



The Law Society of
Upper Canada

Barreau
du Haut-Canada



2007 Annual Report Performance Highlights

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THE LAW SOCIETY OF UPPER CANADA

Mandate

The Law Society of Upper Canada regulates the lawyers and paralegals of Ontario in the public interest. The Law Society ensures that every individual who practises law or provides legal services in Ontario meets standards of learning, professional competence and professional conduct that are appropriate for the legal services provided.

The Law Society has a duty to protect the public interest, to maintain and advance the cause of justice and the rule of law, to facilitate access to justice for the people of Ontario, and to act in a timely, open and efficient manner.

Performance Highlights

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TREASURER'S MESSAGE

Enhancing our professional reputation



During 2007 Convocation pursued a number of initiatives designed to preserve the independence of the profession and enhance its reputation, for example, by improving access to justice.

Regulation of Paralegals

The Law Society devoted a great deal of energy during the year to implementing our expanded mandate to regulate paralegals. Putting a regulatory system in place for paralegals in Ontario was and continues to be a huge task. The government reposed an important public responsibility in the Law Society by asking us to do this. It is gratifying that at a time when in some other jurisdictions the right of the legal profession to govern itself has been eroded, the government of Ontario has expanded the Law Society's mandate by conferring on it the authority to regulate all providers of legal services. The public will be better served as a result of the assurance that legal services will be provided by paralegals who are licensed, insured and regulated.

Benchers Election

Lawyers across the province elected a new group of benchers in May 2007. This was the 29th elected Convocation since 1871, the first year that the Law Society held elections for benchers. A record number of the benchers elected were women – 18 out of 40 – which provides for near equality in our governing body.

The new benchers gathered in September for a retreat to discuss the major issues facing the profession and to identify priorities for the new term. Nine areas of significance were noted, including access to justice, discipline, professional competence and diversity in the profession. Convocation has created a Planning and Priorities Committee to oversee the pursuit of these priorities over the next four years.

Licensing and Accreditation Task Force

The requirements for the approved law degree that allows entrance to the Law Society's bar admission and licensing programs were last updated approximately 40 years ago. Law schools are experiencing increasing enrolment and, as the practice of law has evolved, the course offerings of law schools have changed. There is increasing pressure to find articling places for graduates. As the year ended, the task force was readying to present Convocation with a report summarizing the issues and setting forth a series of recommendations for consultation with the profession.

Sole Practitioners and Small Firm Lawyers

The majority of Ontarians who need legal services go to sole practitioners or small firms. Convocation's Working Group on Sole Practitioners and Small Firms continues to lead the development of a range of measures designed to strengthen these practices and the gateway they represent to access to legal services. The Law Society already provides significant practice aids and supports, as well as other programs designed to assist lawyers in sole practices and small firms.

Governance Task Force

The predominant challenges for the Governance Task Force are to identify ways to improve the effectiveness of Convocation as a board, including the ability to establish strategic priorities for the organization. The task force is also charged with recommending enhancements to the effective co-ordination of Convocation's priorities with the operational management of the Law Society.

Retention of Women Working Group

While the number of women entering the profession now equals or exceeds the number of men, the number of women leaving private practice is far too many. Both large and small firms suffer, and the public's access to justice is also affected when women lawyers leave private practice. By the end of the year, the Retention of Women in Private Practice Working Group was preparing a series of innovative recommendations to be considered by Convocation in the spring of 2008.

Gathering in Support of the Rule of Law in Pakistan

In conjunction with the Ontario Bar Association, the Law Society hosted a gathering on the steps of Osgoode Hall in November to support our colleagues in Pakistan and the restoration of the rule of law in that country. More than 400 lawyers, Law Society staff and members of the judiciary and the public participated.

Looking Forward

As my final term as Treasurer draws to a close, I would like to thank the profession for the opportunity to serve. It has been a privilege to represent the profession and to work with Convocation and Law Society staff to move the organization forward on several key issues that affect the independence of the bar and access to justice for all Ontarians. I believe we can take great pride in what we have accomplished together.

It has been a pleasure to work with our capable chief executive officer, Malcolm Heins, and his staff. I appreciate the consistent professionalism and dedication that all members of the Law Society management and staff bring to their work every day. The Law Society continues to be recognized, deservedly, as one of *Greater Toronto's Top 50 Employers*. The benchers and the profession are well served by our staff at Osgoode Hall.

I am confident that the next Treasurer and the benchers will begin a new term with the strong foundation of an open, efficient, and effective organization focused on providing the people of Ontario with professional legal services of the highest quality.



Gavin MacKenzie
Treasurer

Expanding our mandate



This year marks the first full year of our new mandate as the regulator of legal services in Ontario, with the Law Society now responsible for the regulation of lawyers and paralegals. As a consequence, much of the year's activity focused on transforming our organization to reflect our expanded responsibilities.

In asking the Law Society of Upper Canada to regulate paralegals, the government explicitly recognized the expertise we have acquired in the operation of a regulatory system for lawyers that spans more than 200 years. Our challenge in 2007 was to adapt, in a short period of time, both the organization and our regulatory experience to create the licensing and regulatory model for paralegals. I am proud of what we have been able to accomplish in such a relatively short period of time.

Structural and Policy Changes

The framework for the new regulatory model was laid out in Bill 14, the *Access to Justice Act*, passed in October 2006.

The new act provided for the appointment of two paralegal benchers and the creation of a new committee of Convocation, the Paralegal Standing Committee, to oversee the development and implementation of paralegal regulation. The details of the model of regulation were developed by the Paralegal Standing Committee and Convocation. This required the enactment of by-laws to implement a paralegal regulatory scheme that now mirrors the regime for lawyers. As a consequence, over the course of 2007, virtually every Law Society by-law was amended or replaced.

The Paralegal Standing Committee followed a daunting schedule throughout 2007, bringing policies and recommendations to every session of Convocation. The committee considered a wide range of issues, including exemptions from licence requirements, rules for trust accounts, licensing and accreditation processes, the development of a compensation fund and the annual fee structure. Committee members also

worked through new rules of conduct, liability insurance and issues around professional corporations and business structures. There is no doubt that the work of the committee moved the organization from one focused on the licensing and regulation of lawyers to the broader role of regulator of legal services.

Licensing and Accreditation

Early in the year, the organization dealt with several major licensing and accreditation issues for paralegals. These included a process for “grandparent” and “transitional” candidates to apply to write a licensing examination, the development of a new examination, and beginning work with schools and colleges on establishing an accredited curriculum for future students.

Grandparent and transitional candidates had six months to apply to write a qualifying examination scheduled for early 2008. More than 2,000 individuals registered in this application process and received educational materials to prepare them for the examination.

Serving the Public Interest

Another focus of our work over the year was to help reinforce the public interest mandate underlying paralegal regulation. This entailed explaining and communicating the scope of practice for lawyers and paralegals, creating a complaints process, publishing a code of professional conduct for paralegals, and defining their liability insurance requirements.

Communications outreach activities in support of paralegal regulation took many forms. Early in the year, more than

800 paralegals participated in an information-sharing teleconference. Meetings were held throughout the year with representatives of boards and tribunals, the courts, law clerks and paralegal associations. Electronic and print communications material supplemented the meetings. We built a Paralegal Candidate Directory on our public website, allowing easy identification of those paralegals enrolled in the application process.

Support from Staff Departments

All the Law Society's departments contributed to the development of paralegal regulation over the year. A full report of operational activities relating to this issue follows this message.

Other Issues Over the Year

Of course, work on the traditional Law Society agenda continued in tandem with the paralegal activity. Some highlights are:

Practice Management Review Program

This is a new component of our Practice Review Program and reflects our emphasis on quality assurance. Three reviewers, each with extensive practice experience, were hired early in the year to conduct the reviews. In 2007, 231 reviews were conducted. The early response to this program has been positive and, as a consequence, we will likely advance our assessment of the program and consider its expansion.

