

The Law Society of Newfoundland and Labrador

2017 - 2018 Annual Report



The Law Society of Newfoundland and Labrador

Annual Report
2017 - 2018



The Law Society of Newfoundland and Labrador
Annual Report 2017-2018

ISBN 978-1-77220-047-8

Law Society Seal:
Gerald Squires, RCA, LL. D.

Published by the Law Society of Newfoundland and Labrador
This Report covers the period
June 2017 - June 2018

CONTENTS

Benchers.....	1
Law Society Staff	3
Membership	4
Law Society Committees.....	6
President's Annual Report	9
Vice-President's Annual Report.....	14
Bar Admission Course Committee Report	16
Education Committee Report	18
Continuing Legal Education Committee Report	19
Library Committee Report	20
Insurance Committee Report	22
Honours and Awards Committee Report	23
<i>SS Daisy</i> Legal History Committee Report.....	24
Access to Justice Committee Report	25
Accounts and Finance Committee Report	26
Real Estate Committee Report	28
Indigenous Education and Action Committee Report	29
Auditor's Report and Financial Statements	33

BENCHERS

Officers

President: R. Paul Burgess, QC
Vice-President: Donald E. Anthony

Elective Benchers

Eastern District:

Amy M. Crosbie
Joan M.B. Dawson
John J. Hogan
Ann F. Martin
Donovan F. Molloy, QC
Leanne M. O'Leary
Suzanne M. Orsborn
Ian S. Patey
Scott Worsfold
Rodney J. Zdebiak

Central District:

Renee L.F. Appleby
Rebecca A. Redmond MacLean

Western District:

James E. Merrigan, QC
Trevor A. Stagg

Labrador District:

Adrienne S. Edmunds

Appointed Benchers

Donovan Downer (*until 22 September 2017*)
Linda Harnett
Bert Riggs (*until 7 July 2017*)

Glenda Reid
Ross Elliott
Raelene Thomas (*until 9 February 2018*)

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
Barry G. Fleming, 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
Thomas R. Kendell, QC
R. Barry Learmonth, QC

Susan M. LeDrew
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, QC
M. Francis O'Dea, QC
Thomas J. O'Reilly, QC
Ernest G. Reid, QC
John F. Roil, QC
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

1834	Bryan Robinson
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

1834	E. M. Archibald
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
1986	G. David Martin, QC
1986	J. Vernon French, QC
1987	Lewis B. Andrews, QC
1988	John F. Roil, QC
1989	J. Derek Green, QC
1990	R. Barry Learmonth, QC
1991	Thomas R. Kendell, QC
1992	Augustus G. Lilly, QC
1993	V. Randell J. Earle, QC
1994	Reginald H. Brown, QC
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
2016 Barry G. Fleming, QC
2017 R. Paul Burgess, 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, 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
2016 R. Paul Burgess
2017 Donald E. Anthony

LAW SOCIETY STAFF

Executive Director:	Brenda B. Grimes, QC	
General Counsel/ Deputy Executive Director:	Aimee N. Rowe	
Director of Professional Responsibility:	Lori S. Chafe	
Director of Legal Education:	Christian J. Hurley	
Law Librarian:	Jenny E. Thornhill	
Accountant:	Richard T. Yabsley	
Insurance and Risk Manager:	Janice K. Ringrose	
Professional Responsibility Administrator:	Pamela A. Marks	
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>Office</i>
	Regina M. Whitty	<i>Education</i>
Library Technicians:	Rosemary A. Myers	<i>(until 2 March 2018)</i>
	Leah A. Griffiths	
Maintenance:	Donald T. Norman	

MEMBERSHIP

Membership Statistics as of June, 2018:

Practising (<i>Insured</i>):	569
Practising (<i>Uninsured</i>):	208
Non-Practising:	235
Life:	42
TOTAL	<u>1054</u>

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

1950 - 66	1968 - 106	1986 - 394	2004 - 808
1951 - 64	1969 - 110	1987 - 408	2005 - 832
1952 - 66	1970 - 124	1988 - 435	2006 - 858
1953 - 69	1971 - 129	1989 - 445	2007 - 870
1954 - 72	1972 - 129	1990 - 477	2008 - 904
1955 - 75	1973 - 145	1991 - 514	2009 - 923
1956 - 73	1974 - 153	1992 - 560	2010 - 931
1957 - 76	1975 - 179	1993 - 588	2011 - 948
1958 - 76	1976 - 189	1994 - 617	2012 - 931
1959 - 77	1977 - 203	1995 - 635	2013 - 937
1960 - 81	1978 - 237	1996 - 669	2014 - 983
1961 - 83	1979 - 261	1997 - 683	2015 - 997
1962 - 86	1980 - 281	1998 - 706	2016 - 1018
1963 - 86	1981 - 316	1999 - 728	2017 - 1032
1964 - 86	1982 - 333	2000 - 750	2018 - 1054
1965 - 86	1983 - 351	2001 - 767	
1966 - 86	1984 - 371	2002 - 772	
1967 - 89	1985 - 378	2003 - 798	

Eighteen lawyers were called to the Bar of Newfoundland and Labrador on June 16, 2017

Roll#		Roll#		Roll#	
1774	Shawn J. Kavanagh	1780	Alexander T. Wells	1786	Dana M. MacSween
1775	Margaret K. Stephenson	1781	Derek L. Sonnichsen	1787	Adam G. Ronan
1776	Janet O. Shodipo	1782	Mina Iskandar	1788	Karl W.G. Dlugosch
1777	Felicia R. Tupper	1783	Robert H. Fedder	1789	Melissa M. Saunders
1778	Stephanie T. Roberts	1784	Michael E. Berrigan	1790	McShane D. Jones
1779	Cassandra P. Taylor	1785	Samantha E. Allen	1791	Pierre Barsalou

Seven lawyers were called to Bar of Newfoundland and Labrador on October 3, 2017

Roll #		Roll #		Roll #	
1792	Meghan S. Keating	1794	Jeremy D. Loeb	1797	Catherine Fagan
1793	Christine T. Noseworthy	1795	Ashley J.M. Targett	1798	Samantha L. Dlugosch
		1796	Robin R. Upshall		

Twenty lawyers were called to the Bar of Newfoundland and Labrador on February 16, 2018.

Roll #		Roll #		Roll #	
1799	Patrick B. Power	1806	David M. Constantine	1812	Sarah A. Pinsent
1800	Thomas M. Munn	1807	James M. Molony	1813	Kevin J. Galway
1801	Dana R. Martin	1808	Gregory L. Johannson	1814	Garreth M. McGrath
1802	Yusha S. Pirzada	1809	Robert S. Roach	1815	Sarah E. Hogan
1803	Kirsten M. Morry	1810	Travis D. Payne	1816	Kathleen A.G. Paterno
1804	Stephanie E. Morton	1811	Julia P. Morris	1817	Timothy E.M. Leatch
1805	Andrea K. Vizsolyi			1818	Erin L. Delaney


Three lawyers were called to the Bar of Newfoundland and Labrador on April 13, 2018


Roll #		Roll #		Roll #	
1819	Bethany K. Dalley	1820	Sarah E. O'Keefe	1821	Adjoa K. Adjei

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 13, 2018, records that 1820 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 2017 to June 2018:*

—  —
Claude Alexander John Sheppard, QC
Called December 14, 1971;
Roll #319

—  —
William Gilbert Morrow, QC
Called April 10, 1981,
Roll #539

LAW SOCIETY COMMITTEES

STATUTORY COMMITTEES

Executive Committee

R. Paul Burgess, QC, *President*
Donald E. Anthony, *Vice-President*
Barry G. Fleming, QC, *Past President*
Ian S. Patey
Ann F. Martin
Brenda B. Grimes, QC, *ex officio*
Aimee N. Rowe, *ex officio*

