John M. Babb, QC
Glen S. Belbin
Glenda C. Best, QC
Katrina A. Brannan, QC
Philip J. Buckingham
Trudy L. Button
Sandra R. Chaytor, QC
S. Bruce Chislett
Dennis N. Clarke
David G. Conway
Paul L. Coxworthy
Michael J. Crosbie, QC
Jean V. Dawe, QC
Joan M.B. Dawson
Paul D. Dicks, QC
Robert J. Dillon
Tamara L. Drover
Gladys H. Dunne
Marcus A. Evans, QC

Anne M. Fagan, QC
Peter G. Fitzgerald
Gregory A. French
Donald J. Gallant, QC
Bruce C. Grant, QC
Mark J. Griffin
Robert J. Hickey
Keith J. Humphries
Deborah L.J. Hutchings
David W. Jones, QC
Christina R. Kennedy
David A. King, QC
Barry C. Lake
Edward Langdon
Raelene L. Lee
Chantelle MacDonald Newhook
Kimberly J. Mackay
Mary J. Mandville, QC
John W. McGrath, QC

Olga R. McWilliam Benson
LeeAnn L. Montgomery
Lynn M. Moore
Gregory A.C. Moores
Irene S. Muzychka, QC
Todd S. Newhook
James C. Oakley, QC
Mary C. O'Brien
John V.B. O'Dea, QC
Tracy Pasley
Stephen F. Penney
Elaine M. Reid
Richard S. Rogers
Linda M. Rose, QC
Peter D. Shea
Daniel W. Simmons, QC
Neil R. Smith
G. Todd Stanley, QC
Lisa M. Stead

Darren C. Stratton
Ellen E.M. Turpin, QC
James E. Vavasour, QC
Andrew J. Wadden
Philip G. Warren
Thomas E. Williams, QC
Rodney J. Zdebiak

Appointed Representatives:

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

Education Committee

Ian C. Wallace, *Chair*

David G. L. Buffett, QC
J. David B. Eaton, QC
Robin L.M. Fowler
Leanne M. O'Leary

D. Bradford Wicks, QC
Barry G. Fleming, *ex officio*
Francis P. O'Brien, *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*

STANDING COMMITTEES

Accounts and Finance Committee

Barry G. Fleming, QC, *Chair*

Glenda Reid
Ian S. Patey

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

Library Committee

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
Bert Riggs, *Appointed Bench*
Gail A. Hogan, *ex officio*

Honours and Awards Committee

Amy M. Crosbie, *Chair*

Marcus A. Evans, QC
Rebecca A. Redmond MacLean
Christopher R. Quigley

Ian C. Wallace
Bert Riggs, *Appointed Bench*

Insurance Committee

Ann F. Martin, *Chair*

Donald E. Anthony
Gary L. Baird, *Adjuster*
Thomas J. Johnson, QC
Graham A. Wells, QC

Marina C. Whitten, QC
Janice K. Ringrose, *ex officio*
Brenda B. Grimes, QC, *ex officio*

Claims Review Committee (CLIA Requirement)

Thomas J. Johnson, QC, *Counsel*

Lewis B. Andrews, QC
Gary L. Baird

Janice K. Ringrose, *ex officio*

SS Daisy Legal History Committee

Christopher P. Curran, QC, *Co-chair*

The Honourable Judge John L. Joy, *Co-chair*

Melvin Baker, Ph.D.

Jerry Bannister

The Hon. Judge Gerald J Barnable

Thomas J. Burke, QC

Christopher English

The Hon. J. Derek Green,

Chief Justice of Newfoundland and Labrador

Frances Knickle, QC

Robert P. Pittman, QC

The Honourable Judge Milton R. Reid

Angela M. Whitehead

James E. Merrigan, QC, *Bencher Liaison*

Francis P. O'Brien, *ex officio*

Real Estate Committee

Donald E. Anthony, *Chair*

Renee L.F. Appleby

Barry C. Lake

Trevor A. Stagg

G. Todd Stanley, QC

Graham A. Wells, QC

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*

AD HOC COMMITTEES

LLP Committee

Dennis N. Clarke, *Chair*

John V. B. French

Stephanie S. Hickman

Neil L. Jacobs

PRESIDENT'S ANNUAL REPORT

Susan M. LeDrew

It is my privilege to present my annual report for 2015-2016 summarizing 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 2015 to June 2016. The result of these was the admission of 46 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 ceremonies of Justice Cillian D. Sheahan, who was appointed to the Trial Division of the Supreme Court of Newfoundland and Labrador (Family Division, St. John's), in Corner Brook and Judge Paul G. Noble, who was appointed to the Provincial Court of Newfoundland and Labrador (Clareville) in St. John's.