LibraryCo Agreement

We reached agreement this year with the County & District Law Presidents' Association and the Toronto Lawyers Association concerning the delivery of library services in Ontario. This provided for centralized library resources to ensure that library services are relevant, accessible, flexible and affordable for all members of the profession. Under the terms of the agreement, the Law Society will provide administrative services to LibraryCo. We are looking forward to working with the LibraryCo board to advance lawyers' access to legal information.

Leadership Edge Program

An organization with diverse responsibilities requires a management group that is prepared to exercise leadership and initiative. In order to foster this culture, the Human Resources department, working with the Rotman School of Management at the University of Toronto, introduced a leadership development program. The program comprises four modules. This year, 30 participants from the management group across divisions attended, and all were positive about the experience. Senior management and I attended the wrap up session where participants presented the results of their final assignments.

Financial Highlights

The financial results for 2007 were in line with plan and again have left the Law Society well positioned to undertake initiatives and responsibilities for 2008. While there had been concern with respect to the funding of the startup cost for paralegal regulation and the operational costs entailed in regulation, I am pleased to be able to report that, as a consequence of our planning, support from the Law Foundation and the substantial number of paralegals who have applied for licences, paralegal regulation will be self-funding.

The 2008 budget has been structured to accommodate new initiatives and increased activity while maintaining service levels via a moderate increase of 3.2 per cent to the annual levy. This increase addresses market-driven employment costs, the continuing mortgage fraud caseload in professional regulation, the implementation of practice management reviews, support for sole practitioners and small firms, support for the Independent Law Commission, and increased fees for CanLII and the Federation of Law Societies. When combined with the reduction in the base LAWPRO insurance levy, however, the total cost to most practising licensees will decline from 2007 levels. A separate budget has been prepared and separate annual levy approved for paralegal regulation.

Building on Our Strengths

In addition to the expansion of our mandate, we welcomed a new Convocation following the bench election in May. We now have 11 newly elected and appointed benchers and I would like to welcome them to the Law Society. They, together with our incumbent benchers, will be leading the Law Society at a seminal point in its history as we evolve with our new responsibilities as a regulator of legal services. I look forward to working with Convocation during this important time.

I am proud to note the dedication and professional competence of Law Society management and staff throughout the implementation of all the new initiatives in 2007. The new responsibilities of paralegal regulation combined with our existing challenges placed a substantial strain on the organization. However, management and staff rose to the occasion – thank you and congratulations for your continuing pursuit of excellence in the support of legal services for all the people of Ontario.



Malcolm Heins
Chief Executive Officer

Membership data

38,879

The total number of lawyers with membership in the Law Society as of December 31, 2007

16,961

Attendees at Law Society CLE programs in 2007

489,905

Visits to the Resource Centre of the website

1,484

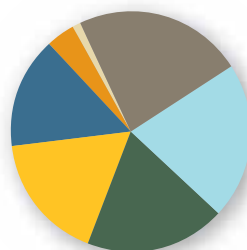
New lawyers called to the Bar of Ontario in 2007

2,171

Grandparent and transitional applicants to write the paralegal licensing examinations

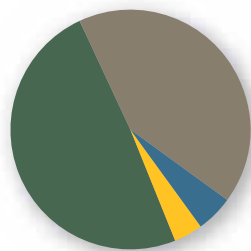
23

Per cent of the total number of employed lawyers who are sole practitioners



Lawyers by employment in Ontario

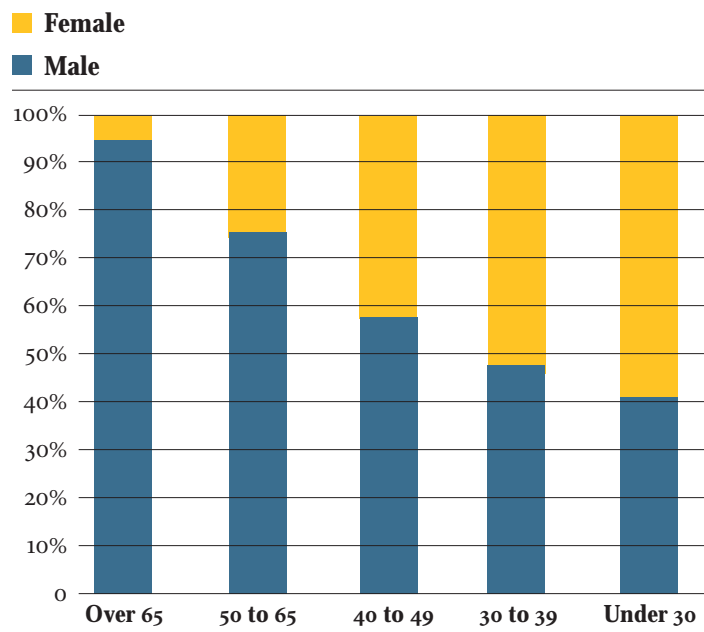
Sole practitioner	23%
Partner	21%
Other (includes corporate & non-profit sectors)	19%
Associate	17%
Government	15%
Employee	4%
Education	1%



Lawyers by geographical distribution

Metropolitan Toronto	49%
Ontario (excl. Metro Toronto)	42%
Canada (excl. Ontario)	5%
Outside of Canada	4%

Men and women as a percentage of the profession by age groupings



Lawyers by age and gender

AGE	2005	2006	2007
Over 65			
Men	2,777	2,971	3,105
Women	160	176	195
50 to 65			
Men	8,616	8,941	9,147
Women	2,433	2,722	2,973
40 to 49			
Men	6,107	6,016	6,025
Women	4,039	4,162	4,325
30 to 39			
Men	5,206	5,216	5,210
Women	5,197	5,382	5,591
Under 30			
Men	964	977	963
Women	1,339	1,334	1,345
Total			
Men	23,670	24,121	24,450
Women	13,168	13,786	14,429
Total	36,838	37,907	38,879

Lawyers by size of law firm

	NO. OF FIRMS	NO. OF LAWYERS IN THOSE FIRMS
Sole practitioner	6,456	6,456
2 to 10 lawyers	1,795	6,023
11 to 25 lawyers	144	2,229
26 to 50 lawyers	34	1,122
51+	31	4,515
Total	8,460	20,345

Achievements in paralegal regulation

We began 2007 with an amended act, and an expanded mandate from the government to take responsibility for the regulation of paralegals as well as lawyers. By the end of the year, more than 2,000 people were registered as paralegal candidates, preparing to write an examination to qualify for a licence that would allow them to provide a range of specified legal services in Ontario. In the 12 months in between, the organization transformed itself.

Over the course of the year, an entirely new regulatory scheme took shape, mirroring the existing regulation of lawyers. From an operational perspective, this was an initiative that required the collaboration of staff from across all departments, support from benchers, and the largest commitment of Law Society resources of any of the projects undertaken over the year.

Changes began at the structural and policy level of the organization and continued through the licensing and accreditation processes, resulting in the creation of new by-laws, a code of conduct, a compensation fund and a public directory of paralegal applicants.

The first important milestone was the formation of the Paralegal Standing Committee, comprising five paralegals (two of whom are benchers), five lawyer benchers and three non-lawyer benchers. They led the process, with considerable support from the **Policy Secretariat** and **Legal Affairs**, by considering policy options, consulting with a variety of stakeholders and drafting the necessary rules and by-laws in time to be approved by the May 1, 2007 deadline.

In keeping with the Law Society's commitment to provide its licensees with information in both official languages, the new rules and by-laws, as well as revisions to the rules and by-laws relating to lawyers, were translated into French by **Communications**.

Issues that were addressed include grandparenting, transitional and exemption criteria, record-keeping, trust accounts, insurance, supervision and delegation, suspensions and complaints. Once a policy decision was made, **Legal Affairs** worked to draft the necessary by-laws and regulations, with staff from the **Policy Secretariat**, **Professional Regulation**, **Professional Development & Competence**, **Finance** and the **Client Service Centre** also contributing to the drafting of the *Paralegal Rules of Conduct*.