Complaints Authorization Committee

Ian S. Patey, *Chair*
J. David B. Eaton, QC, *Vice-Chair*
Linda Harnett, *Appointed Bench*
Lori S. Chafe, *ex officio*

Alternate Members

Amy M. Crosbie
John J. Hogan
Ann F. Martin
Donovan F. Molloy, QC

Rebecca A. Redmond MacLean
Marina C. Whitten, QC
Glenda Reid, *Appointed Bench*

Disciplinary Panel

Glen L.C. Noel, *Chair*

John M. Babb, QC	Donald J. Gallant, QC	Irene S. Muzychka, QC	Andrew J. Wadden
Glen S. Belbin	Bruce C. Grant, QC	Todd S. Newhook	Philip G. Warren
Glenda C. Best, QC	Mark J. Griffin	Mary C. O'Brien	Thomas E. Williams, QC
Philip J. Buckingham	Robert J. Hickey	John V.B. O'Dea, QC	
Trudy L. Button	Keith J. Humphries	Tracy Pasley	<i>Appointed Representatives:</i>
S. Bruce Chislett	Deborah L.J. Hutchings	Stephen F. Penney	Bernard Bolger
Dennis N. Clarke	David W. Jones, QC	Elaine M. Reid	Angela Bowes
David G. Conway	Christina R. Kennedy	Richard S. Rogers, QC	Frederick Drover
Paul L. Coxworthy	Barry C. Lake	Linda M. Rose, QC	Raymond Rose
Michael J. Crosbie, QC	Raelene L. Lee	Peter D. Shea	Dr. Marina Sexton
Jean V. Dawe, QC	Chantelle MacDonald Newhook	Daniel W. Simmons, QC	
Paul D. Dicks, QC	Kimberly J. Mackay	Neil R. Smith	
Robert J. Dillon	Mary J. Mandville, QC	G. Todd Stanley, QC	
Tamara L. Drover	John W. McGrath, QC	Lisa M. Stead	
Gladys H. Dunne	Olga R. McWilliam Benson	Darren C. Stratton	
Marcus A. Evans, QC	LeeAnn L. Montgomery	Megan C. Taylor	
Peter G. Fitzgerald	Lynn M. Moore	Ellen E.M. Turpin, QC	
Gregory A. French	Gregory A.C. Moores	James E. Vavasour, QC	

Education Committee

Leanne M. O'Leary, *Chair*

Glenda C. Best, QC
J. David B. Eaton, QC
Suzanne M. Orsborn
Andrew Wadden

Ian C. Wallace
Donald E. Anthony, *ex officio*
Christian J. Hurley, *ex officio*

Bar Admission Committee

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

Aubrey L. Bonnell, QC
Sandra M. Burke, QC

Gregory M. Smith
Christian J. Hurley, *ex officio*

STANDING COMMITTEES

Accounts and Finance Committee

Ian S. Patey, *Chair*

Renee L.F. Appleby
Glenda Reid

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

Library Committee

Glenda Reid, *Chair*

Daniel M. Boone, QC (*by invitation*)
Liam P. O'Brien
Peter E. Ralph, QC

Rebecca A. Redmond MacLean
Kyle R. Rees
Jenny Thornhill, *ex officio*

Honours and Awards Committee

Amy M. Crosbie, *Chair*

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

Ian C. Wallace
Linda Harnett, *Appointed Bench*

Insurance Committee

Ann F. Martin, *Chair*

Gary L. Baird, *Adjuster*
Thomas J. Johnson, QC
Stephen J. May, QC
Graham A. Wells, QC

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

Claims Review Committee (CLIA Requirement)

Janice K. Ringrose, *Chair*

Thomas J. Johnson, QC, *Counsel*

Gary L. Baird

SS Daisy Legal History Committee

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

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

Melvin Baker, Ph.D.

The Hon. Judge Gerald J Barnable

Thomas J. Burke, QC

Christopher English

The Hon. J. Derek Green

Robert P. Pittman, QC

The Hon. Judge Milton R. Reid

Angela M. Whitehead

Donald A. MacBeath, QC

James E. Merrigan, QC, *Bencher Liaison*

Christian J. Hurley, *ex officio*

Real Estate Committee

Renee L.F. Appleby, *Chair*

Lisa M.Daly

Blair G. Downey

Barry C. Lake

Trevor A. Stagg

Graham A. Wells, QC

Access to Justice Committee

Donovan F. Molloy, QC, *Chair*

Adrienne S. Edmunds

Ross Elliott

Glenda Reid

Christian J. Hurley, *ex officio*

Indigenous Education and Action Committee

Denise Spencer, *Chair*

Barry Fleming, QC, *Bencher Liaison*

Barbara Barker

Daniel Bennett

Lisa Smith

Sean Montague

Violet Ford

Maggie Wentle

Colleen Hanrahan

Daniel Urbas

Judy White, QC

Desmond Jagger-Parsons

Jerry Wetzel

Matthew Moulton

Adrienne Edmunds

John Brown

Rob Reid

Judge Kari Ann Pike

Code of Professional Conduct Review Committee

Linda Harnett, *Chair*

Rebecca A. Redmond MacLean

Lori S. Chafe, *ex officio*

AD HOC COMMITTEES

Law Society Mandate Committee

Ian S. Patey, *Chair*

Ann F. Martin

Renee L.F. Appleby

Glenda Reid

Philip W. Osborne

PRESIDENT'S ANNUAL REPORT

R. Paul Burgess, QC

It is my privilege to present my annual report for 2017-2018 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 2017 to June 2018. The result of these was the admission of 48 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.

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 Frances Knickle, who was appointed to the Trial Division of the Supreme Court of Newfoundland and Labrador (Happy Valley-Goose Bay) in St. John's; Justice Francis O'Brien who was appointed to the Supreme Court, Court of Appeal in St. John's; Judge Robin Fowler who was appointed to the

Provincial Court of Newfoundland and Labrador (Grand Falls-Windsor) in St. John's; Judge Kari Ann Pike who was appointed to the Provincial Court of Newfoundland and Labrador (Happy Valley-Goose Bay) in Stephenville; and, Justice Alexander MacDonald who was appointed to the Trial Division of the Supreme Court of Newfoundland and Labrador in St. John's. Unfortunately, I was unable to attend the ceremony for Justice Vikas Khaladkar, who was appointed to the Trial Division of the Supreme Court of Newfoundland and Labrador in St. John's but Vice-President, Don Anthony attended and spoke on my behalf.

New Queen's Counsel

The Swearing-In of Queen's Counsel took place on 9 March 2018. I was happy to be amongst the list of Members appointed to Queen's Counsel along with fellow colleagues: Kimberly Hawley George, Glen Noel, Jacqueline Pelletier, Richard Rogers, Maureen Ryan, Shelley Senior, Colm Seviour, Heidi Wells and Judy White.

It is an honour to be recognized by this appointment and to share the experience with my colleagues noted above. The Swearing-In ceremony was a special moment for us all and the reception hosted by the Law Society following the ceremony was enjoyable for all guests.

Former Judges and Members

Along with joyful occasions, it is important to acknowledge sorrowful ones as well. Benchers, Law Society staff and members were saddened to learn of the untimely passing of members, Claude Alexander John Sheppard, QC and William Gilbert Morrow, QC.

Both will 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 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 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. The Law Society General Fund showed an operating surplus for 2017 of \$239,000 due mainly to the continued strong performance of our investment portfolio and lower than expected discipline, library, and professional development and salary expenditures.

In 2017, the Lawyers Insurance Programme saw revenues exceeding expenses, again due mainly to the strong performance of our investment portfolio and favorable experience with our claims cost.