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

New Queen's Counsel

It was also a pleasure to attend the Swearing-In of Queen's Counsel on 11 February 2016. Members appointed were: Linda S. Bishop, Brenda P. Boyd, W. John Clarke, Genevieve M. Dawson, David P. Goodland, Gregory F. Kirby, Jamie P. Martin, Gary F. Peddle, and G. Todd Stanley.

This is a well-deserved honour and recognition for the members appointed and I was happy 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 ceremonies held to commemorate the lives of the late Justice James Randell Gushue, Justice Keith James Harold Mercer and Justice Thomas Alexander Hickman. While sadness is inevitably a part of such occasions, they are an important opportunity for those attending to learn of and celebrate the accomplishments of those no longer with us.

Benchers, Law Society staff and members were also saddened to learn of the untimely passing of members: Gerald Ronald Fleming; Edward Michael Hearn, QC; John Geoffrey Kelly; Oliver Corwin Mills, QC and James Leslie Thistle, QC, 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, the Benchers have the authority to regulate the practice of law and the legal profession in the public interest. The Benchers are 17 elected members of the Law Society and four lay members appoint-

ed 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 individual members, the profession and the public. 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 and the Education Committee (to name a few) 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. Maintaining a strong financial position - as the financial statements show, the Law Society (and all of its programs) is in a very strong financial position, in keeping with actuarial recommendations. Operating results within the Lawyers' Insurance Programme have varied over the last few years with 2015 showing expenses exceeding revenues primarily due to fluctuating claims experience and investment portfolio returns. Despite this, the Law Society was able to maintain its member fee structure unchanged through 2016 for the fifth consecutive year while continuing its statutory mandate of public protection;
2. Engaging in Strategic Planning - on 22 and 23 November 2015, Benchers and senior Law Society staff participated in strategic planning sessions to discuss future plans for the Society. A number of long term initiatives are being considered, including complaints resolution without formal discipline, random practice audits and practice management training;
3. Implementation of Mandatory Continuing Legal Education (CLE) in Newfoundland and Labrador in January 2016;
4. Approval of a number of Loss Prevention Initiatives developed by the Insurance Committee as part of the Law Society's ongoing risk management which will be introduced to members in the coming months;
5. Changes to the Transaction Levy - in accordance with actuarial recommendations and, in order to ensure that a greater proportion of the cost associated with certain risks are borne by those practising in more high-risk areas, the Transaction Levy payable on real estate transactions was reduced to \$30.00, effective 1 January 2016 and the Transaction Levy payable on civil litigation transactions was increased to \$75.00, effective 1 January 2016;
6. Developing and approving Terms of Reference for all Law Society Committees. These can be viewed on the website;

7. Supporting PLIAN – a \$30,000.00 contribution was made to the Public Legal Information Association of Newfoundland and Labrador (PLIAN) in recognition of the important public service it provides. Future contributions are also being considered;
8. Seeking out opportunities for collaboration - from 20-21 September 2015 we hosted the Executives of the law societies of the Atlantic provinces to discuss areas of mutual interest and opportunities for collaboration;
9. 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;
10. Adoption of mechanisms to allow greater environmental responsibility with the creation of a Benchers' portal providing secure access to necessary meeting materials. We are currently researching other ways to enhance our technological capabilities including the creation of a members' portal where our members can, for example, complete forms online;
11. Ongoing oversight of management - Benchers receive necessary information on key operations and programs on a regular basis.

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 Manitoba in October, 2015 where the focus was on starting a national discussion on the Calls to Action issued by the Truth and Reconciliation Commission and the important role to be played by lawyers and regulators of the legal profession in attaining reconciliation with indigenous peoples.

The President and Vice-President along with Ms. Grimes, QC and Ms. Greene, QC also attended Federation Meetings in Alberta in March, 2016 where the Governance Review Committee submitted the fifth (and final) Report of the Governance Review Committee. Recommendations following from that report will be implemented as soon as possible.

Law Foundation

We are fortunate and grateful once again to have the 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 ending 31 December 2015, the Foundation granted \$45,000.00 to 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 which are managed by the Department of Justice and Public Safety. The Foundation also continues to support the work of the *SS Daisy* Legal History Committee and approved grants to the Law Society in the amounts of: up to \$5,000.00 for the publication costs of papers from the Discourse and Discovery: Sir Richard Whitbourne Quadricentennial Symposium for 2015; up to \$5,000.00 for the publication costs of "The Establishment of the District Courts in St. John's and Harbour Grace in 1869 and 1871" and "Judge D.W. Prowse's Manual for Magistrates in Newfoundland" for 2016 and, up to \$5,000.00 for the publication costs of "A Ferryland Merchant-Magistrate: The Journal and Cases of Robert Carter, Esq. J.P., Vol. 3" for 2017.

The Governors of the Law Foundation are Daniel Boone, QC, Chair, F. Geoffrey Aylward, QC, Shawn Colbourne, QC, D. Gordon Woodland, 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.