As with any new undertaking, communication was an essential part of the process, as we explained the breadth of our mandate and the policies and procedures that were being developed to lawyers, paralegals and the public. In April, for example, **Communications** organized a teleconference information session, free-of-charge, with a panel of senior management team members providing information on the application process, the licensing process and regulation. Some 800 people participated in the teleconference, and, at its peak, there were over 90 callers in the queue to ask questions.

Immediately following the teleconference, a dedicated e-mail address was set up by the **Client Service Centre** (CSC) to respond to inquiries from prospective applicants and other interested parties. With the assistance of subject matter experts from across the Law Society, a volunteer team of law clerks from the CSC answered approximately 2,000 e-mails in the period from May to September.

Throughout the development process, all staff members worked to ensure that the Law Society communicated clearly and effectively with stakeholders – including educational presentations to a number of organizations. These included the Paralegal Society of Ontario, the Municipal Court Managers Association, the Association of the Justices of the Peace, tribunals managers and the Institute of Law Clerks of Ontario. Ongoing stakeholder consultation continued throughout the development process, co-ordinated by staff in the **Government Relations Unit**.

The **Professional Development & Competence Department** was active in the development of educational content to support the licensing process for paralegals, an entirely new group of learners and legal services providers. This work included:

- translating the competencies within the *Paralegal Rules of Conduct* into assessment parameters for the examination
- applying the competency profile for college educational programs and the licensing examination
- creating the paralegal college program accreditation package
- developing all the required online processes, administration systems and supporting documentation to facilitate the grandparent licensing and then the ongoing licensing process
- creating the reference materials for the licensing examinations
- creating the examination bank which now holds almost 450 questions and is being supplemented for future examinations
- administering the licensing examination, which was established in accordance with international credentialing standards.

As well as working on the drafting of the *Paralegal Rules of Conduct*, staff in the **Professional Regulation** division brought their special expertise to the assessment and investigation of applicants whose application raised good character issues. As the new regime is established, the division's role in ensuring public protection will expand. In the meantime, staff worked to update and adapt procedures, policies and the case management system to incorporate paralegal regulation, and to ensure that they will be able to manage the process of complaint management in a timely, fair, transparent and effective manner.

The **Client Service Centre** received a total of 2,171 applications during the initial application period – with 82 per cent of them arriving in the last month and 51 per cent in the last week before the deadline. Incoming applications were checked by CSC staff for accuracy and completeness and matched up

with other incoming documents (such as references) that required separate mailing. Followup calls were placed to applicants with incomplete or incorrect applications, and candidate details were entered into a computer database that fed directly to the Paralegal Candidate Directory on our website. For grandparent applications, an initial decision on exam eligibility was also made in this area.

As with other departments, **Information Systems**, **Human Resources** and **Finance** gave high priority to paralegals. Existing systems and procedures were modified to accommodate the new activity, and new systems were built to manage the process of applying for licences. New forms with unique identifiers were developed, enabling electronic filing of applications and the main databases were modified to include information for the new category of licensees. **Human Resources** responded to the requirements for additional resources, recruiting and hiring for paralegal related positions as they arose.

Finance developed a separate startup budget for paralegal activity over 2007, and at the end of the year an operating budget for 2008 was formulated. Given the high number of applicants, we are pleased to report that we will have a balanced budget funded by a reasonable annual paralegal member licence fee

Communications worked with **Information Systems** to develop a new section of the website for paralegals. These pages include a useful frequently asked questions section, as well as an electronic information bulletin called *Paralegal UPDATE*, which is emailed directly to a growing list of readers. New editions of *Paralegal UPDATE* are posted regularly on the website with up-to-date information. A Paralegal Candidate Directory was posted, which has now been combined with the lawyers directory to form an overall legal Licensees Directory. **Communications** also produced a brochure for paralegals highlighting the key features of the regulatory scheme. An additional free teleseminar was held in December 2007, focusing on the *Paralegal Rules of Conduct*. This session was designed to assist grandparent applicants writing the licensing examination.

Almost 2,000 candidates sat the first paralegal licensing examination, held January 17, 2008. The examination focused on the *Paralegal Rules of Conduct*, professional responsibility, ethics and practice management, and was offered at five different sites across the province in English and French. The first licences to practise as paralegals were issued in April 2008, as this report is published.

Advancing our mandate

The Policy Secretariat provides support to benchers in their policy-making role, acting as secretaries to Convocation's standing committees, task forces and working groups. Convocation's policy priorities reflect the Law Society's mandate to protect the public interest, to maintain and advance the cause of justice and the rule of law, and to facilitate access to justice for the people of Ontario.

Depending on the nature of the policy under development, policy counsel may:

- research the history of the policy and related policies
- determine how other law societies and professional regulators in Canada and internationally have dealt with the issue
- consult with stakeholders, including the profession, legal organizations and government.

Policy counsel also draft submissions to governmental and other bodies in response to proposals. In addition, draft legislation is reviewed and, if relevant, brought to the attention of Convocation for response.

A large part of the Policy Secretariat's work in 2007 related to the governance of the legal profession, including:

- supporting the work of the Paralegal Standing Committee in the drafting of policies and by-laws with respect to the regulation of paralegals
- the Licensing and Accreditation Task Force, which is undertaking a major review of the Skills & Professional Responsibility program and articling, and is currently consulting the profession and other stakeholders
- the Governance Task Force, which established a Priority Planning Committee of benchers to assist Convocation in the development of a strategic plan for the next four years
- rules of conduct relating to the prevention of mortgage fraud.

Federation of Law Societies of Canada

Staff in the Policy Secretariat also support the work of the Federation of Law Societies of Canada, which this year included:

- the Task Force on the Approved Canadian Law Degree
- the Anti-Money Laundering Committee, where a model rule on client identification and verification requirements was developed
- the Model Code of Conduct Committee, which developed a model *Code of Professional Conduct*
- the Competition Bureau's study of regulated professions
- the submission on Bill C-3 to the House of Commons Standing Committee on Public Safety and National Security
- consulting with the Department of Justice on criteria for the selection and training of special advocates appointed pursuant to Bill C-3.

Tribunals Office

The Tribunals Office is responsible for the efficient administration of the Law Society's Hearing and Appeal Panels when discipline cases proceed to prosecution. This includes the scheduling and clerking of hearings; review and service of orders; review, delivery and publication of reasons of the tribunals; and providing support to adjudicator benchers. Last year was the first year of full implementation of a new scheduling process, which resulted in 13 per cent more Hearing Panel calendar days scheduled, and 20 per cent more hearings scheduled.

A symposium on the History of the Canadian Legal Profession was held to celebrate the 175th anniversary of Osgoode Hall.



In 2007, the Tribunal Composition Task Force recommended and Convocation approved the addition of eight non-bencher adjudicators (four lawyers and four lay people) to the Hearing Panel, a move that will assist in the timely scheduling of hearings. Non-bencher lay people will bring an important public interest aspect to panel deliberations, and non-bencher lawyers will bring either adjudicative or subject area expertise to decisions.

Government Relations

Staff in the Government Relations Unit build and maintain effective working relationships with all levels of government – federal, provincial and municipal. They anticipate, monitor and address government initiatives that may affect any part of the Law Society's mandate. Issues this year included:

- proposals to combat mortgage fraud, and associated proposals for changes to the practice of real estate law
- the Osborne Report on Civil Justice and other initiatives to increase access to justice
- internationally trained professionals
- the implementation of paralegal regulation.

Bencher Policy Priorities

In September this year, we held the Benchers Planning Session to discuss the priorities for Convocation over the next four years. At this meeting, the benchers agreed on nine areas which will be the focus of Law Society work. These are:

Priorities

- Discipline
- Access to justice
- Regulation of paralegals
- Small firms and sole practitioners
- Governance structure
- Strategic communications
- Maintenance of high standards and ensuring effective competence
- Diversity within the profession
- Licensing and accreditation

THE LAW SOCIETY OF UPPER CANADA

Bencher Election

Other activities this year included the celebration of the 175th anniversary of Osgoode Hall, which concluded with a symposium on legal history in October. We also conducted the first electronic bencher election in May and assisted in the bencher planning meeting held in the fall, when priorities were discussed.

