



Volume 11 / Issue 173

October 27, 2022  
#173



## **MANDATORY MINIMUM COMPENSATION:**

After extensive consultation, Convocation has overwhelmingly approved a \$620.00 per week minimum mandatory compensation for lawyer licensing candidates during articling and work placements beginning May 1, 2023. This is intended to reflect a minimum wage for a 40 hour work week in Ontario and is not reflective of actual hours worked. This is a first among Canadian Law Societies. Law firms will be able to apply for an exemption based on a declared inability to pay. The program is subject to review after three years.

For more information see the full report of the Professional Development and Competence Committee:

<https://lawsocietyontario.azureedge.net/media/lso/media/about/convocation/2022/convocation-october-2022-professional-development-and-competence-committee.pdf>

## **WATCH YOUR BACK: POST COVID CLIENT IDENTIFICATION AND VERIFICATION**

The By-Law requirements for client identification and verification adopted from the Federation Model Code were approved by Convocation in 2021. Those changes increased how lawyers could verify identity beyond the restrictive means that were previously in place. A COVID temporary protocol allowed a suspension of certain technical requirements about authenticating government ID.

Be Careful: Effective 2023, the temporary protocol is ending. The good news is that there are no new requirements and the rules applicable in Ontario are the same for lawyers across Canada.

To understand the difference between client identification versus verification requirements (and when exemptions apply) effective January 1<sup>st</sup> please read LSO By-Law 7.1 and the Gazette summary.

<https://lso.ca/lawyers/practice-supports-and-resources/topics/the-lawyer-client-relationship/identification-and-verification>

For clarification or more information you may want to contact the LSO confidential Practice Management Helpline (416-947-3315 extension 4 or toll free 1-800-668-7380 extension 3315 and [www.lso.ca/pmh](http://www.lso.ca/pmh))

### **TRY, TRY AGAIN:**

Benchers Chi-Kun Shi and Cheryl Lean sought to persuade Convocation to reject the draft 2023 LSO Budget and require staff to develop an annual budget which requires no increase in annual dues compared to 2022. The goal was to achieve a “critical review of the LSO’s financial stewardship”. But even with increasing LawPRO premiums and a looming Bencher election the laudable effort failed by a vote of 23 to 25 including several abstentions. A similar effort last year for a 10% reduction in spending and other efforts in the past have failed to ensure fiscal transparency and maximize efficiencies. You may want to read:

<https://www.thelawyersdaily.ca/articles/40425/no-increase-to-law-society-of-ontario-annual-dues-2023-chi-kun-shi-?category=opinion>

### **ITS YOUR MONEY – BUDGET 2023:**

After diligent and extensive work of the Audit and Finance Committee: Our annual levy will increase from \$1,831 to \$1,981 (still less than 2019) and paralegals will see an increase from \$955 to \$1,031. But note that there is a four tiered fee structure which may reduce your actual fee.

The fees support the LSO public interest obligations, support corporate objectives as Benchers choose to define them; all in the face of external factors like market volatility and increased Compensation Fund claims arising from rogue lawyers. The return to in-person licensing examination and enhanced integrity security cost \$3.8m in 2022. For the privilege of being licensed, lawyer candidates pay about \$5,100 and paralegals \$1,500. To avoid an even greater fee increase it was necessary to access \$7.1m of LSO fund balances and take an internal loan of \$1.6m to fund Osgoode repairs and restoration. The Law Society has implemented an enormous undertaking to transform LSO business processes and workflow, supporting all licensees throughout our careers. A projected 5 year timeline comes with an uncapped preliminary budget of \$17.5 to \$20m. Keep your eyes on this for cost and value for money.

A significant budget allocation of \$9.6m (\$200 per lawyer with no contribution by paralegals) supports LiRN Inc., the operation of 48 county law libraries and expansion of electronic resources for all lawyers. An important contribution by the Law Society jointly with the Law Foundation of Ontario supports the continued excellent work of the Law Commission of Ontario and Pro Bono Ontario.

See Report details at:

<https://lawsocietyontario.azureedge.net/media/lso/media/about/convocation/2022/convocation-october-2022-audit-and-finance-committee-report.pdf>

### **ITS MORE OF YOUR MONEY – LAW PRO PREMIUMS 2023:**

Following years of unchanged base premiums, in 2023 we will be paying \$3250 which is a \$250.00 and 8.3% increase over last year. However, many lawyers may pay much less by taking advantage of various available discounts. The number of claims and claim costs have continued an upward trend (but for a brief COVID dip). For details see:

<https://lawsocietyontario.azureedge.net/media/lso/media/about/convocation/2022/convocation-september-2022-lawpro-report.pdf>

The LSO budget debate brought into focus the enormous success of LAWPRO (wholly owned by the Law Society) and whether its existing resources can be used to

defray levies. It is clear that many Benchers do not understand the regulatory constraints of an insurance company and an information session has been promised to improve that.