Overall, the Law Society remains in a strong financial position as at 31 December 2017 as reflected in the financial statements and we continue to comply with actuarial recommendations. Our continuing efforts to seek operation efficiencies allowed us to reduce members' practicing fees for 2018 from \$1870 to \$1750.

2. Benchers voted and approved a motion to adopt revisions to Rule 6.20 and revised Mandatory Legal Education requirements;
3. Christian Hurley was hired to fill the position left vacant when Justice O'Brien was appointed to the Court of Appeal on 9 June 2017. Christian was welcomed as the new Director of Legal Education on 31 July 2017;
4. The addition of a new position at the Law Society: General Counsel/Deputy Executive Director. Aimee Rowe was welcomed on board on 2 January 2018 to fill this newly created position;
5. Benchers approved the creation of the ad hoc Law Society Mandate Review Committee;

-
6. Benchers held the 9 April 2018 Convocation in Gander along with a CLE relating to cultural competency and reception on that same day;
 7. Benchers introduced a Land Acknowledgment into its proceedings in furtherance of the Law Society's efforts at reconciliation with the Indigenous people;
 8. Benchers approved the incorporation of electronic voting into the election process and the recommended changes to Rule 4 and the associated Form;
 9. Benchers approved amendments to the Code of Professional Conduct;
 10. Technological upgrades to the 3rd floor, Convocation Hall were implemented to facilitate more efficient setup / breakdown, provide additional floor space, offer improved audio visual quality and an overall enhancement for remote participation for various needs (i.e., Benchers' meetings, CLE seminars, hearings, etc.) as required;
 11. Ongoing review of policies and processes to ensure relevance;
 12. 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;
 13. Ongoing oversight of management - Benchers continue to 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, accounts and finance, the library, discipline and professional conduct, admissions, insur-

ance and Indigenous education. The work of all committees 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.

The Federation continues to engage in strategic planning in order to ensure that it is equipped to meet the needs of all jurisdictions in Canada and the public we serve and continues to endorse the following strategic objectives:

- 1) knowledge Leader and effectively share information and facilitate collaboration;
- 2) identify and promote best practices in professional regulation; and
- 3) demonstrate excellence in governance and service delivery.

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.

On 13 June 2017, the President along with Brenda Grimes, QC and Federation Representative Morgan Cooper, attended a dinner with the Federation of Law Societies' Approval Committee which was meeting in St. John's.

The President and Vice-President, along with Ms. Grimes, QC, CAC Chair, Ian Patey and Mr. Morgan Cooper, attended the Federation's Annual Conference in Victoria, British Columbia in October, 2017 where the focus was on the current systems in place for qualifying lawyers for practice and included a comprehensive review of the National Committee on Accreditation (NCA) Program Review report.

Discussions within the Federation Council are continuing regarding some of the recommended changes to the Model Code, specifically re: technological competence and justices returning to practice.

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. For the calendar and fiscal year ending 31 December 2017, the Foundation granted \$28,200.00 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 Governors of the Law Foundation are Daniel Boone, QC, Chair, F. Geoffrey Aylward, QC, Shawn Colbourne, QC, D. Gordon Woodland, QC, Justin S.C. Mellor, Dr. Judit Lovas 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.

Law Society Staff

While I have previously mentioned the Law Society's professional and administrative staff, I want to separately acknowledge and commend them for their hard work. This dedicated group of employees, led by Ms. Brenda Grimes, QC, do a tremendous job without receiving the accolades they justly deserve, as the majority of their work is carried out behind the scenes. While we have recently had a turnover in the senior staff of the Law Society, they are complemented by people that have been with the Law Society for many years. Together, they work as an effective team and I can attest to the fact we are in very capable hands. I will miss the interaction I have had with all of them as President, and before that as a Benchers. To each and every one of them I say thank you.

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 Benchers 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 it's 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 to 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

Donald E. Anthony

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 defer the investigation pending the final determination of a proceeding or decline to investigate the allegation. 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 statutory right of 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 Adjudication Tribunal is independent of the Law Society and derives its authority from the *Act* and in particular sections 47 through 51 thereof. A party to the Hearing has a statutory right of appeal of the Adjudication Tribunal’s Decision or Order.

Information concerning Complaints processed during the current reporting period follows. The Complaints Authorization Committee has authorized seven Complaints; two of which resulted in letters of counsel; one resulted in a letter of caution and four were referred to the Disciplinary Panel. One Adjudication Tribunal has filed a decision wherein a member has been found guilty of conduct deserving of sanction and reprimanded (decision is under appeal to the Supreme Court Trial Division). Currently there are four ongoing Adjudication Tribunal Hearings. The

Law Society is engaged in litigation before the Supreme Court Trial Division on three disciplinary related proceedings.

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. Their contribution is significant and very much appreciated. ■

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 2017 Bar Admission Course began on October 3, 2017 and continued until November 17, 2017. 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) week 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 2017 Bar Admission Course there were 25 students enrolled. Students attending the Course are articling in a variety of legal environments. Approximately three quarters of students are articling with a firm in private practice, with approximately one quarter 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 are articling in the St. John's metropolitan area, this year's Course also had representation of students articling throughout the Province, for example in Bay Roberts, Carbonear, and Gander.

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 presenta-

tions, 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 proceedings, 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 and discuss a selection of these assignments in class.

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. Christian J. Hurley at (709) 722-4898 or by email christian.hurley@lawsociety.nf.ca. ■

EDUCATION COMMITTEE REPORT

Leanne O'Leary, *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 2017-April 2018, the Education Committee:

- i) admitted 25 new applicants as Students-at-Law;
- ii) recommended to Benchers that 30 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 18 Law Society members. ■

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 upcoming programs include:

- Practice Issues in Wills, Trusts and Estate Planning
- Real Estate in 2017: Current Issues, Risk Management and Best Practices
- Trial from A to Z: Opening Statements, Exhibits and Closing Statements
- Family Law Update
- Arbitration Advocacy
- Administrative Tribunal Advocacy
- Microsoft Word and Outlook for Legal Professionals
- Accounting for Lawyers
- Cultural Competency
- Appellate Success: Best Practices for Maximum Impact
- HST Tips and Traps for the Real Estate Lawyer
- Children as Witnesses in the Criminal Courts
- "I Don't Want to Go!" – Cases Where Children Resist Post-Separation Contact with a Parent

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 approved a program of Mandatory Continuing Legal Education in 2016, the Law Society is looking forward to members engaging in meaningful continuing legal education opportunities in the future to further promote professional competence.

Members with program suggestions should contact Mr. Christian J. Hurley at (709) 722-4898 or by email at christian.hurley@lawsociety.nf.ca. ■

LIBRARY COMMITTEE REPORT

Glenda Reid, *Chair*

The Library Committee is a standing Committee of Benchers whose mandate is to recommend to Benchers a strategic direction for efficient and effective access to high quality legal information and library services.

The Library Committee serves as an advisory group to the Law Librarian on matters related to library services and resources, in order to:

- (1) enable the members of the legal profession to maintain professional competencies; and
- (2) promote access to justice for the general public.