The Priority Planning Committee is now working to prepare a report for Convocation that outlines strategic plans that will support and promote these priorities.

Assuring competence and quality

The Law Society ensures that Ontario lawyers meet high standards of learning, competence and professional conduct. We achieve this through a two-pronged approach: quality assurance programs and quality improvement activities. Quality assurance programs focus on ensuring compliance with established standards, while quality improvement activities involve developing educational and practice tools to facilitate improved practices.

Quality Assurance Programs

Our quality assurance programs include the Spot Audit and Practice Review programs. These focus on ensuring compliance with established standards, and together, are methodically and positively making inroads into the maintenance of competence in the profession.

Spot Audit Program

Spot audits measure the integrity of law firm financial accounting practices, and assess ongoing compliance with financial record-keeping requirements and the *Rules of Professional Conduct*. A primary goal, which reflects a proactive, remedial approach, is to provide on-site guidance aimed at helping law firms correct minor deficiencies with record-keeping practices before they lead to serious non-compliance or misconduct issues.

Law Society quality assurance activities have resulted in measurable benefits. For example, statistics show that newly formed firms that have received a spot audit have a significantly increased chance of survival over those that have not.

In 2007, the Professional Development & Competence Department conducted 1,079 financial spot audits.

Practice Review Program

The Practice Review program now includes both a focused and a random selection process.

Some of the more common practice concerns that reviewers encounter are: the management of time (missing deadlines, limitation periods), files (disorganized, failure to note interactions) or finances (improper billing practices, failure to document financial transactions); the quality of service to clients (keeping clients informed); client communications (not returning calls or e-mails); technology (lack of security for computer or laptop and insufficient electronic backup and/or storage practices); and professional or personal issues (work/life balance issues, inability to manage stress).

As a substantial number of regulatory enforcement proceedings and professional liability claims continue to be related to practice management issues, the Practice Review Program has proven fundamental to the Law Society's quality assurance and improvement efforts. In addition, lawyers who have experienced a review found the experience to be both positive and beneficial.

In 2007, the first year of the program, 64 focused practice reviews and 167 practice management reviews were conducted; for 2008, 75 focused reviews and 325 practice management reviews are planned.

Practice management reviews are designed to be proactive and preventive. Licensees receive personalized, on-site guidance, with reviewers assisting them to have a better managed practice.



Practice Management Review Program

Practice management reviews, a new component of the Practice Review Program, were approved by Convocation in June 2006 and implemented in February 2007.

Reflecting the Law Society's emphasis on quality assurance in service of the public interest, the new program is proactive and preventive – designed to support the goals of licensees to be efficient, effective and competent.

Practice management reviews are remedial in nature and are consultative, involving the licensee and the reviewer working together every step of the way. Some benefits of a review include:

- Licensees receive personalized, on-site guidance aimed at assisting them to address and correct any practice deficiencies
- Reviewers assist licensees in creating efficiencies in their practice, which will lead to a better managed and more effective practice
- Early in their career, lawyers receive specific advice, tailored to their own practice, on setting and meeting best practices expectations.

Licensees who are one to eight years from the call to the bar and in private practice are eligible for participation.

Quality Improvement Activities

The Law Society supports licensees' commitment to lifelong learning, and strives to provide a continuum of tools and programs that serve licensees throughout their careers – from preparing and supporting candidates for the Licensing Process to supporting experienced lawyers in their efforts to provide quality service and legal work.

Licensing Process

The Law Society's Licensing Process comprises a four-week Skills and Professional Responsibility Program, two separate licensing examinations (barrister and solicitor), and a 10-month articling term.

In 2007, the Law Society supported over 1,600 new and returning candidates engaged in various components of the process and 1,484 lawyers were called to the Bar of Ontario.

Continuing Legal Education

To fulfil its mandate to ensure that lawyers meet high standards of learning, competence and professional conduct, the Law Society offered 77 CLE programs in 2007. A variety of formats and delivery methods to improve accessibility and assist lawyers in meeting their professional development goals, including live programs, webcasts, teleseminars, video and audio streams and publications were used for these CLE initiatives.

There were 16,961 attendees at Law Society CLE programs in 2007.

Some of the projects introduced in 2007 show the range of topics covered in CLE:

New Lawyer Practice Series

Launched in October 2007, this new series is designed to provide lawyers who are entering into practice with the information and skills they need to succeed in the profession.

1,079

Financial spot audits
conducted in 2007

231

Practice reviews conducted
in 2007

12,249

Publications sold
in 2007

30,524

Information requests
handled by the
Great Library in 2007

These interactive sessions will address five core practice areas: civil litigation, real estate law, family law, corporate law and criminal law. The programs cover a range of relevant topics, including effective practice management, use of research and technology and business development, together with tips for approaching the key challenges in each practice area.

Solo and Small Firm Conference and Expo

Sole practitioners and lawyers in small firms attended this conference, held for its second year. This year focused exclusively on technology and law practice management issues, and the central challenges faced by sole and small firm lawyers in the areas of client development, staffing, dealing with e-mail, technology and security and retirement planning.

15th Annual Immigration Law Summit

This flagship program brought practitioners from across the province together to discuss the most important developments of the year in the area of immigration law. Day one provided a procedural and substantive update on entry, eligibility and emergencies, and day two addressed critical issues that arise in refugee and humanitarian and compassionate matters. As part of the program, we were pleased to host a special sitting of the Federal Court of Canada to hear the application for judicial review in the matter of *Thayaseelan Sellan v. The Minister of Citizenship and Immigration*, over which the Honourable Mr. Justice Michael L. Phelan presided. The hearing was argued by Michael Crane, barrister and solicitor, on behalf of the applicant and Kevin Lunney, senior counsel, Department of Justice Canada, on behalf of the respondent. This provided a uniquely practical application of learning for participants.

Practice Management Resources

In 2007, new resources were developed to assist licensees in their practices.

The *Residential Real Estate Transactions Guidelines* were created in January 2007 and recommend procedures to follow when licensees act for clients in residential real estate transactions. Areas of focus include the client and lawyer relationship, title insurance and real estate fraud.

The *Real Estate Practice Guide* was published late in 2007. Information on title insurance, conflict of interest, joint retainers, fees and disbursements, real estate fraud and other topics can be found in the guide, which is a useful tool addressing day-to-day real estate practice issues.

The *Guide to Opening Your Practice* will be published in 2008. This new guide will cover a variety of topics that will be useful to new and established lawyers. It will provide an overview of the research and steps that should be taken prior to opening a sole practice or small firm and will contain resources on areas such as choosing a business structure, required business registrations and a sample business plan.

All Law Society practice guides are available to Ontario lawyers at no charge on the Law Society website.

Library Services

The Law Society offers three types of library-related services: legal information and research through the Great Library and other resources; support for the administration of the County and District Law Libraries through LibraryCo Inc.; and the Canadian Legal Information Institute (CanLII), a virtual law library in which the Law Society is a leading participant.

More information about our resources can be found online at the Resource Centre at www.lsuc.on.ca, which includes practice resources, legal research, information on the Certified Specialist Program and the licensing process, continuing legal education, and resources for sole and small practitioners.

First point of contact



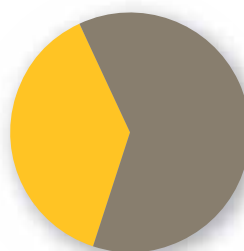
The Client Service Centre (CSC) performs two primary services within the Law Society. The first is to deal effectively (in person and via phone, postal mail, e-mail and fax) with a wide range of inquiries from the public, lawyers, paralegals and anyone else with an interest in issues affecting the Law Society.

The number of general contacts handled by the CSC in 2007 was up from the previous year, largely due to questions about paralegal regulation and the application process. The total number of inquiries dealt with in 2007 was 492,493, with 38 per cent of all contacts from members of the public and the balance related to licensees.