### **GOOD GOVERNANCE OR JUST PLAIN DISTRUST:**

Benchers Fagan and Poliacik are concerned that important issues, for example by the Strategic Planning and Advisory Committee, are discussed behind closed doors without notice to others, with an exchange of undisclosed material and involve a perceived inner clique. A motion sought Convocation's endorsement that Benchers entitled to vote or participate, be given notice of all meetings involving Law Society matters and they be entitled to attend. Guess what? After a rancorous dispute, pitting factions against each other, the motion failed but was very close; 21 for and 22 against. Again, this is another issue that should not have required a debate but ought to have been resolved internally as a common sense, good governance measure.

### **BENCHER ELECTION 2023:**

This is too important to not remind you. To understand that, just look at the vote split in some of the above issues.

It is vital to remember that in 2019, vote splitting and strategic voting in many areas allowed a group to elect 22 out of 40 Benchers. This happened in part because of meagre voter turnout since the majority of the votes were split among the balance of many other candidates. In 2019, excellent Bencher incumbents and new candidates were defeated because of the very effective effort of the StopSOP group of lawyers who ran on a platform to STOP the Statement of Principles.

Bencher Joe Groia has frequently expressed his views about LSO elections and that the logical outcome of running a slate of Bencher candidates may be the loss of self-regulation if the public interest suffers. Slates are nothing new. In fact, in 1995 a slate elected 8 new Benchers. But the days may now be gone when candidates can run independently based on their own personal qualifications to serve constructively as an elected Bencher. Rather, the prevailing view is that it will only be possible to counter a successful slate campaign with another slate. Read more: <https://www.canadianlawyermag.com/news/opinion/the-law-society-should-not-adopt-a-party-system/362548>

**FullStop** is the successor group of Bencher candidates who consider the task of reforming the Law Society and how Convocation does its work as being unfinished. In particular FullStop seeks greater transparency to ensure that all initiatives undertaken are only within the core mandate of the LSO and to avoid regulatory and budgetary excesses. The group's newsletter and former site was at <http://stopsop.ca/>. Stay tuned.

**The Good Governance Coalition:** A coalition of Bencher candidates from around the province have joined forces. Their expressed goal is to ensure future good governance through competent, representative, and diverse leadership. Their expressed goals are to bring civility to the Law Society, protect self-regulation, and prevent the FullStop slate from gaining more ground in the 2023 bencher elections. If you wish to learn more, you can sign up for their newsletter or seek to be a candidate with them.

<https://www.goodgovernancecoalition.ca/beacandidate>

### **2023 LAW SOCIETY AWARDS:**

Nominations for the 2023 Law Society Awards are open until December 16, 2022. Award criteria, the nomination process, and the online nomination form [are all available here](#). Paralegals are eligible for the [William J. Simpson Distinguished](#)

[Paralegal Award](#). Awards for lawyers include the [Law Society Medal](#) and the [Laura Legge Award](#). Both lawyers and paralegals are eligible for the [J. Shirley Denison Award](#) and the [Lincoln Alexander Award](#).

### **DATES TO REMEMBER:**

November 8: [Treaties Recognition Week and International Inuit Day 2022](#)  
[Gazette](#)   [Register now](#)

November 9: [Law Society's Indigenous Veterans Day & Remembrance Day service](#)  
[Gazette](#)   [Register now](#)

November 16: [Louis Riel Day 2022](#)  
[Gazette](#)   [Register now](#)

December 16: Close of LSO Award nominations.

### **IN MEMORIAM**

MARION BOYD: Former lay bencher, Marion Boyd passed away on Tuesday, October 11th. Marion was an outstanding Bencher from 2007 to 2019. She had served as the Member of Provincial Parliament for London Centre from 1990 to 1999. In February 1993, she became the first woman appointed as Attorney General for the Province of Ontario. Marion will be missed by all who knew her.

I am sending this public service newsletter to you at the email address you provided or published, as permitted by Canada's Anti-Spam Legislation. If you no longer wish to receive it please "Unsubscribe" below.

Larry Banack  
Banack Resolutions, Inc.  
Bay Adelaide Centre  
333 Bay Street, Suite 900  
Toronto, ON M5H 2R2  
email: [larry@banackresolutions.com](mailto:larry@banackresolutions.com)  
Phone: (416) 477-6880