Reflecting on this past year, I have thoroughly enjoyed the high level of commitment and involvement to the Society required as your President. In this role, I was offered the unique opportunity to witness and be a part of the numerous regulatory challenges facing our profession. As your President, I have had the opportunity to see first hand the incredible amount of effort and dedication that goes into ensuring that the mandate of the Law Society is met on a daily basis by those involved with the everyday tasks, as well as those who serve on the various Committees.

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

Barry G. Fleming, QC

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 seven Complaints; two of which resulted in a letter of counsel and five of which were referred to the Disciplinary Panel. The Complaints Authorization Committee suspended a mem-

ber's licence to practice pending the determination of the Complaint by an Adjudication Tribunal. Currently there are seven 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.

EDUCATION COMMITTEE REPORT

Ian C. Wallace, QC, *Chair*

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 2015-April 2016, the Education Committee:

- (i) admitted 32 new applicants as Students-at-Law;
- (ii) recommended to Benchers that 28 students, having met the requirements of a Student-at-Law, be called to the Bar in Newfoundland and Labrador;
- (iii) approved the application of 18 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 25 Law Society members.

BAR ADMISSION COURSE COMMITTEE REPORT

J. David Eaton, QC, *Chair*

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 2015 Bar Admission Course began on October 6, 2015 and continued until November 20, 2015. 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 2015 Bar Admission Course there were 27 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, Corner Brook and Happy Valley-Goose Bay.

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 dire*s, 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 include:

- *Dealing with Taxation Issues in Various Practice Areas: Avoiding the Traps and Adopting Best Practices*
- *Mental Health and Lawyers – An Unspoken Struggle*
- *Maximizing Results in Examination-in-Chief and Cross-Examination*
- *Promoting Excellence in Appellate Advocacy and Practice*
- *Understanding Emotional Intelligence (EQ) for Lawyers*
- *In the Best Interest of Children: An Introduction to Development and the Impact of Court Involvement*

- *Gain the Edge! Negotiation Strategies for Lawyers*

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 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 beginning in January 2017, the Law Society is looking forward to members engaging in meaningful continuing legal education opportunities in future to further promote professional competence.

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

INSURANCE COMMITTEE REPORT

Ann F. Martin, *Chair*

We welcomed four new members to the Insurance Committee in 2015: Gary Baird, Peter Shea, Graham Wells, QC, and Marina Whitten, QC. Their first task, along with me as their rookie chair, was to deal with an actuarial report previously commissioned, recommending that the transaction levy be revised to more accurately reflect risk. Recognizing that the transaction levy fee has been reduced over the past few years, the Committee affirmed its view that the transaction levy is the fairest way to spread the costs of insurance across the legal community. The Committee concluded that levy fees of \$30 and \$75 more accurately reflected the risk of transactions in real estate and civil litigation respectively. We conducted a further review of the applicability of the \$75 fee in family law matters and concluded that it was appropriate.

In June 2015, Tom Johnson, QC was re-appointed as Legal Counsel of the Claims Review Committee. We continue to benefit from the hard work and guidance of our Claims Review Committee consisting of Janice Ringrose, Tom Johnson, QC, Lewis Andrews, QC and Gary Baird. Our past year's claims history was consistent with last year and we continue to be in a strong, stable financial situation.

With the assistance of the Insurance Programme's actuary, the Insurance Committee recommended that Benchers adopt a premium setting policy to lay the foundation for the Lawyers' Insurance Programme's premium setting process. This policy seeks to balance the potentially competing goals of main-

taining premium stability and reaching the Programme's capital pool target within a reasonable time frame. We were pleased that in the first year the policy was adopted we were able to maintain our 2016 insurance premium at the same level as 2015.

In 2015 the Insurance Committee was tasked by Benchers with reviewing the cause of the relatively high rate of missed limitations in this jurisdiction. The Committee found the problem of missed limitations occurred predominantly in solo and small firms with the causes being multifactorial in nature. The Committee brought forward a comprehensive loss prevention initiative containing various elements which will be rolled out to members over the coming months.

Our insurer, CLIA, which is a reciprocal, underwent some restructuring in light of Alberta's recent withdrawal from the program. This included a review of the rules governing the remaining member law societies' participation in the program. The Insurance Committee recommended approval of revisions to the Rules of the Reciprocal which better reflect the maturity of our insurance program.

The Insurance Committee benefits greatly from the generosity of our members who devote significant time and effort to the success of the Lawyers' Insurance Programme. The Programme continues to provide fair and reasonable insurance premiums to lawyers while affording effective protection of the public.

LIBRARY COMMITTEE REPORT

Liam O'Brien, *Chair*

The Law Society Library is responsible for supporting lawyer competence through the delivery of high level reference services to members throughout Newfoundland and Labrador. To provide these services it is essential to maintain the library's collection of texts and online resources (including e-books and e-journals).

The Law Society Library endeavors to maintain a reliable and accessible collection that is available to both members of the profession and members of the public. Such accessibility is a requirement for Law Foundation funding.

Balancing costs and access to current material continues to be of paramount importance to the library. This is a challenging goal, however, in a climate in which the costs of loose-leaf texts and online resources are escalating annually. This struggle has been compounded by

- (i) the reduction in funding from the Law Foundation by almost 50%;

- (ii) the decisions of some law firms, as well as the Department of Justice and Public Safety Library, to suspend all purchasing of loose-leaf updates; and

- (iii) the requirement that the Law Library maintain subscriptions to both LexisNexis Quicklaw and WestlawNext Canada.

In an effort to control its current expenditures, the Library has taken strategic cost-cutting measures over the past year, including, but not limited to a large-scale reduction in loose-leaf subscriptions.

The Library Committee remains committed, however, to its goal of providing reliable and accessible resources into the future and thanks the Law Foundation of Newfoundland and Labrador for its financial contribution to the Law Society Library.

HONOURS AND AWARDS COMMITTEE REPORT

Amy M. Crosbie, *Chair*

The Honours and Awards Committee deals with several 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 2015 Bar Admission Course is Ms. Jasmine Compton. Ms. Compton served Articles of Clerkship at the firm Benson Buffett and her principal was Ms. Deborah Hutchings. Ms. Compton was called to the Newfoundland and Labrador Bar on February 19, 2016, at which time she commenced practice with Benson Buffett.

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 recipient of *The Provincial Court Judges' Association Award* for the 2015 Bar Admission Course is Mr. Nicholas Leamon. Mr. Leamon served Articles of Clerkship at the firm McInnes Cooper and his principal was Mr. David Eaton, QC. Mr. Leamon was called to the Newfoundland and Labrador Bar on February 19, 2016, at which time he commenced practice with McInnes Cooper.

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 co-recipients of the 2015 *Penney Award* are Ms. Allison Conway, Ms. Brittany Keating and Mr. Nicholas Leamon. Ms. Conway is serving Articles of Clerkship at the firm Budden & Associates and her principal is

Geoffrey Budden. Ms. Conway is scheduled to be called to the Newfoundland and Labrador Bar on June 17, 2016. Ms. Keating and Mr. Leamon served Articles of Clerkship at the firm McInnes Cooper and their principal was Mr. David Eaton, QC. Ms. Keating and Mr. Leamon were called to the Newfoundland and Labrador Bar on February 19, 2016 at which time they commenced practice with McInnes Cooper.

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 recipient of the 2015 *Spracklin Award* is Ms. Catherine Quinlan. Ms. Quinlan served Articles of Clerkship at the firm Martin Whalen Hennebury Stamp and her principal was Mr. Terry Rowe. Ms. Quinlan was called to the Newfoundland and Labrador Bar on April 15, 2016, at which time she commenced practice with Martin Whalen Hennebury Stamp.

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 2016 *William J. Browne Scholarship* is Mr. Ryan Belbin who is presently articling with the firm O'Dea, Earle. Mr. Belbin's research essay is entitled "*When Google Becomes the Norm: The Case for Privacy and the Right to be Forgotten.*"

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. There is no recipient of this award this year.

The above-described awards will be formally presented on June 10, 2016 at the Law Society of Newfoundland and Labrador Annual Dinner.

SS DAISY LEGAL HISTORY COMMITTEE REPORT

Christopher P. Curran, *Co-Chair*

The Committee met four times throughout the reporting period in pursuance of its mandate to maintain and preserve the Province's legal heritage. It opened the year by participating in the *Sir Richard Whitbourne Quatercentennial Symposium* held at Trinity, Newfoundland and Labrador from June 3-5, 2015. The stated theme of the event, sponsored by the National Judicial Institute, was: "Celebrating 400 Years of Law, Courts and the Legal system in Newfoundland and Labrador—Reflecting on our Past—Focusing on the Future." Members of the Bar, the Judiciary, legal academics, leading legal industry analysts, and members of the media attended the event. A number of Committee Members delivered papers at the Symposium and participated in focused round table discussions. The two day event was a resounding success.

Throughout the year the Committee completed or furthered its ongoing work on the following publications:

- D. W. Prowse, *Manual for Magistrates in Newfoundland (1877)*, with an introductory essay by Christopher Curran and Melvin Baker;
- *The Personal Journals and Records of the Labrador Court of Civil Jurisdiction and Court of Sessions* prepared by Clerk of the Court and Justice of the Peace George Simms, (1827—1833), edited by Augustus Lilly and Christopher Curran;
- *The Proceedings of the Sir Richard Whitbourne Quatercentennial Symposium*, edited by Chief Justice J. Derek Green, Christopher Curran and Melvin Baker;
- Preparatory work on a collection of critical essays on *A Ferryland Merchant-Magistrate: the Journals and Cases of Robert Carter, Esq. J.P. (1832—1852)* ongoing.