Our second role is process-related. As examples, the CSC is responsible for the initial handling and file creation for all complaints about licensees; maintenance and upkeep of the Law Society's licensee database, including database changes and fee adjustments; management of many of the Law Society's by-law-related procedures, including the Member's Annual Report (MAR); and administration of all aspects of the Lawyer Referral Service (LRS).

In 2007, we were responsible for the distribution (both paper and electronic), collection and data capture for 37,542 MARs; 32,454 licensee database changes and adjusted billings; and 47,925 Lawyer Referral Service calls. In 2007, we also processed over 2,000 applications from individuals submitting their qualifications to write the first set of paralegal examinations.

The CSC's Complaints Services department is the first point of contact for anyone with a complaint about a lawyer or paralegal in Ontario. Approximately 65 per cent of the 6,157 complaints received in 2007 were directed to the Professional Regulation Division's Intake Unit, and two per cent were resolved by Complaints Services. The remaining 33 per cent of complaints were found to be outside the mandate of the Law Society, and were closed by Complaints Services.



Contacts from

■ Membership	62%
■ Public	38%

Total contacts

	2005	2006	2007
	493,888	468,022	492,493

Contacts over the year

Call Centre	254,360
Membership Services	101,235
Complaints Services	23,312
Paralegal Services	30,909
Administrative Compliance	82,677
Total	492,493

47,318

General member
service requests

254,360

Phone calls received
at the Call Centre
in 2007

37,542

The number of
Member Annual Reports
received in 2007

30,909

Contacts dealing with
paralegal services

Total complaints

Professional Regulation Intake Unit	3,985	65%
Client Service Centre resolution	151	2%
Client Service Centre – outside mandate and/or closed by Complaints Services	2,021	33%
Total	6,157	

How did Membership Services support members?

General member service requests	47,318
Lawyer Referral Service	24,204
Window transactions	8,859
Clarification of members requests	7,259
Phone calls	13,595



Member Membre

**National
Quality
Institute**

**Institut
national
de la qualité**

NQI Certification

As part of our commitment to excellence, the CSC successfully completed the requirements for Level 2 of the National Quality Institute's four-level Progressive Excellence Program. This program is based on the Canadian Quality Criteria for Public Sector Excellence, and is designed to assist organizations in developing a target-driven approach to quality.

Corporate Resource and Training Centre

The Corporate Resource and Training Centre was established in 2007 to assist all other Law Society divisions in three key areas: process mapping and quality, training (including technical training), and documentation.

As well as responding to requests for assistance from other units in the Law Society, the team identifies projects that will benefit the entire organization – in 2007, for example, the Centre produced the Paralegal Information Manual that was made available for all staff to help them understand and respond to inquiries about paralegal regulation.

Protecting the public through regulation

The Law Society's primary responsibility as regulator of Ontario's legal profession is public protection. This means protecting consumers of legal services from lawyers, and now paralegals, who have been dishonest, demonstrated professional misconduct, or not provided an acceptable level of service.

Central to this role is a complaints process that is responsive, transparent and accessible. All lawyers are required to conduct themselves according to the *Rules of Professional Conduct* and applicable laws including the *Law Society Act*, its regulations and by-laws. The Law Society monitors lawyer conduct and, within its mandate, responds to complaints about conduct.

The Law Society's Professional Regulation division carries out a variety of activities in the course of lawyer regulation, including working with complainants and lawyers to resolve complaints received by the Law Society, and, when necessary, undertaking investigations, which may result in a discipline prosecution.

The Complaints Process – Path of a complaint from receipt to closure

Complaints Services

Once a written complaint about a lawyer has been received by Complaints Services at the Law Society and then identified as being within the Law Society's mandate, it is transferred to the Intake department of the Professional Regulation division.

Intake – Case Management

The role of Intake is to identify any regulatory issues revealed by an incoming complaint, ensure the complainant has provided adequate documentation to support the allegations of misconduct and then stream the case to the appropriate regulatory department. Intake also has an important case

New complaints in 2007

Total complaints	6,157
Outside the Law Society mandate and/or closed	2,172
Complaints received in Professional Regulation Intake	3,985
Closed/resolved by Intake	1,446
Transferred to:	
Complaints Resolution	1,497
Investigation	1,007
Other departments	33
Complaints completed in Complaints Resolution	
Closed	1,557
Transferred out	75
Complaints completed in Investigations	
Closed	467
Transferred out	167

Complaints received by area of law

Administrative/immigration	4%
Civil litigation	23%
Corporate/commercial/business	4%
Criminal/quasi criminal	7%
Estates/wills	9%
Matrimonial/family	21%
Real estate	21%
Other	20%

Figures are greater than 100 per cent because some files relate to more than one area of law.

management function in tracking and streaming cases to ensure cases concerning the same lawyer or similar issues are dealt with appropriately to ensure consistent public protection.

Intake also provides early resolution services, and in 2007, the department resolved and closed 1,446 cases.

Complaints Resolution

The role of Complaints Resolution is to investigate and resolve complaints that may involve less serious breaches of the *Rules of Professional Conduct* and to seek authorization for disciplinary proceedings where necessary.

Complaints Resolution handles a large volume of complaints: in 2007, the department closed 1,557 complaints, approximately 38 per cent of the total complaints received.

Unauthorized Practice

New files opened	110
Investigations completed	111
No evidence of unauthorized practice	20%
Discontinued	54%
Evidence of unauthorized practice	26%

Complaints resolution issues

Conflicts	3%
Governance	5%
Integrity	28%
Breach of orders	2%
Civility	9%
Counselling/behaving dishonourably	7%
Direct communications with represented parties	1%
Discriminatory conduct	1%
Misleading	9%
Other	7%
Service issues	57%
Breach of confidentiality/fiduciary duty	1%
Fail to account	4%
Fail to communicate	14%
Fail to follow client instructions	10%
Fail to preserve client property	1%
Fail to provide client report	1%
Fail to serve client	22%
Fail to supervise staff	2%
Withdrawal of services/abandonment	2%

Figures may not add to total because files may relate to more than one issue.

Investigations

The primary responsibility of the Investigations department is to investigate allegations of lawyer misconduct, incapacity, unauthorized practice or other wrongdoing – as defined by the *Law Society Act*, the by-laws, or the *Rules of Professional Conduct* – that could result in formal discipline.

In 2007, almost 25 per cent (1,007) of the 3,985 complaints received by the Professional Regulation division were directed to the Investigations department, which includes lawyers, investigators and auditors.

Once this department has completed an investigation, the complaint is then referred to the Proceedings Authorization Committee (PAC), closed or resolved. The PAC consists of benchers appointed by Convocation to determine whether a matter ought to proceed to prosecution. The PAC may also authorize a file closure or a remedial outcome.

Investigations issues	
Conflicts	5%
Financial	24%
Governance	11%
Integrity	21%
Breach of orders	3%
Civility	3%
Conduct unbecoming outside practice of law	2%
Counselling/behaving dishonourably	7%
Misleading	6%
Other	6%
Service issues	28%
Breach of confidentiality/fiduciary duty	1%
Fail to account	4%
Fail to communicate	6%
Fail to follow client instructions	4%
Fail to provide client report	1%
Fail to serve client	9%
Fail to supervise staff	3%
Withdrawal of services/abandonment	1%
Special applications – Admission	6%

Figures may not add to total because files may relate to more than one issue.

Discipline

The Discipline department is responsible for the prosecution of a variety of matters, including lawyer misconduct, non-compliance, incapacity and incompetence, as well as applications for admission to the Law Society, and applications for reinstatement or readmission.

Discipline counsel represent the Law Society before the Hearing and Appeal Panels, and in the courts when appeals are taken from panel decisions. They provide advice for cases in the investigations and resolution processes, many of which are settled or closed without formal discipline action.

Discipline counsel are also responsible for responding to urgent regulatory issues that require applications for interlocutory suspension, where there is an immediate concern for public protection. With the introduction of the Appeal Panel in 1999, the Discipline caseload has included a number of appeals from Hearing Panel decisions.

