



CEO's REPORT

This has been a particularly busy period for operations at the Law Society. Since my last report to Convocation in December 2016, outside of day to day operational activities the organization has focused much of its efforts on the following initiatives:

- Completion of the 2016 audit and ongoing work on the 2018 budget;
- Ongoing implementation of the Professional Regulation Division's new organizational structure to create efficiencies and a more robust, early triage and resolution of complaints;
- Creation of new multi-functional Enforcement teams;
- Creation of a Technology & Evidence Control department to enhance the Professional Regulation Division's ability to receive, produce, manage and control electronic data;
- Implementation of the Dialogue on Licensing consultation process across the province;
- Ongoing support and expansion of the Coach and Advisor Network initiative;
- Creation of a new External Relations and Communication Unit;
- Continuing support of TAG - The Action Group on Access to Justice;
- Ongoing work on and implementation of our Relationship Management System Project to modernize our member database;
- Changes to Lawyers Annual Report (LAR) and Paralegal Annual Report (PAR) to accommodate new reporting requirements and data collection to support recommendations of the Report on the Challenges Faced by Racialized Licensees as well as developing a platform for collecting self-assessment reports from legal workplaces



This report provides an overview of these operational trends and activities and other initiatives that are currently underway or in development to support strategic priorities.

EQUITY INITIATIVES AND GOVERNANCE ISSUES

Equity Initiatives

A major undertaking for operations is the implementation of the recommendations approved by Convocation in the Challenges Faced by Racialized Licensees Working Group Report. With implementation oversight provided by our Equity Advisor, in consultation with the Equity and Indigenous Affairs Committee for policy-related direction, we have created a workplan according to the time frame in the Challenges report. As noted elsewhere in this report, we are ensuring that operational processes that are required to implement certain recommendations in 2017 and 2018 are well underway. In addition, we are in the process of creating resources for the profession to assist in meeting the requirements and a communications plan for information sharing.

Our Equity and Indigenous Affairs Committee and its Indigenous Advisory Group (IAG) have made significant progress on their joint development of an Indigenous Framework that formulates approaches to priorities set out in Treasurer's Memorandum to the Committee. This includes developing programs to enhance cultural competence on the part of the professions and Law Society in dealings with Indigenous peoples, improving access to the complaints process for Indigenous communities and supporting and implementing the work of reconciliation, in collaboration with IAG, by responding to and implementing the Truth and Reconciliation Commission of Canada's Final Report (TRC Final Report) Calls to Action related to the Law Society's mandate. This month, the Committee will be bringing forward to Convocation particulars of the framework, which will set the stage for discussions with key operational departments on how the Framework will be realized in the coming months.

The process for review of the Discrimination and Harassment Counsel program is underway. Supported by the Equity Advisor and her staff, the review will continue to frame an approach to the design of the DHC function in keeping with the principles of equity, diversity and inclusion, with a particular focus on systemic issues.



French Language Services

In keeping with our responsibility to review and monitor the application of the Law Society's French Language Services Policy, we continue to dialogue with l'Association des juristes d'expression française de l'Ontario (AJEFO) to identify issues and methods for strengthening French Language Services and the Law Society's responsiveness to issues in relation to these services.

We also enjoy a good relationship with the French Language Services Commissioner and continue to discuss with him the application of the Protocol with the Commissioner, which was established to address complaints received about the Law Society's French Language Services. The Commissioner has spoken of the positive relationship with the Law Society, and the ongoing success of the application of the Policy and the manner in which the Protocol between the Law Society and the Commission is being observed.

Governance Task Force

The Governance Task Force, established in September 2016, continues to meet and is supported through my office by the Corporate Secretary with the invaluable assistance of counsel from Policy. Following several reports to Convocation to update benchers on its work, the Task Force is moving forward to frame discussions with benchers on some fundamental governance issues. At the operational level, we will continue to watch with interest the progress of this work and contribute our resources to it.

The Real Estate Issues Working Group

The Real Estate Issues Working Group continues to deal with issues and developments related to real estate practice in Ontario. The Working Group continues its focus on the implications of third party electronic funds transfer products for the public and for lawyers, including the extent to which the use of such products is consistent with lawyers' professional obligations. The Group has also been reviewing recent developments at the Ministry of Finance related to changes to the land transfer tax system.



Federation of Law Societies of Canada

The Law Society's support of Federation initiatives continues through our significant financial contribution and staff and benchers who serve in various capacities.

Ross Earnshaw, the Law Society's representative on the Federation Council, serves on the Canadian Common Law Program Approval Committee. Peter Wardle serves as chair of the National Requirement Review Committee and as a member of the National Committee on Accreditation Program Review. Malcolm Mercer serves as a member of the National Committee on Accreditation. Will McDowell serves on the Public Affairs and Government Relations Committee. John Callaghan is a member of the Litigation Committee. Dianne Corbiere serves on the Federation working group addressing the Truth and Reconciliation Commission's (TRC) Calls to Action and recommendations.

Law Society staff continue with their contributions to a number of Federation initiatives. These include: Diana Miles, Executive Director, Organizational Strategy /Professional Development & Competence, who participates as a member of the National Admission Standards Project Steering Committee, the National Requirement Review Committee, the National Committee on Accreditation Program Review and serves on the CanLII Board Nominating Committee; Karen Manarin, Executive Director, Professional Regulation, who is a member of the Standing Committee on National Discipline Standards; Naomi Bussin, Team Manager, Enforcement Department, Professional Regulation who is a member of the Standing Committee on the Model Code of Professional Conduct; Jim Varro, Director, Office of the CEO and Corporate Secretary, who co-chairs the AML Working Group of the Public Affairs and Public Relations Committee; and Anthony Gonsalves who serves on that group.