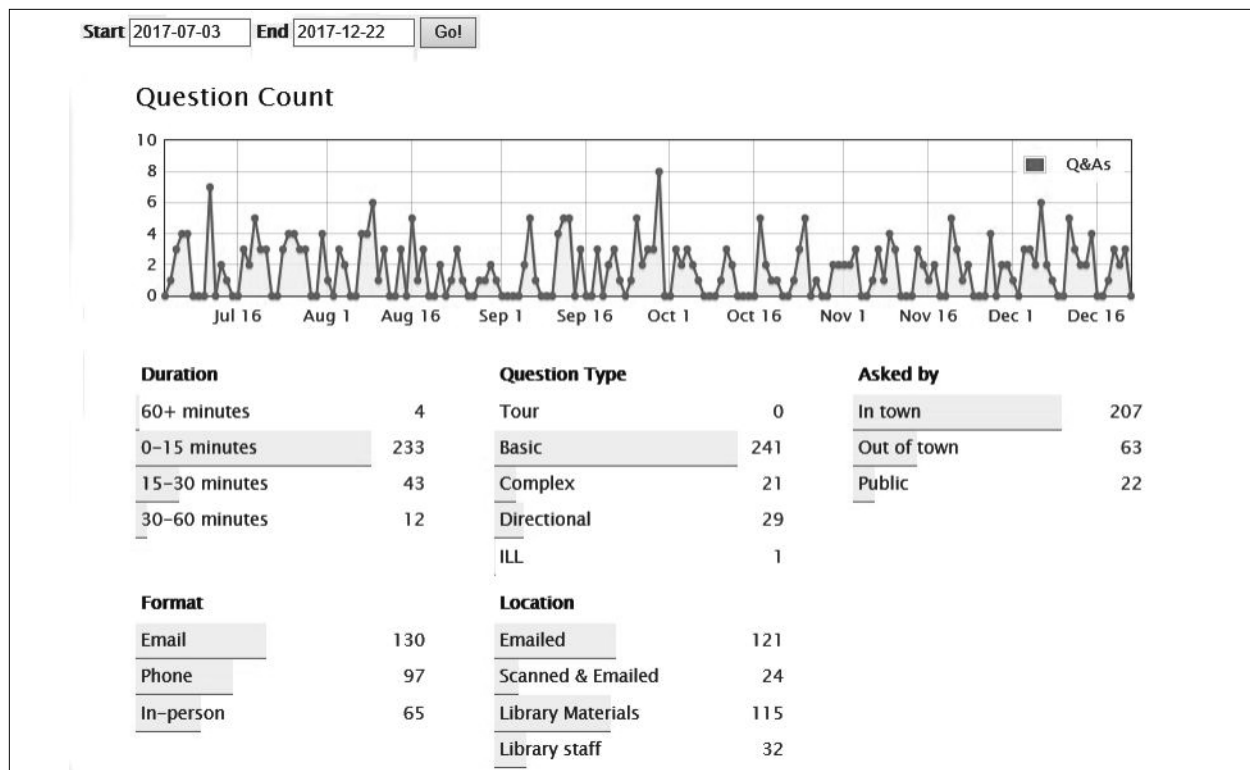
The Committee further advises on policy development related to the Library and brings forward relevant policies for approval by Benchers.

The Library Committee met three times during the year (October 17, 2017, January 9, 2018, and March 27, 2018).

In accordance with its work plan for 2017-2018, the Committee finalized the Library Committee Terms of Reference and developed two new policies. A *Collection Development Policy* and *Use and Access Policy* were both approved by Benchers at the April 9, 2018 meeting.

In accordance with the terms of reference, the appointment of committee members who have completed two terms with the Library Committee ends in June, 2018. Long serving member and former Committee chairperson Liam O'Brien was thanked for his 8 years of service to the Committee. A replacement member has been requested through

Fig. 1 Reference Questions
July 2017 - December 2017



receives and replies to questions.

Fig. 3 shows our circulation statistics for most of 2017 and part of 2018.

The Law Library provided reference services to both members of the Law Society and members of the public. The charts on pages 20 and 21 (Fig. 1 & Fig. 2) show the different types of questions received, the location of requestors, and the formats in which the Law Library

With respect to acquisitions, we are able to report:

947 – new books, e-resources, and loose-leaf were added to the collection

Total Number of Holdings: 4,677 ■

**Fig. 2 Reference questions
January 2018 - April 2018**

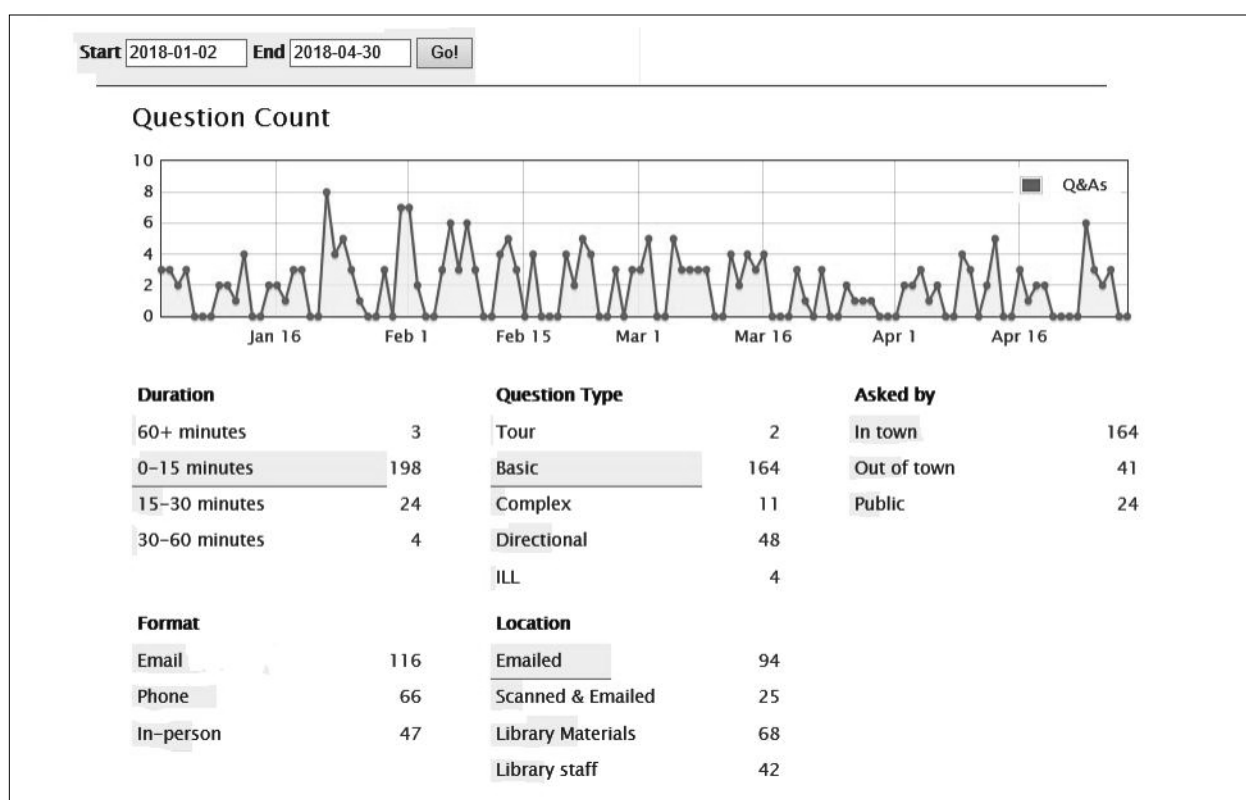


Fig. 3 Circulation Statistics 2017/18

Monthly Summary			
Year and Month		# of Times Checked Out	
2017/04	5	2018/01	102
2017/05	36	2018/02	111
2017/06	101	2018/03	104
2017/07	88	2018/04	109
2017/08	106		
2017/09	76		
2017/10	94		
2017/11	110		
2017/12	67		
Total Times Checked Out:		683	

INSURANCE COMMITTEE REPORT

Ann F. Martin, *Chair*

Under its Terms of Reference, the Insurance Committee is responsible for ensuring that the Lawyers' Insurance Programme is effectively administered and financially stable. It is also responsible to provide the best coverage to members and to protect the public as effectively as possible. The Committee provides oversight to our participation as a subscriber to the Canadian Lawyers Insurance Association (CLIA). Throughout 2017 to 2018 the Committee implemented a suite of loss prevention initiatives.

The Committee continues to benefit from the hard work and guidance of our Claims Review Committee consisting of Janice Ringrose, Tom Johnson QC, and Gary Baird. Our past years claims history continues to be on par with previous years as we maintain a strong, stable financial position. The premium setting policy at the foundation of our premium setting process continues to provide stability and, we were, once again, able to maintain the same insurance premium levels for 2018 as we have had since 2012. We also received a ruling from the provincial Department of Finance advising that recent changes to the retail sales tax applies only to the contract of insurance between CLIA and the insureds and does not apply to any fees or levies relating to the Lawyers' Insurance Programme.

Following our 2015 review of the high rate of missed limitations in our jurisdiction, the Insurance Committee implemented a number of loss prevention initiatives including a mentoring program for lawyers, a loss prevention self-assessment checklist, risk assessment visits, loss prevention bulletins, and fraud alerts with more loss prevention initiatives being planned. We updated the insurance and risk management section of our website and we do annual presentations at the Bar Admission Course. The Lawyers Insurance Programme continues to provide Member wellness and employee assistance services through its provider Homewood Health.

In 2017, Mandatory Cyber Liability Coverage was put in place to protect both insured members and their clients, from damage of disclosure of client information, privacy breach notifications, system and data rectification costs and cyber threat and extortion costs.

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

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 the Committee determines recipients of the following awards: 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 Committee also makes recommendations to Benchers regarding the conferring of the following Honours: Degree of Doctor of Laws, *honoris causa*, the *Gordon M. Stirling Distinguished Service Award*, the *Jean Bruneau, OC, Certificate of Merit* and Life Membership.

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 2017 is Ms. Dana Martin. Ms. Martin served Articles of Clerkship at the firm McInnes Cooper and her principal was Mr. David Eaton, QC. Ms. Martin was called to the Newfoundland and Labrador Bar on February 16, 2018, at which time she 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 recipient for 2017 is Ms. Sarah Pinsent. Ms. Pinsent served Articles of Clerkship at the firm Morrow Morrow & Crosbie and her principal was Mr. John Crosbie. Ms. Pinsent was called to the Newfoundland and Labrador Bar on February 16, 2018, at which time she commenced practice with Morrow Morrow & Crosbie.

Ms. Pinsent 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 *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 this

award is Ms. Stephanie Morton. Ms. Morton served Articles of Clerkship at the NL Legal Aid Commission and her principal was Ms. Lori Savory. Ms. Morton was called to the Newfoundland and Labrador Bar on February 16, 2018 at which time she commenced practice with the NL Legal Aid Commission.

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 2018 Scholarship is Nakita Ryan who is currently articling with the firm Roebothan McKay Marshall. Nakita's research essay is entitled: "Shielding Marital Rape: Stereotypes and Assumptions Post-J.A."

The *Maxwell J. Pratt Scholarship* is based on academic performance and is presented to a Student-at-Law who is a graduate of MUN and a student at Dalhousie Law School. There is no recipient for 2018.

The *Gordon M. Stirling Distinguished Service Award* is open to members and former members of the Law Society and of the judiciary who have made a substantial contribution to the Law Society, the legal profession or the administration of justice, while at the same time making a significant contribution to the public or one's community. V. Randell Earle, was approved for this award at the 9 April 2018 Benchers' Convocation and Sheila Greene, was approved for this award on 11 May 2018.

The *Jean Bruneau, OC Certificate of Merit* is open to lay persons who have made a substantial contribution to the Law Society through years of service on Benchers or in some other capacity, or to the legal profession or administration of justice. Linda Harnett was approved for this award at the 9 April 2018 Convocation.

These awards will be presented on 8 June 2018 at the Law Society Annual Dinner.

Life Membership was awarded to the following members: William Morrow, QC, James Oakley, QC, John Byrne, QC, The Honourable Robert Wells, QC, Ruth Peters Wakeham, QC, and Sheila Greene, QC. ■

SS DAISY LEGAL HISTORY COMMITTEE REPORT

Christopher P. Curran, QC, Co-Chair

The Committee met four times during the reporting period: 13 March 2018; 9 November 2017; 19 October 2017 and 14 September 2017. All meetings were held at the offices of the Law Society of Newfoundland and Labrador during Fall 2017 and Winter 2018 with a quorum of members in attendance. The purpose of the meetings was furtherance of the Committee's ongoing work, the principal aspects of which were as follows:

1. Publication of two ongoing book projects: *Discourse and Discovery: Sir Richard Whitbourne Quatercentennial Symposium 1615—2015 and Beyond* and *The Journals of George Simms, J.P., and the Records of the Labrador Court 1826-1833*. The book launch for both volumes was held in December 2017 at the Law Society offices and was well attended. Book sales on this occasion and at a subsequent evening event in conjunction with a lecture at Hampton Hall, Marine Institute by Augustus Lilly QC on the Simms volume raised approximately \$2,000. The Committee would like to thank Dave Fowler of Print Three and the staff at the Law Society for assistance in ensuring the success of both evenings.
2. Preparations for the public forum on the Labrador Boundary Case are proceeding apace. Ian Kelly, QC and Michael Crosbie, QC have agreed to serve as counsel in presenting a re-enactment of the 1927 case before a Privy Council panel comprised of students from the Bar Admission Course. John Joy, Committee Co-chair, has been successful in enlisting the support and participation of the NL Historical Society in the event which is now scheduled for 25 October 2018 at Hampton Hall, Marine Institute at 7pm. The presentation will be broadcast simultaneously to the Supreme Court in Happy Valley-Goose Bay. Parking is free.
3. E.M. Archibald, *Digest of the Laws of Newfoundland (1847)*. Research for and writing of the Introduction and Appendices to this volume are completed and at the printer. Colleen Field, Acting Chief Librarian at the Centre for Newfoundland Studies MUN, graciously provided for reproduction an original copy of the Archibald text, a copy previously owned by former Prime Minister and Chief Justice of Newfoundland F.B.T. Carter. The text was much used, as the marginalia and annotations amply evidence. Samples of the marginal notes will be reproduced in the republication. The Archibald text, Newfoundland's first "consolidation," was a favourite of 19th and 20th century practitioners, and is the second volume of the proposed 'Classics of Newfoundland Law' series. Publication and book launch are anticipated for the fall.
4. Carter volume 3. Preparation of essays and other materials for this volume dealing with law and society in pre-confederation Newfoundland is ongoing. Contributors have been confirmed. Publication is planned for early to mid 2019. The Law Foundation and the Law Society are co-sponsors of this volume.
5. Oral History Initiative: The Committee was pleased recently to receive a biography of the Hon. P. Derek Lewis by David C. Day, QC for inclusion in the proposed volume of oral history interviews with former judges and senior members of the bar. The committee is discussing options for early publication.
6. Daisy Publications to be made available to the Public Library system. As a result of a recent decision by Benchers, gift copies of Daisy publications will be made available to the Newfoundland Public Library system at centres in St. John's, Corner Brook and Happy Valley Goose Bay. This is intended to make more widely known the many contributions of the legal profession to the rich heritage of Law and Judicature in Newfoundland and Labrador. ■

ACCESS TO JUSTICE COMMITTEE REPORT

Donovan Molloy, QC, *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: identifying access to justice initiatives relevant to the role of the Society to regulate in the public interest; advising and recommending to Benchers access to justice initiatives relevant to the role of the Society; engaging Members on access to justice initiatives relevant to the role of the Society; engaging the public on access to justice initiatives relevant to the role of the Society; promoting and facilitating access to justice initiatives relevant to the role of the Society; and supporting the Steering Committee in attaining its objectives.

The Access to Justice Committee, in conjunction with the Steering Committee, has (since November of 2016) conducted three Saturday clinics at the Law Society Library to provide free legal advice to individuals. The Clinics were staffed by volunteers and included lawyers, library staff and staff from family justice services. Clients were provided with a half hour legal consultation and additional support on library resources both on the shelf and on-line. Clients registered in advance but some accommodations were made for walk in clients.

To date, free legal advice has been offered in the areas of family law, wills and estates, employment

law, human rights law, and housing issues.

The Clinics were further supported by representatives of the Law Society and other Steering Committee members conducting intake interviews and attending to execution of the Terms of Service. All involved believed the Clinic is providing a valuable outreach service to the community and that the Law Library is a suitable location to offer the Clinic on a recurring basis. The Executive Director and the Executive Committee of the Law Society have extended every cooperation to the Steering Committee in offering the Library as the location for the Access Law Clinic and the support of its professional staff.

The next clinic, offering advice in the family law area of practice, is set for Saturday, May 12, 2018.

The clinic is one of five currently ongoing and to date, the five clinics have assisted 267 participants, supported by 61 volunteer lawyers, articling students and law students, totaling 212 hours of pro bono legal service to the community.

A goal going forward is to pilot clinics in other areas of the province. Law Society members in Gander and Corner Brook have expressed interest in working with the Committee to facilitate this goal.

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 available to the public without charge, and dedicating a section of its website to the public, including links to important resources.

In 2017, the Law Society provided a three year commitment of \$50,000.00 per year to the Public Legal Information Association of Newfoundland and Labrador to assist it in furtherance of access to justice initiatives and has also offered ongoing support for a proposed Mediation Pilot Project in Family Court. ■

ACCOUNTS AND FINANCE COMMITTEE REPORT

Ian Patey, Chair

The Accounts and Finance Committee is established pursuant to Rule 2.16(3) and supports Benchers in the governance of the Law Society by monitoring significant financial planning management and reporting matters of the Law Society and serving as the Law Society's Audit Committee. Members of the Committee are Ian Patey, Chair, Renee Appleby, Elected Bencher, and Glenda Reid, Lay Bencher. The Executive Director and the Law Society Accountant attend all meetings of the Committee as representatives of the management team.

The mandate of the Accounts and Finance Committee is to:

- 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 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 inter-

nal 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; and
- e) The external audit function has been effectively carried out.

The Accounts and Finance Committee presented its Work Plan for 2017-18 at the 29 September 2017 Convocation which detailed the upcoming activities for the Committee. The Committee conducted three regular meetings with the Law Society financial advisors, Will Small and Keith Butler of Scotia Wealth Management, on 10 October 2017, 15 January 2018, and 18 April 2018. During these meetings the Committee was presented with detailed reports on asset performance and recommendations for changes to the investment portfolio. Given the market volatility in Q1 of 2018 Committee members were particularly interested in ensuring that decisions taken in respect of the portfolio continued to be guided by the Law Society's Investment Policy Statement and not short term reactions to political factors affecting market performance on a daily basis.

The final meeting under the current Work Plan is scheduled for 16 July 2018, at which time in addition to its regular activities, the Committee will be reviewing the 2017-18 Work Plan and preparing the 2018-19 Work Plan. On 16 July 2018 the Accounts and Finance Committee will also be discussing both 1) the audit tender process and recom-

mendations to Benchers respecting external auditors, and 2) an assessment of the performance of the Law Society financial advisors and recommendations to Benchers respecting the selection of financial advisors.

With respect to the discharge of its audit review functions, the Committee met with the Law Society Auditors, Nicole Miller and Cassie Allen of KPMG, on 15 December 2017 for the pre-audit meeting at which time the Audit Planning Report was presented and the Committee raised no concerns with the outlined process. On 28 March 2018 the Committee again met with Auditors Jennifer Clement and Nicole Miller for the detailed presentation of the 2017 audit, to review the audit process and determine whether there are any issues of concern. The Audit process

identified two areas of potential concern, all of which were addressed through the audit process.

Also on 28 March 2018 the Accounts and Finance Committee members met with the auditors in the absence of the Law Society Executive Director and Accountant, during which time no concerns were brought to the attention of the Committee. To the contrary, the Auditors expressed their appreciation for the work of the management team of the Law Society, both in general and during the audit process.

The Committee appreciates feedback from any members on matters within the terms of reference of the Committee. ■

REAL ESTATE COMMITTEE REPORT

Renee Appleby, *Chair*

The Real Estate Committee is established to support Benchers in the governance of the Law Society by developing professional standards for the area of Real Estate Law.

The Real Estate Committee is responsible for:

- 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 the professional standards;
- Acting as a resource on issues of professional standards for Real Estate Law as may be requested by Benchers; and,
- Engaging members in determining real estate practice education initiatives relevant to the Law Society and its role of regulating the profession in the public interest.

Members of the Committee are presently: Renee Appleby, Trevor Stagg, Barry Lake, Graham Wells, QC, Lisa Daly and Blair Downey. This year, the Committee welcomed Blair Downey and Lisa Daly, who graciously volunteered to lend their time and expertise to the Committee mandate. G. Todd Stanley, QC, resigned from the Committee in the fall of 2017 and the Committee wishes to express its thanks and appreciation for his contributions.

The Real Estate Committee met several times in 2016/2017, holding both in-person meetings and engaging in discussions to address issues as they arise through telephone and email. Formal meetings occurred on June 21, 2017, November 24, 2017, March 2, 2018 and March 28, 2018 .

The primary focus of the Committee has been its development of practice standards and checklists for members to reference in their practice of Real Estate Law. A preliminary draft is complete, with the Committee planning to review and finalize for submission to Benchers in the coming months. The Committee recently met with Diane Rendell to discuss some emerging areas of concern she has observed in her audits, for possible inclusion in the practice standards.

The Chair of the Committee met with the Eastern Regional Service Board in response to a request for assistance, and the Committee responded to inquiries from members on various issues pertaining to the practice of real estate law, such as: Possessory Title/ Affidavits of Possession and the transfer of Crown Lands from St. John's to Corner Brook. The Committee also recently drafted and circulated a Practice Standard concerning the payment of referral fees for clients.

The Committee invites members of the bar to contact its members should they have an issue or concern with the practice of real estate law in the province which they feel might be addressed by the Committee and which fall within its terms of reference. ■

INDIGENOUS EDUCATION & ACTION COMMITTEE REPORT

Denise Spencer, *Chair*

The Indigenous Education and Action Committee was formed in the spring of 2017 and spent its first several months formalizing the structure and Terms of Reference. The Mandate of the Indigenous Education and Action Committee is to work within the legal profession to advise, educate and act on reconciliation with Indigenous peoples in Newfoundland and Labrador, which includes addressing the Calls to Action arising from the Truth and Reconciliation Commission. The responsibilities of the Indigenous Education and Action Committee include:

- Working with Indigenous communities to access and promote Indigenous legal traditions and knowledge
- Education within the legal community, including continuing legal education and the bar admission course, as well as within the broader community
- Collecting and promoting resources and tools to help ensure the Indigenous cultural competency of members of the bar in Newfoundland and Labrador
- Acting as a resource for consultation on issues relating to Indigenous law
- Identifying challenges faced by Indigenous people in accessing justice and providing recommendations to relevant stakeholders on remediating the gap in access to legal services
- Engaging Indigenous members of the bar on the work of this committee

The Indigenous Education and Action Committee continues to work with the Law Society's Director of Legal Education to accomplish two priority items:

- 1) To develop education materials for the Bar Admission Course that will educate newly called lawyers; and,

- 2) To develop education materials for Continuing Legal Education that will educate members of the bar.

The overall focus of the education materials will be to fulfill the Truth and Reconciliation Commission of Canada's Call to Action # 27 which states as follows:

"We call upon the Federation of Law Societies of Canada to ensure that lawyers receive appropriate cultural competency training, which includes the history and legacy of residential schools, the *United Nations Declaration on the Rights of Indigenous Peoples*, Treaties and Aboriginal rights, Indigenous law, and Aboriginal-Crown relations. This will require skills-based training in intercultural competency, conflict resolution, human rights, and anti-racism."

In March 2018 the Indigenous Education and Action Committee conducted a survey of Law Society members and received 121 responses. The results of the survey are being used to determine the educational needs and interests of Law Society members as it relates to cultural competency training and Indigenous legal issues.

The Indigenous Education and Action Committee is also working in conjunction with the Canadian Bar Association NL's Aboriginal Law Branch and the St. John's Native Friendship Center to offer an Indigenous Cultural Competency Continuing Legal Education seminar in June 2018.

Most of the Indigenous Education and Action Committee's meetings are held by conference call; however, we did hold a meeting in Conne River during the Miawpukek Pow Wow. Plans are underway to hold a meeting in

Conne River again this summer; otherwise meetings will continue to be held by conference call. The Committee is comprised of the maximum number of members at 15 and there are three individuals that have expressed interest in joining the Indigenous Education and Action Committee if/when seats become available!

Throughout the past year the Indigenous Education and Action Committee has been

contacted for consultations on Indigenous issues (i.e. a request for input on the Library Committee's policy revision and appropriate language for land acknowledgment). Our Committee members appreciate the opportunity to provide an Indigenous perspective on issues being considered by the Law Society and other organizations and welcomes future requests in keeping with this Committee's Terms of Reference. ■

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

for the
Fiscal Year Ended December 31, 2017



Financial Statements of

**LAW SOCIETY OF
NEWFOUNDLAND AND
LABRADOR**

Year ended December 31, 2017

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Table of Contents

	Page
Independent Auditors' Report	35
Balance Sheet	36
Statement of Earnings	37
Statement of Changes in Net Assets	38
Statement of Cash Flows	39
Notes to Financial Statements	40-48



KPMG LLP
Toronto Dominion Place
140 Water St, Suite 1001
St. John's NL A1C 6H6

Telephone (709) 733-6000
Fax (709) 733-6050
www.kpmg.ca

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, 2017, 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, 2017 and December 31, 2016, 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, 2017. This caused us to qualify our audit opinion on the financial statements as at and for the year ended December 31, 2016.

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, 2017, 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
St. John's, Canada
April 9, 2018

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Balance Sheet

December 31, 2017, with comparative information for 2016

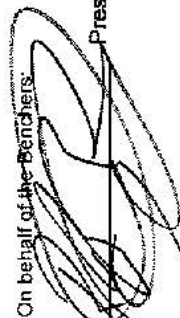
		General Fund	Lawyers' Insurance Programme	Assurance Fund	Endowment Fund	Internally Restricted Fund (note 2)	2017	2016
Assets								
Current assets:								
Cash and cash equivalents	\$	199,679	\$ 318,288	\$ 111,780	\$ -	\$ -	\$ 629,747	\$ 874,776
Investments and marketable securities (note 4)		2,449,450	14,432,920	1,006,680	12,274	-	17,901,324	17,093,275
Accounts receivable other		34,376	-	-	-	-	34,376	273,918
Trade receivable (net of allowance of \$4,438) (2016 - \$1,400)		129,282	244,117	-	-	-	373,399	86,386
Prepaid expenses		33,615	136,818	31,745	-	-	202,178	195,578
Interfund balances		(1,551,583)	(5,473)	(200)	-	1,557,266	-	-
		1,294,809	15,126,670	1,150,005	12,274	1,557,266	19,141,024	18,523,943
Capital assets (note 5)		836,462	-	-	-	-	836,462	891,842
Claims recovery receivable (note 6)		-	51,320	-	-	-	51,320	66,972
	\$	2,131,271	\$ 15,177,990	\$ 1,150,005	\$ 12,274	\$ 1,557,266	\$ 20,028,808	\$ 19,482,757

Liabilities and Net Assets

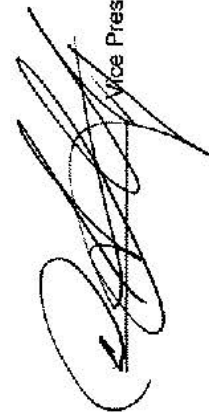
Current liabilities:								
Accounts payable and accrued liabilities (note 7)	\$	144,735	\$ 20,935	\$ -	\$ -	\$ -	\$ 165,670	\$ 433,264
Provision for unpaid claims		7,300	-	-	-	-	7,300	10,100
Reserve for claims and related costs (note 8)		-	3,831,475	-	-	-	3,831,475	3,605,810
		152,035	3,852,410	-	-	-	4,004,445	4,048,974
Net Assets:								
General Fund		1,979,236	-	-	-	-	1,979,236	1,794,926
Lawyers' Insurance Programme		-	11,325,580	-	-	-	11,325,580	10,929,447
Assurance Fund		-	-	1,150,005	-	-	1,150,005	1,142,392
Endowment Fund		-	-	-	12,274	-	12,274	12,018
Internally Restricted Fund (note 2)		-	-	-	-	1,557,266	1,557,266	1,555,000
		1,979,236	11,325,580	1,150,005	12,274	1,557,266	18,024,361	15,433,783
Commitments (note 9)								
	\$	2,131,271	\$ 15,177,990	\$ 1,150,005	\$ 12,274	\$ 1,557,266	\$ 20,028,808	\$ 19,482,757

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, 2017, with comparative information for 2016

	General Fund	Lawyers' Insurance Programme	Assurance Fund	Endowment Fund	Internally Restricted Fund (note 2)	2017	2016
Revenue:							
Admission fees (note 10)	\$ 97,200	\$ -	\$ -	\$ -	\$ -	\$ 97,200	\$ 54,325
Annual fees (note 11)	1,608,722	899,631	38,717	-	-	2,547,070	2,488,535
Audit program	77,053	-	-	-	-	77,053	83,833
Bar admission course	56,250	-	-	-	-	56,250	81,883
Continuing legal education	59,046	-	-	-	-	59,046	67,918
Grant - Law Foundation	28,200	-	-	-	-	28,200	33,200
Interest - memberships fees	58,939	-	-	-	-	58,936	58,105
Investment income (note 4)	127,238	497,110	43,751	656	-	668,755	755,910
Other income	20,697	-	6	-	-	20,703	19,218
Transaction levy revenue	-	836,855	-	-	-	836,655	831,276
Recoverable from CLIA	-	-	-	-	-	-	-
	2,133,342	2,233,398	82,474	656	-	4,449,868	4,474,203
General and administrative expenses:							
Salaries and benefits	968,010	205,767	-	-	-	1,173,777	1,216,000
Provision for unpaid claims and related costs	(2,800)	1,049,640	-	-	-	1,046,840	1,131,048
Discipline expense	71,761	-	-	-	-	71,761	329,758
CLIA premiums	-	290,302	-	-	-	290,302	327,386
Miscellaneous expenses	224,746	24,845	(750)	-	-	248,840	242,573
Libraries	199,711	-	-	-	-	199,711	170,185
Building operation	145,587	-	-	-	-	145,587	144,815
Custodianship	-	44,703	-	-	-	44,703	131,848
Audit program	77,485	-	-	-	-	77,485	88,737
Amortization	78,945	-	-	-	-	78,945	79,455
Insurance	12,742	-	-	-	-	12,742	74,931
Professional fees	66,468	-	66,363	-	3,114	81,219	61,946
Federation of Law Societies' fees	53,378	39,129	10,248	-	-	115,845	53,144
Continuing legal education	18,193	-	-	-	-	18,183	45,134
Benchers' convocations and receptions	50,566	-	-	-	-	50,566	43,958
Professional development	31,566	-	-	-	-	31,566	42,077
Actuarial fees	-	35,781	-	-	-	35,781	34,459
PLIAN	-	-	-	-	50,000	50,000	30,000
Professional Assistance Program	-	27,096	-	-	-	27,096	26,861
Bar admission course	17,294	-	-	-	-	17,294	16,133
Scholarships	-	-	-	400	-	400	200
Administration fees	(120,000)	-	-	-	-	-	-
	1,893,652	1,837,283	74,861	400	53,114	3,859,230	4,288,648
Net earnings (loss)	\$ 239,690	\$ 396,133	\$ 7,613	\$ 256	\$ (53,114)	\$ 590,578	\$ 185,555