2007 Discipline	
Number of matters heard and disposed of by Hearing Panel	
Admonitions	6
Reprimands	19
Suspensions	51
Permission to resign/Surrender of licence	5
Disbarments/Licence revoked	12
Dismissed	5
Withdrawn	4
Admission applications	0
Readmission/Relicensing applications	2
Finding made with no penalty	1
Reinstatement applications	2
Interlocutory order – Interim suspension	1
Interlocutory order – Practice restrictions	1
Total	109

The following chart sets out the total number of lawyers and related complaints in the inventory of the Discipline department. Files in the inventory range from cases early in the discipline process to those with the Hearing Panel or Appeal Panel awaiting decision.

2007/2006 Discipline process comparisons		
	2006	2007
Lawyers in the Discipline process	235	237
Complaints in the Discipline process	676	533

Complaints Review

When a complaint is closed by Law Society staff after an investigation and a complainant is dissatisfied with the result, the complainant may ask the Complaints Resolution Commissioner (CRC) to review the matter. In 2007, 154 requests for review were received by the Office of the CRC and 108 reviews were conducted.

The CRC is mandated to conduct an independent and impartial review of the Law Society's investigation and decision to close the complainant's file.

After reviewing the Law Society's decision, the CRC has two options: to agree that the Law Society's investigation and outcome are reasonable and the file will remain closed, or to refer the matter back to the Law Society with a recommendation to take further action. In 2007, out of 108 reviews conducted, the CRC referred 14 (almost 13 per cent) of complaints back to the Law Society with a recommendation for further action.

The current CRC is former Ontario Ombudsman Clare Lewis, who was reappointed in April 2007 for a three-year term. Mr. Lewis's role includes providing alternative dispute resolution services for members of the public and lawyers who are the subject of complaints.

Monitoring & Enforcement

The activities of the Monitoring & Enforcement department include enforcing Hearing Panel orders, monitoring undertakings obtained at the completion of matters by other departments within the Professional Regulation division, ensuring that bankrupt lawyers comply with the appropriate by-law, enforcing judgments obtained by the Society and judgments and mortgages obtained by or assigned to the Compensation Fund.

As of December 31, 2007, Monitoring & Enforcement had 401 discipline and proposal orders, 87 bankruptcies, and 350 undertakings and trust freezes/co-signing files that restrict lawyers' practices and/or require active monitoring. The department had 14 open enforcement files where there were allegations of breach of an order or undertaking under investigation and 37 restitution or other court orders. In addition, Monitoring & Enforcement is the repository of approximately 600 undertakings which do not require active monitoring and are classified as dormant.

In 2007, Monitoring & Enforcement collected and recovered \$229,106 in costs and recoveries awarded by the courts and the Hearing Panels, of which \$106,498 was paid to the Compensation Fund.

In addition to its regulatory activities, the Law Society also operates the Compensation Fund, and provides trusteeship services that assist both lawyers and clients.

Trustee Services

The Law Society has authority under the *Law Society Act* to obtain trusteeship of a lawyer's practice where a lawyer has abandoned his/her practice, has been disbarred or has otherwise ceased to practice. The Trustee Services department takes possession of the practice, with the objective to ensure an orderly transition of the practice for the clients and others dealing with it.

The Trustee Services department also provides information and assistance to lawyers who are closing their practices. In 2007, nine trusteeships were obtained under the *Law Society Act* and the department obtained trusteeships by negotiated agreement with lawyers in seven more cases.

In 2007, Trustee Services collected and recovered \$213,902 in court-ordered costs and recoveries, of which \$52,594 was paid to the Compensation Fund.

Unclaimed Trust Funds Services

The Law Society has a program (established under section 59.6 of the *Law Society Act*) that enables lawyers to submit unclaimed trust funds that they have held for at least two years to the Law Society. Members of the public who believe they are entitled to these funds are able to make claims for these funds.

2007 Unclaimed Trust Fund

Files received	293
Approved	213
Denied	64
Pending	44
Total received in 2007	\$247,363

Compensation Fund

The Compensation Fund is a long-standing consumer protection measure that the Law Society provides for the public. This fund, which is paid for by lawyers, helps clients who have suffered financial loss as the result of a lawyer's dishonesty. Clients can apply to the fund for reimbursement of lost money or property.

Over the last 50 years, the fund has paid out millions of dollars to reimburse clients for their losses. Pursuant to the general guidelines for the determination of grants, the fund can be used to reimburse individuals for up to a maximum of \$100,000. Typical losses fully or partially covered by the fund include money stolen from estates, money taken from trust funds held for real estate closings, and money taken from settlements and in personal injury cases.

2007 Compensation Fund

New claims / Applications received	92
Value of new claims with limits applied	\$2,662,000
Total amount of grants (paid out on 81 claims)	\$1,143,000

Promoting equity and accessibility

The Law Society is strongly committed to the promotion of equality and access to justice, including the promotion of equality and diversity within the legal profession.

To this end, the Law Society consults and partners with organizations that promote equality to identify and respond to the needs of diverse communities, as well as to ensure that our programs and initiatives promote access to the legal profession and to justice for all equality-seeking communities.

Promoting Equity and Diversity through Working Groups

The Equity and Aboriginal Issues Committee is a standing committee of Convocation, which develops policy options for the promotion of equality and diversity in the legal profession, as well as for all matters related to Aboriginal Peoples and the Francophone community.

In 2007, the Law Society's Equity and Aboriginal Issues Committee worked with a number of working groups to develop equity and diversity initiatives, including:

- Equity Advisory Group
- Disability Working Group
- Aboriginal Working Group
- Retention of Women in Private Practice Working Group
- French Legal Services Working Group.

The Equity Advisory Group is composed of lawyers and legal organizations with expertise in the area of equality and diversity. This group assists the Equity and Aboriginal Issues Committee by providing input on the planning and development of policies and practices related to equity within the profession and the Law Society.

The Disability Working Group launched an online Disability Resource Centre. This includes the 2005 report *Students and Lawyers with Disabilities – Increasing Access to the Legal Profession*, as well as a guide for employers on recruiting and hiring lawyers with disabilities, terminology and communications tips, information about funding and resources for lawyers and students with disabilities, and a guide to universal access symbols. The resource centre also contains information about the new mentoring program for law students and lawyers with disabilities.

The Aboriginal Working Group conducted a survey in the fall of 2006 to collect information about practising and non-practising members of the Aboriginal bar in Ontario. The results were used as the foundation for a province-wide in-depth consultation with this group which began in 2007 and is expected to conclude in 2008.

The Retention of Women in Private Practice Working Group completed a wide-ranging review of current research and best practice and a consultation with women lawyers and managing partners of law firms, to propose a number of recommendations to address the issue of women leaving private practice.

The French Legal Services Working Group, working in partnership with the *Association des juristes d'expression française de l'Ontario*, published and distributed a bilingual pamphlet setting out lawyers' responsibilities to inform their clients of their right to receive legal services in French.



Lawyers attended a gathering to support the call for the restoration of the rule of law in Pakistan. Treasurer Gavin MacKenzie said, "We are here to show our solidarity, support and admiration for our brave colleagues at the bar in Pakistan."

Helping Articling Students – Articling Consultation

The Law Society conducted more than 50 one-on-one interviews with candidates who are seeking articles or who had withdrawn from the search for articles. The objectives of the consultation were to gain an understanding of why some are unable to find articling positions and to report on the specific experience of those from Francophone, Aboriginal and equality-seeking communities, as well as mature candidates and those certified by the National Committee on Accreditation of the Federation of Law Societies of Canada.

The report is now available on the Law Society website and will inform the work of the Equity and Aboriginal Issues Committee to identify possible solutions to reduce barriers for these groups.

Human Rights Monitoring Group

The Human Rights Monitoring Group monitors human rights violations that target members of the legal profession and the judiciary as a result of the discharge of their legitimate professional duties. As a result of this, the Law Society has intervened in over 15 cases by writing letters to foreign authorities about these alleged human rights violations.

On November 29, more than 400 lawyers attended a gathering to support the call for the restoration of the rule of law in Pakistan. Attendees also signed an international petition. Treasurer Gavin MacKenzie, in his opening remarks, said, 'We are here to show our solidarity, support and admiration for our brave colleagues at the bar in Pakistan who have stood their ground in the face of tyranny.'

Discrimination and Harassment Counsel Program

The Discrimination and Harassment Counsel Program provides confidential advice, in French and English, to members of the public and the legal profession who believe they have been harassed or discriminated against by a lawyer or a paralegal. A five-year report to the end of December 2007 was presented to Convocation. Complaints from the public have constituted on average 59 per cent of complaints against lawyers, with the balance from members of the profession or law students. Overall, 70 per cent of complainants were women. After a high in 2004, the number of complaints has dropped over the years 2005, 2006 and 2007.

Collaborating with Communities

Collaboration with legal organizations and community agencies has been a hallmark of our equity initiatives. We believe that by working together with our stakeholders, we can do more to promote equity and diversity in the profession than if we worked alone.

Collaborating organizations include: the Advocates' Society, ARCH Disability Law Centre, the Arab Canadian Lawyers' Association, *Association des juristes d'expression française de l'Ontario*, the Canadian Association of Black Lawyers, the Hispanic Ontario Lawyers' Association, the Nishnawbe-Aski Legal Services, Rotiio> taties Aboriginal Advisory Group, the Sexual Orientation and Gender Identity Committee of the Ontario Bar Association, the South Asian Bar Association (SABA), the South Asian Legal Clinic of Ontario, and the Women's Law Association of Ontario.

Student Outreach and Mentorship

Central to the Law Society's student outreach efforts is the Equity and Diversity Mentorship Program, which encourages students from various equity-seeking communities to consider law as a career choice and matches mentors who are experienced members of the bar with new lawyers, bar admission candidates and students in law school, university and high school. In 2007, 175 members of the Law Society were registered as volunteers, and 28 mentoring relationships were established.

Career Symposiums for Aboriginal Students

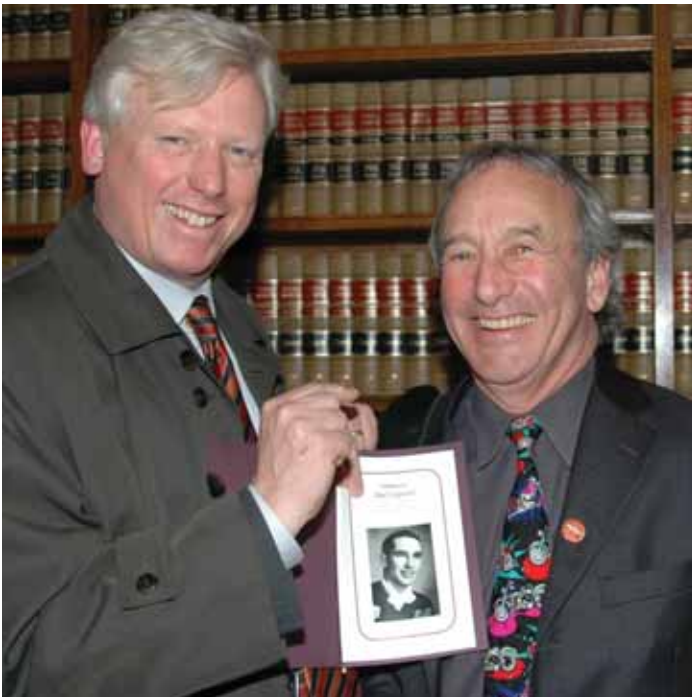
In 2007, the Law Society organized its fourth career symposium for Aboriginal students, giving Aboriginal students from all Ontario law schools an opportunity to meet with Aboriginal members and leaders of Ontario's legal profession. Two events were held, in Toronto and Ottawa. Students and lawyers met one-on-one in Toronto and in small groups in Ottawa to discuss navigating career paths, the importance of developing mentoring relationships, exploring career options and work-life balance. The relationship with Aboriginal law students continues into the Licensing Program through the Aboriginal Student Support Program and through the participation of Aboriginal Elders at the calls to the bar.

Equity Public Education Series

The Law Society works in partnership with a number of legal stakeholders including, legal associations and community organizations, law schools and universities, and governments to promote awareness, education and discussion among members of the public and the legal profession on the challenges and opportunities for Francophone, Aboriginal, and equity-seeking communities in law and the legal profession. This program includes panel discussions, public forums, networking receptions with guest speakers, seminars and workshops.

Events are planned throughout the year to mark local, national and international dates of public significance such as Black History Month, International Women's Day, Access Awareness, National Aboriginal Day, and Pride Week for the gay, lesbian, bisexual, and transgender communities.

Through these and other initiatives, the Law Society is making steady progress in ensuring the legal profession reflects the communities it serves. We intend to keep building on these efforts in 2008.



Paul Copeland

The Equity and Aboriginal Issues Committee was pleased to celebrate the work of Paul Copeland at a special tribute held on the International Day for the Elimination of Racial Discrimination. He was honoured for "his exceptional commitment and support of human rights causes here in Canada, and internationally," said Treasurer Gavin MacKenzie at the reception. Justice Melvyn Green of the Ontario Court of Justice said, "Paul's enemies have always been the same: injustice, inequity, tyranny, bigotry and oppression."

Mr. Copeland is pictured with Toronto Mayor David Miller.

Getting the message out

As a regulatory body with a public interest mandate, the Law Society has an obligation to ensure our stakeholders understand our role, the services we provide and the processes we use to regulate the profession effectively.

Throughout 2007, the Communications department developed and implemented a range of communications initiatives to keep the public and the legal profession informed of the organization's activities and accomplishments.

Early in the year we created a commemorative design to mark the 175th anniversary of Osgoode Hall. We used the design on letterhead, internal signage and decorative external banners.

Beginning in April, we provided communications support in print and electronic formats for the bench election. During the same month, we organized and produced a teleconference for paralegal candidates. This was the Law Society's first major communications initiative directed at paralegals. More than 800 people participated in the two-hour call. A panel of Law Society senior management members answered more than 90 questions during the call. The transcript was subsequently made available on our website.

Issues Management

The Communications department plays a significant role in stakeholder and issues management. Working closely with other departments, particularly Policy and Government Relations, the department researches and develops strategies, backgrounders, talking points and key messages to support a variety of Law Society initiatives. This helps to ensure that the Law Society's activities and positions on key issues are communicated clearly and accurately to each stakeholder group.

Managing Media Relations

We recognize the important role the media serves in providing information to the public. In 2007, we placed extra emphasis on responding quickly to media queries and to challenging inaccuracies or incomplete coverage. We worked with other departments to expand the public information about discipline hearings available on our website. And we provided media training for selected staff, using an outside agency.

There were 374 mentions of the Law Society in media coverage over the past year, and a total of 331 media inquiries were received from media outlets and reporters, including 39 requests for interviews. The top five issues inquired about were:

- discipline
- bench elections
- paralegal regulation
- Convocation initiatives
- Call to the Bar

Also in 2007, the Law Society:

- Distributed 89 media releases and advisories (72 in English, 17 in French) on a variety of issues of importance to the public and the profession
- Distributed 30 Tribunal decision news releases. Numerous media outlets throughout the province routinely report these hearing results
- Received increased media coverage of Call to the Bar ceremonies, mortgage fraud-related issues and paralegal regulation.

331

Media inquiries
answered

2,700

Information brochures sent
out

800

Participants at the
paralegal teleconference

1.6 million

Visitors to
the website

Strategic Communications

One of the nine priorities set by the new Convocation at their fall retreat is labeled 'Strategic Communications'. This is an opportunity for the Law Society to create and proactively support a set of key messages about our role as a regulator. This can build on the existing media interest in discipline cases and use that interest as a way to expand public understanding of the value of our regulatory role in serving the public interest. We will pursue this strategy further in 2008.

Publications

The *Ontario Lawyers Gazette* – the Law Society's flagship publication – continued to focus on useful resources and in-depth articles on issues of importance to the profession, particularly mortgage fraud and quality assurance. Also highlighted were equity issues, the complaints resolution process and information on fighting money laundering.

Published three times per year, this full-colour publication is an important source of information for the profession and continues to garner positive feedback. It is distributed to almost 38,000 members and stakeholders, and is also available online.

The Law Society's Communications department also produces and distributes a number of informative, user-friendly brochures to help the public understand how we can help address their concerns and questions. Last year, we distributed a total of 2,700 brochures in response to specific requests.

Electronic Media

Our public website continued to be the main source of current information about all aspects of the Law Society. Hundreds of pages of new or revised material were added during the year. The Paralegal section alone now contains questions and answers, the *Paralegal Rules of Conduct*, a directory, licensing and accreditation information, insurance requirements, and much more, all designed to support paralegals. The new act as well as new by-laws and Convocation reports and decisions are also available. This year, we maintained high levels of traffic, with almost 1.6 million visitors to the site, viewing more than a million pages per month. As well as the website, the Law Society regularly uses selected distribution lists to send information to lawyers or paralegals by e-mail.



Boosting technology for service delivery

The **Information Systems** division is responsible for managing the computing infrastructure, communication networks, websites and databases of the Law Society.

To fulfil our mandate to the public and licensees and because we are an information-intensive organization, it is essential that we ensure our technical infrastructure is supported by leading-edge business applications.

New Systems

In addition to the significant efforts required to upgrade or build new systems to support the introduction of paralegal regulation, incremental improvements to various business applications have been introduced to enhance functionality in various capacities. One project was the introduction of new capabilities to the IRIS case management system which tracks and manages regulatory files from complaint to completion, ensuring that complaints are managed on a timely basis.

We also completed a new Adjusted Billing System, an online billing system to streamline the process of applying status and class code changes and the resulting fee adjustments for licensees, which improved the level of efficiency internally and externally for the 8,000 changes of this type per year we handle.

To support the 2007 benchers elections, Information Systems outsourced the development and running of customized software to permit secure electronic voting, which resulted in a more efficient and effective solution for both staff and licensees. We also worked with the Communications and Membership Services departments to source the files from our database to allow the first-ever print version of the LexisNexis Directory of lawyers in Ontario.

Improvements to the look and feel of the website, as well as navigation and accessibility were undertaken throughout the year. We have continuing high volumes of traffic on all sections of the website, for licensees as well as the general public, with over 1.7 million visits to the site in 2007.

Project Evergreen

Over the past three years, Information Systems has been running Project Evergreen, with the objectives of ensuring staff have efficient computers to work with, and greening our equipment through the gradual replacement of desktop, laptop and server computers with modern, more energy-efficient models. As of March 2008, we will have replaced all outdated and inefficient computers. We are proud to say that we have ensured that our old computers have been donated to charity where feasible, and otherwise have been disposed of in an environmentally friendly manner.

Website traffic

	2005	2006	2007
Views	8,201,747	9,050,329	11,995,215
Visits	1,295,628	1,522,731	1,594,900

Building on excellence in the workplace

We believe in the importance of a vibrant workplace that will establish the Law Society as an employer of choice, as well as ensuring that we can provide the best service possible to the public and our licensees.

We have focused this year on a number of initiatives in the areas of recognition, lateral career movement, and formal leadership training and skills development.

Greater Toronto's Top 50 Employers (2008 Edition)

This year marked the second time the Law Society has been named one of Greater Toronto's top 50 employers out of approximately 1,800 leading edge employers in more than 40 sectors. In a marketplace where employee attraction and retention are increasingly difficult, this designation recognizes the Law Society as one of Greater Toronto's exceptional places to work. Being publicly recognized as an industry leader is an important validation of our efforts to be a model regulator and to employ best practices.



People Strategy – our Leadership Development Initiative

The Law Society has created a Leadership Development Initiative to support and develop the competencies in our staff that we believe will enable us to deliver high quality service to licensees and the public.

May 2007 saw the launch of the first Leadership *Edge* Program delivered by the Rotman School of Management at the University of Toronto. The program comprises four modules delivered over eight months, and covers topics as diverse as consensus building, managing reputation, change leadership and strategic thinking. This year, 30 participants from management positions across divisions attended, and all were positive about the experience. A second program began in 2008.

We believe that outstanding leaders within our organization bring a sense of integrity to their work that helps them deliver to the best of their abilities – and that helping these leaders develop themselves to their full potential will in turn help the Law Society to achieve its vision to be a 'best in class' regulator.

Maintaining a solid financial footing

The Law Society is on a solid financial footing, with strong reserves and a sustainable fee level.

The Finance Department provides financial policy and planning and administration to the Society, maintaining a strong system of internal controls to safeguard the assets of the Society. It also fulfills other responsibilities such as administering catering operations, LibraryCo Inc. and the Law Society Foundation.

Financial Policy and Planning

In 2007, financial policy and planning co-ordinated the Society's process for the 2008 budget. The 2008 total fee for a practising lawyer in Ontario will increase by \$52 to \$1,653, only a 3.2 per cent increase while continuing to support the organization's core responsibilities. The 2008 fee is still 5 per cent lower than the fee in 1998.

The 2008 total fee for a paralegal in Ontario has been set at \$845.

Financial Administration

The financial administrative activities include the preparation of the annual financial statements for the General Fund, Compensation Fund and LibraryCo Inc. These financial statements are published in a separate report from these performance highlights. The financial statements for the Combined Errors and Omissions Insurance Fund are also included in that report.

The Law Society's solid financial position was sustained in 2007. The General Fund comprises the Unrestricted Fund, which records day-to-day operations of the Society, and a number of Restricted Funds. At year end, the Unrestricted Fund had a surplus in the amount of \$2.9 million. This is significantly better than planned in the budget for 2007 because of the receipt of unplanned funding from the Law Foundation of Ontario, and lower than budgeted expenses across virtually

all departments. Professional regulation expenses exceeded budget because of required spending on outside counsel fees.

In 2007, the largest expenditure of resources supported the core responsibilities of professional regulation and professional development and competence:

- 42 per cent (\$30 million) of annual operating expenses was spent on our regulatory responsibilities. In recent years, we have increased funding to conduct investigations and prosecutions, particularly in relation to mortgage fraud
- 34 per cent (\$24 million) of annual operating expenses was spent on licensing and professional development programs. Support for sole and small practitioners was supplemented in 2007.

Other

As part of Law Society competency initiatives, Ontario lawyers support three types of library-related services through their fees: county and district law libraries (through LibraryCo Inc.), the Great Library and the Canadian Legal Information Institute (CanLII).

Support for library services in 2007 remained at substantially the same levels as the previous year. \$2.6 million was expended on the Great Library and \$858,000 was paid to CanLII. The county law library portion of the 2007 annual fee (\$7 million) was the main source of funding for LibraryCo Inc. expenditures totalling \$8.3 million in 2007. LibraryCo Inc. incurred a deficit of \$111,000 in 2007, mainly due to expenses arising from a change in administrative arrangements.

The Compensation Fund reimburses clients who have lost money through a lawyer's dishonesty. The Compensation Fund had a surplus of \$907,000 in 2007, with the fund balance now at \$21.4 million.

Convocation Membership

BENCHERS OF THE LAW SOCIETY OF UPPER CANADA – before May 25, 2007

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Margaret Thatcher

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David S. Young

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His Royal Highness Prince Charles, Prince of Wales
The Right Honourable Margaret Thatcher
The Hon. Lincoln M. Alexander, Q.C., LSM

DEATHS

Brendan O'Brien, Q.C., LSM, a former Treasurer, passed away on July 13, 2007.

Kenneth Jarvis, Q.C., RCA, a former honorary benchers, passed away on September 8, 2007.

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