In response to requests from members of the Bench and the Bar, Committee members have expressed a strong interest in revitalizing its interview series with senior members of the profession and the Judiciary. The cost of transcribing interviews has long been a deterrent to moving this initiative forward. A sub-Committee comprising Robert Pittman, QC, the Hon. Gerald Barnable and Ms. Frances Knickle QC has been struck and will make recommendations as to how to proceed in the short and in the long term. The hope is that advances in digital recording technology may offer some solutions to help reduce cost and transcription time.

The Committee unanimously agreed to provide support for a Panel Discussion which was held at the *The Gathering Place* on 24 May 2016 to mark the 30th anniversary of the landmark decision *R. v. Thomas*. The panel discussion was entitled: "An Intersection of Newfoundland Culture and Canadian Legal History." Panel participants included: Justice Goodridge, Mr. Bernard Coffey, QC, and Mr. Norman Whelan, QC. Committee Member, Ms. Frances Knickle, QC moderated the Panel Discussion. The Committee also used the event to launch its newest publication: D.W. Prowse's *Manual for Newfoundland Magistrates (1877)*.

Having completed their term, the Committee said goodbye to the following members during the year: Mr. David Jones, QC and Mr. John Drover. The Committee thanks Mr. Jones and Mr. Drover for their service. The following new members joined the Committee: The Hon. Milton Reid, Ms. Frances Knickle, QC and Ms. Angela Whitehead.

ACCESS TO JUSTICE COMMITTEE REPORT

Ian C. Wallace, *Chair*

The Access to Justice Committee was formed to represent the Law Society on the Newfoundland and Labrador Access to Justice Steering Committee (the “Steering Committee”) comprised of various stakeholders in the justice community, including the Chief Justices of the Court of Appeal, Trial Division, and Provincial Court.

The Steering Committee, *inter alia*, provides leadership on initiatives intended to improve access to the civil and family justice systems in the Province, including engaging the public on issues related to access to justice and promoting innovation in all aspects of the delivery of civil and family justice services.

The Access to Justice Committee’s responsibilities include: identify access to justice initiatives relevant to the role of the Society to regulate in the public interest; advise and recommend to Benchers access to justice initiatives relevant to the role of the Society; engage Members on access to justice initiatives relevant to the role of the Society; engage the public on access to justice initiatives relevant to the role of the Society; promote and facilitate access to justice initiatives relevant to the role of the Society; and support the Steering Committee in attaining its objectives:

Representatives of the Access to Justice Committee participated in the June 2015 Stakeholder Roundtable presented by the

Steering Committee featuring Trevor Farrow, Associate Dean and Professor, Osgoode Hall Law School, as keynote speaker.

The Committee provided comments on proposed changes to the Rules of Court that would permit corporations to be represented by agents, not lawyers, in certain proceedings in the Province.

The Director of Legal Education for the Law Society represented the Committee in meetings with various justice stakeholders developing a proposal for a Court of Appeal Legal Clinic.

The Law Society continues to support access initiatives for the public, including contributions to CanLII, an online legal resource funded by all Law Societies in Canada which is available to the public without charge, and dedicating a section of its website to the public, including links to important resources.

The Law Society has also offered support for a proposed Mediation Pilot Project in Family Court and amended the Law Society Rules to create a “limited scope retainer” rule to promote access to justice by members to the public.

ACCOUNTS AND FINANCE COMMITTEE REPORT

Barry G. Fleming, QC, *Chair*

The Finance and Accounts Committee was established to support Benchers in the governance of the Law Society by monitoring significant financial planning and reporting matters and to serve as the Law Society's Audit Committee. Members of the Committee are Barry Fleming, Q.C., Chair, Ian Patey, Elected Bencher, and Glenda Reid, Lay Bencher.

During the reporting period, Benchers approved the Committee's Terms of Reference. The responsibilities of the Committee were determined to be:

- Make recommendations to the Benchers on the selection of financial advisors for the Law Society.
 - Regularly meet with the financial advisors of the Law Society to assess the performance of its financial assets.
 - Report generally on the performance of the Law Society's financial assets to Benchers.
 - Regularly monitor and assess the performance of the Law Society's financial advisors and, when necessary, make recommendations to Benchers for a change of financial advisors.
 - Serve as the Audit Committee to:
 - i) Review the audit tender process;
 - ii) Recommend the appointment of an auditing firm to Benchers;
 - iii) Meet with the external auditors to ensure that:
 - a) The Law Society has implemented appropriate systems to identify, monitor and mitigate significant financial risk;
 - b) The appropriate systems of internal control, which ensure compliance with Law Society policies and procedures are in place and operate effectively;
- c) The Law Society's annual financial statements are fairly represented in accordance with generally accepted accounting principles;
 - d) Any matter which the external auditors wish to bring to Benchers has been given adequate attention;
 - e) The external audit function has been effectively carried out.

The Committee meets regularly with the Law Society's financial advisors to ensure that the holdings are in keeping with our Investment Policy Statement. That document dictates that no more than 25% of the Law Society's holdings should be held in equities. Having regard for the conservative nature of the Law Society's investment strategy and the prudence of Benchers, the Committee has restricted equity to less than 20% of all financial assets.

The Accounts and Finance Committee met with the Law Society's auditors, KMPG on March 21, 2016. The purpose of the meeting was to review the draft financial statements for the Law Society. Prior to the audit, the auditor's undertook to communicate opportunities for improvement in financial, accounting or operational processes should they become aware of them during the audit. During the audit they did not become aware of such opportunities. Overall, the review was positive and no remarkable issues were identified which caused the committee concern. We also had an opportunity to speak with the auditors in the absence of staff. This permitted an opportunity for a frank exchange about the operations of the Law Society. Again, no remarkable issues were identified.

REAL ESTATE COMMITTEE REPORT

Donald E. Anthony, *Chair*

The Real Estate Committee supports Benchers in the governance of the Law Society by developing professional standards for the area of Real Estate Law. Specifically, the Committee makes recommendations to Benchers regarding:

- Identifying existing applicable professional standards of Real Estate Law Practice
- Identifying emerging Real Estate Law issues which may require the development of new professional standards or the revision of current standards and advising Benchers
- Identifying resources and tools to assist members to practice in accordance with professional standards
- Acting as a resource on issues of professional standards for Real Estate Law as may be requested by Benchers
- Engaging members in determining real estate practice education initiatives relevant to the Society and its role of regulating the profession, in the public interest

This year was something of a regrouping year for the Committee which had largely been dormant for some time. It was a timely effort

as various issues, such as the changes to possessory title rules, had been a topic of conversation of the previous months. In an effort to identify issues of primary concern to practitioners, an open call was sent to the bar seeking input at a roundtable meeting. The meeting, which was held on September 30, was well attended by some of the province's most experienced real estate lawyers and generated a solid list of issues which the Committee will be addressing for the next couple of years.

The Committee met again on November 24 to begin discussion of the list of issues and it was decided that the foremost issue was the variation in standards of practice and forms. With the intention of starting a collection of a standard book of forms, the Chair was directed to contact the Law Society to determine what information was provided to students during the Bar Admission Course. Through the courtesy of Frank O'Brien, that information has now been obtained. It now lies with the Committee to begin to update documents, as necessary, so that they might be circulated to practitioners with an eye to finding a greater degree of standardization in our real estate practices. Much work remains.

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

for the
Fiscal Year Ended December 31, 2015



Financial Statements of

**LAW SOCIETY OF
NEWFOUNDLAND AND
LABRADOR**

Year ended December 31, 2015

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

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INDEPENDENT AUDITORS' REPORT

To the Members 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, 2015, 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, as at and for the years ended December 31, 2015 and December 31, 2014, any adjustments might be necessary to revenues and excess of revenues over expenses reported in the statement of earnings, excess of revenue over expenses reported in the statement of cash flows and current assets and net assets reported in the balance sheet as at December 31, 2015. This caused us to qualify our audit opinion on the financial statements as at and for the year ended December 31, 2014.

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, 2015, 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.

Chartered Professional Accountants
April 12, 2016
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, 2015, with comparative information for 2014

		General Fund	Lawyers' Insurance Programme	Assurance Fund	Endowment Fund	2015	2014
Assets							
Current assets:							
Cash and cash equivalents	\$	393,537 \$	420,225 \$	4,254 \$	- \$	818,016 \$	1,021,640
Investments and marketable securities (note 3)		2,186,606	13,251,968	1,097,499	11,312	16,547,385	15,782,364
Accounts receivable other (note 6)		13,658	-	-	-	13,658	43,168
Trade receivable		121,552	297,603	-	-	419,155	786,803
Allowance for doubtful accounts		(10,134)	-	-	-	(10,134)	-
Prepaid expenses		7,436	173,901	30,261	-	211,598	209,617
Interfund balances		16,257	(16,257)	-	-	-	-
		2,728,912	14,127,440	1,132,014	11,312	17,999,678	17,843,592
Capital assets (note 4)		971,297	-	-	-	971,297	1,051,433
Claims recovery receivable (note 5)		-	54,000	-	-	54,000	66,000
	\$	3,700,209 \$	14,181,440 \$	1,132,014 \$	11,312 \$	19,024,975 \$	18,961,025