See accompanying notes to financial statements.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Statement of Changes in Net Assets

Year ended December 31, 2017, with comparative information for 2016

	General Fund	Lawyers' Insurance Programme	Assurance Fund	Endowment Fund	Internally Restricted Fund (note 2)	2017	2016
Net assets, beginning of year	\$ 1,794,926	\$ 10,929,447	\$ 1,142,392	\$ 12,018	\$ 1,555,000	\$ 15,433,783	\$ 15,248,228
Net earnings (loss)	239,690	396,133	7,613	256	(53,114)	590,578	185,555

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operations:		
Net earnings	\$ 590,578	\$ 185,555
Items not involving cash:		
Amortization	78,945	79,455
Unrealized gain on investment	(308,961)	(442,702)
Provision for unpaid claims	(2,800)	(4,300)
	359,762	(181,992)
Change in non-cash operating working capital:		
(Increase) Decrease in accrued income on investments and marketable securities	(8,300)	22,828
Decrease (increase) in accounts receivable other	239,542	(11,063)
(Increase) decrease in trade receivable	(287,003)	73,428
(Increase) decrease in prepaid expenses	(6,600)	16,020
(Decrease) increase in accounts payable and accrued liabilities	(267,594)	106,502
Increase in reserve for claims and related costs	225,865	170,025
Decrease (increase) in claims recovery receivable	15,652	(12,972)
	271,324	182,776
Investing:		
Proceeds from sales of investments and marketable securities	1,442,400	1,369,320
Purchases of investments and marketable securities	(1,935,188)	(1,495,336)
Purchase of capital assets	(23,565)	—
	(516,353)	(126,016)
(Decrease) increase in cash and cash equivalents	(245,029)	56,760
Cash and cash equivalents, beginning of year	874,776	818,016
Cash and cash equivalents, end of year	\$ 629,747	\$ 874,776

See accompanying notes to financial statements.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year ended December 31, 2017

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.

(v) Internally Restricted Fund:

Benchers restrict certain funds which are not available without approval from the Benchers.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2017

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
July 1, 2016 - June 30, 2017	300,000	1,305,000
July 1, 2017 - June 30, 2018	300,000	1,365,000

(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, 2017

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.

(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.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(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.

(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 trade receivables, and claims recovery receivable, 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%

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Internally Restricted Fund:

Internally restricted funds consist of the following:

- \$435,380 for capital asset reinvestment (2016 - \$380,000)
- \$621,886 for strategic initiatives (2016 - \$675,000)
- \$500,000 for future operations (2016 - \$500,000)

These internally restricted amounts are not available for other purposes without approval by the Benchers.

3. 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 \$271,767 (2016 - \$276,073). 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.

4. 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.

	2017	2016
Fixed income	\$ 13,256,551	\$ 13,367,528
Preferred shares	93,840	78,320
Equity investments	1,257,621	707,264
Mutual funds	3,280,931	2,928,595
Investments held in endowment	12,381	12,018
	<u>\$ 17,901,324</u>	<u>\$ 17,093,725</u>

Included in investment income is interest income of \$223,729 (2016 - \$234,210), dividend income of \$158,858 (2016 - \$136,269), unrealized gains of \$306,961 (2016 - \$442,702) and realized losses on the disposal of marketable securities of \$(35,496) (2016 - \$(57,271)).

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Capital assets:

			2017	2016
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 73,429	\$ –	\$ 73,429	\$ 73,429
Building	1,935,376	1,200,499	734,877	812,291
Furniture and equipment	302,078	273,922	28,156	6,122
	\$ 3,310,883	\$ 1,474,421	\$ 836,462	\$ 891,842

6. Claims recovery receivable:

	2017	2016
Non-interest bearing receivable to be received in monthly installments of \$1,000 until maturity in 2019.	\$ 42,000	\$ 54,000
Promissory note to be received in blended monthly payments of \$400 including interest at 3.5% until March 2018 when the remaining balance is due.	25,297	29,139
	67,297	83,139
Less current portion (included in trade receivable)	15,977	16,167
	\$ 51,320	\$ 66,972

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

As at December 31, 2017 there was \$1,552 (2016 - \$1,707) payroll related taxes included in accounts payable and accrued liabilities and HST receivable of \$34,376 (2016 - \$24,742) included in accounts receivable other.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2017

8. Reserve for claims and related costs:

	2017	2016
Provision for claims and related costs		
beginning of year	\$ 3,605,610	\$ 3,435,585
Current year expense	1,049,640	1,146,328
Claims and related costs paid during the year	(823,775)	(976,303)
	\$ 3,831,475	\$ 3,605,610

As at December 31 2017, 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:

	2017	2016
Discounted damages and defence costs	\$ 2,811,173	\$ 2,643,397
Discounted adjusting and counselling fees	294,525	255,189
Discounted internal claim administration expenses	268,711	257,297
	3,374,409	3,155,883
Provision for adverse deviation	389,976	366,588
Discounted receivable	67,090	83,139
Total discounted liabilities plus provision for adverse deviation	\$ 3,831,475	\$ 3,605,610

The liabilities have been discounted at a rate of 2.50% (2016 - 2.35%). The provision for adverse deviation for 2017 and 2016 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.

9. Commitments:

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

2018	\$ 6,653
2019	5,592
2020	5,592
2021	5,592
2022	3,727

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2017

10. Admission fees:

Admission fees consist of the following:

	2017	2016
Articled clerks	\$ 9,300	\$ 9,300
Call to bar	35,000	23,125
Certificate of standing	5,400	4,400
Transfers	47,500	17,500
	\$ 97,200	\$ 54,325

11. Annual fees:

Annual fees consist of the following:

	2017	2016
Assurance Fund annual membership fee	\$ 38,717	\$ 37,675
Law Society annual membership fee	1,529,262	1,489,514
Federation fees	46,460	45,345
Professional law corporation fees	33,000	33,517
Insurance premiums	899,631	882,484
	\$ 2,547,070	\$ 2,488,535

12. Equity in Canadian Lawyers' Insurance Program:

The Programme is a subscriber to the 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 in respect of Part A coverage as of December 31, 2017 show the Programme's subscriber's equity to be \$1,681,735 (2016 - \$1,974,013) of which nil is recorded as recoverable as of December 31, 2017 (2016 - nil). The Subscribers Accounts of CLIA in respect of Part C coverage as of December 31, 2017 show the Programme's subscriber's equity to be \$21,034 (2016 - (\$21,714)) of which nil is recorded as recoverable as of December 31, 2017 (2016 - nil).

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended December 31, 2017

13. Financial risks:

Financial instruments consist of cash and cash equivalents, accrued claims recovery, 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, accrued claims recovery, 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 and monitoring cash payments.

(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.

(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.