I also serve as a member of the Finance and Audit Committee.

STRATEGIC PLANNING UPDATE

We continue our work to implement the strategic priorities that Convocation adopted in 2015. Details of this work are being reported to Convocation this month by the Priority Planning Committee. A number of initiatives mentioned in this report are well underway or have been completed – implementation of the Law Society's mental health strategy,



significant reforms to the operations in the Professional Regulation Division, progress on governance reforms and the important work on licensing through the extension of the Pathways Pilot Project.

2017 FINANCIAL UPDATE AND DEVELOPMENT OF THE 2018 BUDGET

Financial Reporting

The Society's audited financial statements for 2016 were presented at the Annual General Meeting in May 2017. The statements received an unqualified audit opinion, and the Society's operating fund remains in a strong financial position. Audited annual financial statements have also been completed for LibraryCo, the Law Society Pension Fund and the Law Society Foundation.

All required tax returns, charity and not-for-profit returns will be submitted by the deadline of June 30, 2017.

Budget Development

Typically, Convocation adopts the annual budget at its October meeting (under the By-Laws the budget must be approved by Convocation prior to the end of November).

Budget planning for 2018 and longer term projections for the 2017 to 2019 budget cycle have commenced with initial discussions on the financial pressures associated with the budget for 2018, incorporating the strategic plan approved for the current bench term. A summarized budget timetable is set out below:

DATE (2017)	PROCESS
Second Quarter	The Senior Management Executive team (SME) considers individual and collective budget assumptions, variables and objectives. This review also includes how the proposed 2018 budget fits into the priorities established in the Strategic Plan for 2015-19.



May 10	The Audit & Finance Committee received a first draft of pressures and factors for the 2018 budget.
July August	The components reviewed and approved above are compiled into an operating budget for the Law Society. Facilities and Information Technology departments compile a capital budget with the assistance of user departments. LibraryCo's Board and stakeholders continue deliberations on its transition.
Sep 13	A first draft of the 2018 budget and medium term financial plan is presented to the Audit & Finance Committee. Under the Unanimous Shareholders Agreement, LibraryCo provides its 2018 budget for incorporation into the Law Society budget.
Sep 28	A budget information session is held for all benchers to ensure a full exchange of information on the 2018 budget and medium term financial plan.
Oct 3 and Nov 2	Draft operating budgets for lawyers and paralegals and a capital budget for 2018 and the medium term financial plan are presented to the Audit & Finance Committee and Convocation for approval.

Subsidiaries - LibraryCo and LawPRO

The Law Society is working with the other shareholders of LibraryCo (Federation of Ontario Law Associations and Toronto Lawyers' Association) to set a direction for the evolution of libraries and library services going forward. Under the Administrative Services Agreement with LibraryCo, the Law Society continues to administer the financial affairs of LibraryCo together with any other requested supplementary assistance during the transition process.

LAWPRO's request to the Canada Revenue Agency to reassess LAWPRO as being exempt from tax as a subsidiary of a "public body performing a function of government" is to be heard by the Tax Court in October 2017.

Internal Controls

Convocation approved an updated Business Conduct Policy containing expanded confidential whistleblowing provisions in February 2017. Training for managers has begun.



Commitments

The Finance department is monitoring the consequences of the DeMerchant & Sukonick matter. Final payments in the cost awards process were made early this year and our insurers have been informed of the receipt of a related defamation suit.

Technology

The Finance Portlet, which allows licensees to view and pay their annual fees and initiate fee adjustments using the Law Society Portal, continues to facilitate paperless billing of lawyers and paralegals and other transactions and the processing of payments. To assist licensees in paying their annual fees, this year, for the first time, an annual, pre-authorized payment plan was provided, together with a \$50 discount on the annual fee as an incentive to use the plan.

Parental Leave Assistance Plan

As of May 15, 2017, 6 lawyers have applied to PLAP in 2017. Since the program launch in March 2009, there have been 358 applicants who have received benefits under PLAP.

Investments

The Investment Policy and the performance of the portfolio manager were assessed by the Audit & Finance Committee and Convocation in February. A revised Investment Policy was approved which increased the Canadian equity component from a mid-range of 15% to 30%. The primary Investment Policy objective is the preservation of capital and this was accomplished with the portfolio manager outperforming the performance benchmarks over the four year period.

In May, the Audit & Finance Committee assessed the integration of explicit ethical investing principles into the Investment Policy and recommended no change from the current process under which the Law Society's Portfolio Manager incorporates environmental, social and governance considerations into their risk assessments.



Insurance

The Society's primary insurance arrangements have been renewed for the 2017 insurance year.

Pension Fund

The Finance Department, the Audit & Finance Committee, the Human Resources Department and the staff pension committees have ensured that the Pension Fund for the Employees of the Law Society of Upper Canada is fully in compliance with regulatory requirements. The audited financial statements for the year ended December 31, 2016 are due to be submitted to the regulator by the end of June.

Bencher Expense and Remuneration Policy

Bencher expenses and remuneration continue to be reported to the Audit & