
BANACK'S BENCHER NEWS #11

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LAW SOCIETY/LPIC \$110 MILLION LAW SUIT AGAINST FORMER AUDITORS AND ACTUARIES: The Law Society and LPIC have finally begun an action against its former auditors and actuaries as a result of the deficit in our insurance program. The damages claimed are for breach of contract, negligence, negligent misstatement, and for remedial and investigative costs. The Law Society maintains that the deficit would not have been incurred had it received proper audit and actuarial advice. Statements of Defence have not yet been filed.

GST REVENUE CANADA POLICY STATEMENT ON LAWYERS' DISBURSEMENTS: Make sure that you and your accountant carefully review the Policy Statement of Revenue Canada in relation to lawyers' GST-exempt disbursements. The Policy was developed in consultation with the Law Society and the Canadian Bar Association to clarify when a disbursement which is not subject to GST remains tax-exempt when billed to clients. The policy is available in 31 O.R. (3d) Part 9. You should ensure that your practice is in conformity with the requirements of the policy statement, effective April 1, 1997. The policy has clarified a difficult problem for practitioners and represents a good example of a "win-win" resolution which can be achieved when the Law Society works closely with the Canadian Bar Association.

PARALEGALS: There have been motions and appeals argued across the Province in respect of the standing of an agent to appear on behalf of clients. The Criminal Lawyers' Association is very active in this respect. You may wish to contact it with your thoughts. Family Law lawyers will wish to keep an eye on changes to Family Court rules that may expand the role for non-lawyers. Additionally, real estate practitioners must be concerned about the future role of conveyancers and paralegals once electronic registration of documents is in place and closing centres become a marketing tool of builders and aggressive solicitors.

FUTURES TASK FORCE: Convocation has approved the terms of reference for this Task Force, which arose from an early concern in relation to the impact of regulation on our Profession. However, the mandate has been broadened to include examination of the future of the Profession and related issues. Initially, the Task Force will dedicate its study to:

- multi-disciplinary law practice from the regulatory viewpoint;
- technology and electronic registration and dissemination of information affecting our practice of law.

The work of the Task Force will be accomplished by two smaller working groups. The Task Force is expected to complete its work before the end of the term of the current bench in the Spring of 1999. In view of the impact which the study may have on LPIC's interests, it has agreed to provide certain funding for the hiring of researchers and/or consultants as may be required.

PROJECT 200: This is the name given to the Law Society initiative to restructure and redesign itself. The goal is to enhance its ability to do things better, faster and the way we, as lawyers, need things to be done. The initial steps require the determination of benchmarks, analysis reports, followed by process redesign and business case reports. We all know that the Law Society systems need an overhaul. I congratulate the C.E.O., Mr. Saso for the initiative to advance this massive project, which is welcomed, but not a moment too soon. Your suggestions are needed. If you wish to advance any ideas, call the Project 200 Ideas Line at the Law Society (947-3300).

ELECTRONIC REGISTRATION OF TITLE DOCUMENTS: The future, according to Teranet is here. Convocation has received a report of a Law Society/CBAO Joint Committee which describes this development. For your information, electronic registration eliminates "documents" and signatures. Escrow closings will be encouraged as between lawyers. However, the difficulty in dealing with an unrepresented party or with a "closing centre" will have a significant impact on lawyers. There are supposed to be built-in safeguards to help preserve the integrity of the system, but lawyers will be offered an opportunity to buy a fidelity policy. If you bear in mind an earlier newsletter where I described electronic transfer of funds (for which Convocation today approved the required form), you will recognize the pervasive changes the Profession is now facing. We must examine how these changes will affect how we do business, the fees and disbursements a client might pay and the fact that even a volume of files may not be sufficient to maintain a real estate practice. As the Law Society exists to protect the public interest, then as a Profession, we had better get vocal and look after ourselves.

COUNTY LIBRARY TECHNOLOGY: Funded by the library levy included in our annual dues, Convocation approved the payment of \$409,000.00 to allow each county library to acquire CD-ROM products and computer technology. Access to Quick Law Systems is being funded by money provided by the Law Foundation (interest from our trust accounts).

FEEDBACK ON FAX FEEDBACK: I thank the large number of you that returned the request for feedback set out in my last newsletter. As was the case last year, the most pressing problems facing lawyers involve the difficulty, complexity and costs associated with maintaining a practice of law. I will share your responses with our current Treasurer and her successor, to be elected in June, 1997. However, your responses have underscored the numerous practice, governmental and client hurdles we face in practising in the 1990s. It is now clear that we must establish an effective, unified voice to speak on our behalf as a Profession, to our direct regulator, the Law Society and to the Government, when required. In this vein, I strongly support the present initiatives undertaken by the CBAO and CDLPA to effect a merger and thus create the preeminent advocate of lawyers' interests across the Province.

LAW SOCIETY - 200th ANNIVERSARY: The Law Society has given an award of merit to 62 Ontario lawyers for outstanding contributions to the public good. For once, as lawyers, we are getting good news press throughout the Province because of the dedication, to public service, of these honourees.

FORMER SUPREME COURT BUILDING - 145 QUEEN STREET WEST, TORONTO: This site is being offered for sale by the Province. The building will be demolished shortly and the area will be operated by the Government as a parking lot until sold.

DEFICIT REPORT: At the end of the first quarter of 1997, the deficit has been reduced to \$65 million from its original \$153 million amount.

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