Liabilities and Net Assets

Current liabilities:							
Accounts payable and accrued liabilities (note 6)	\$	253,907 \$	72,855 \$	- \$	- \$	326,762 \$	423,160
Provision for unpaid claims		14,400	-	-	-	14,400	20,000
Reserve for claims and related costs (note 7)		-	3,435,585	-	-	3,435,585	2,829,302
		268,307	3,508,440	-	-	3,776,747	3,272,462
Net Assets:							
General Fund		3,431,902	-	-	-	3,431,902	3,402,109
Lawyers' Insurance Programme		-	10,673,000	-	-	10,673,000	11,172,193
Assurance Fund		-	-	1,132,014	-	1,132,014	1,103,015
Endowment Fund		-	-	-	11,312	11,312	11,246
		3,431,902	10,673,000	1,132,014	11,312	15,248,228	15,688,563
Commitments (note 8)							
	\$	3,700,209 \$	14,181,440 \$	1,132,014 \$	11,312 \$	19,024,975 \$	18,961,025

See accompanying notes to financial statements.

On behalf of the Benchers:

 President

Vice President

Chair of Insurance



LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	General Fund	Lawyers' Insurance Programme	Assurance Fund	Endowment Fund	2015	2014
Revenue:						
Admission fees (note 9)	\$ 96,800	\$ -	\$ -	\$ -	\$ 96,800	\$ 90,575
Annual fees (note 10)	1,548,817	878,667	37,238	-	2,464,722	2,453,991
Audit program	81,196	-	-	-	81,196	84,989
Bar admission course	61,447	-	-	-	61,447	54,429
Continuing legal education	23,836	-	-	-	23,836	20,867
Grant - Law Foundation	45,000	-	-	-	45,000	76,000
Interest - membership fees	65,020	-	-	-	65,020	67,953
Investment income	60,909	328,043	29,152	66	418,170	746,371
Other income	25,614	-	-	-	25,614	94,655
Transaction levy revenue	-	864,435	-	-	864,435	893,855
Recoverable from CLIA	-	-	23,537	-	23,537	368,143
	2,008,639	2,071,145	89,927	66	4,169,777	4,951,828
General and administrative expenses:						
Salaries and benefits	1,004,571	197,951	-	-	1,202,522	1,193,714
Claims and related costs	-	1,594,279	-	-	1,594,279	718,748
CLIA premiums	-	347,213	-	-	347,213	468,155
Libraries	263,327	-	-	-	263,327	257,532
Miscellaneous expenses	183,172	30,402	-	-	213,574	217,686
Building operation	137,567	-	-	-	137,567	140,430
Discipline expense	108,442	-	-	-	108,442	140,042
Custodianship	-	201,303	-	-	201,303	116,250
Amortization	80,136	-	-	-	80,136	88,414
Benchers' convocations and receptions	58,038	-	-	-	58,038	78,521
Audit program	82,990	-	-	-	82,990	76,827
Insurance	10,282	-	60,928	-	71,210	67,163
Professional fees	25,596	18,863	-	-	44,459	51,009
Federation of Law Societies' fees	51,965	-	-	-	51,965	47,208
Professional development	65,235	-	-	-	65,235	33,314
Professional Assistance Program	-	26,625	-	-	26,625	30,366
Actuarial fees	-	33,702	-	-	33,702	30,030
Bar admission course	14,697	-	-	-	14,697	17,322
Continuing legal education	16,057	-	-	-	16,057	12,040
Administration fees	(120,000)	120,000	-	-	-	-
Provision for unpaid claims	(3,229)	-	-	-	(3,229)	(23,026)
	1,978,846	2,570,338	60,928	-	4,610,112	3,761,745
(Loss) net earnings	\$ 29,793	\$ (499,193)	\$ 28,999	\$ 66	\$ (440,335)	\$ 1,190,083

See accompanying notes to financial statements.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Statement of Changes in Net Assets

Year ended December 31, 2015, with comparative information for 2014

	General Fund	Lawyers' Insurance Programme	Assurance Fund	Endowment Fund	2015	2014
Net assets, beginning of year	\$ 3,402,109	\$ 11,172,193	\$ 1,103,015	\$ 11,246	\$ 15,688,563	\$ 14,498,480
(Loss) net earnings	29,793	(499,193)	28,999	66	(440,335)	1,190,083
Net assets, end of year	\$ 3,431,902	\$ 10,673,000	\$ 1,132,014	\$ 11,312	\$ 15,248,228	\$ 15,688,563

See accompanying notes to financial statements.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operations:		
(Loss) net earnings	\$ (440,335)	\$ 1,190,083
Items not involving cash:		
Amortization	80,136	88,414
Unrealized gain on investment	(242,875)	(580,780)
Provision on risk sharing on unpaid claims	(3,229)	(23,026)
	(606,303)	674,691
Change in non-cash operating working capital:		
Accrued income on investments and marketable securities	(141,234)	(36,167)
Accounts receivable other	29,510	26,481
Trade receivable	377,782	(345,669)
Prepaid expenses	(1,981)	114,812
Accounts payable and accrued liabilities	(96,398)	85,327
Provision for unpaid claims	(2,371)	(16,974)
Reserve for claims and related costs	606,283	(253,324)
Claims recovery receivable	12,000	12,000
	177,288	261,177
Investing:		
Proceeds from sales of investments and marketable securities	800,000	2,276,000
Purchases of investments and marketable securities	(1,180,912)	(2,332,028)
	(380,912)	(56,028)
(Decrease) increase in cash and cash equivalents	(203,624)	205,149
Cash and cash equivalents, beginning of year	1,021,640	816,491
Cash and cash equivalents, end of year	\$ 818,016	\$ 1,021,640

See accompanying notes to financial statements.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year ended December 31, 2015

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.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2015

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
July 1, 2015 - June 30, 2016	300,000	1,675,000

(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.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2015

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.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2015

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.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2015

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 collectability 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 equipment	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 \$210,425 (2014 - \$202,070). 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.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2015

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.

	2015	2014
Fixed income	\$ 13,687,278	\$ 12,365,006
Preferred shares	78,560	102,760
Equity investments	678,265	1,386,808
Mutual funds	2,091,970	1,916,545
Investments held in endowment	11,312	11,245
	\$ 16,547,385	\$ 15,782,364

Included in investment income is interest income of \$240,178 (2014 - \$239,339), dividend income of \$133,505 (2014 - \$120,757) and realized losses on the disposal of marketable securities of \$(203,534) (2014 - \$(210,216)).

4. Capital assets:

			2015	2014
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 73,429	\$ -	\$ 73,429	\$ 73,429
Building	1,935,376	1,045,670	889,706	967,121
Furniture and equipment	278,513	270,351	8,162	10,883
Computer equipment	22,110	22,110	-	-
	\$ 2,309,428	\$ 1,338,131	\$ 971,297	\$ 1,051,433

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.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2015

6. Accounts payable and accrued liabilities / accounts receivable other:

As at December 31, 2015 there was nil (2014 - nil) payroll related taxes included in accounts payable and accrued liabilities. Accounts receivable other includes HST receivable for the amount of \$10,160 (2014 - \$42,118).

7. Reserve for claims and related costs:

	2015	2014
Provision for claims and related costs beginning of year	\$ 2,829,302	\$ 3,082,626
Current year expense	1,594,279	718,748
Claims and related costs paid during the year	(987,996)	(972,072)
	\$ 3,435,585	\$ 2,829,302

As at December 31 2015, 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:

	2015	2014
Discounted damages and defence costs	\$ 2,522,603	\$ 1,944,105
Discounted adjusting and counselling fees	280,169	276,596
Discounted internal claim administration expenses	240,285	205,918
	3,043,057	2,426,619
Provision for adverse deviation	326,528	251,822
Discounted receivable	66,000	150,861
Total discounted liabilities plus provision for adverse deviation	\$ 3,435,585	\$ 2,829,302

The liabilities have been discounted at a rate of 2.15% (2014 - 2.60%). The provision for adverse deviation for 2015 and 2014 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.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2015

8. Obligations under operating leases:

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

2016	\$	14,932
2017		8,739
2018		1,061

9. Admission fees:

Admission fees consist of the following:

	2015	2014
Articled clerks	\$ 10,200	\$ 9,600
Call to bar	27,500	31,875
Certificate of standing	4,100	4,100
Transfers	55,000	45,000
	\$ 96,800	\$ 90,575

10. Annual fees:

Annual fees consists of the following:

	2015	2014
Assurance Fund annual membership fee	\$ 37,238	\$ 36,941
Law Society annual membership fee	1,472,104	1,455,619
Federation fees	44,713	44,330
Professional law corporation fees	32,000	33,745
Insurance premiums	878,667	883,356
	\$ 2,464,722	\$ 2,453,991

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2015

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, 2015 show the Programme's subscriber's equity to be \$1,429,713 (2014 - \$2,090,172) of which nil is recorded as recoverable as of December 31, 2015 (2014 - \$368,143).

12. Financial risks:

Financial instruments consist of cash, trade receivable, other receivables, investments and marketable securities, accounts payable and accrued liabilities, and provision for unpaid claims. Investments and marketable securities are carried at fair value, and all other 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, other receivables, investments and marketable securities. 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. Interest rate changes directly impact the fair value of fixed income securities. Interest rate changes will also have an indirect impact on the other investments and marketable securities. The Law Society uses investment diversification to manage this risk.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2015

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.

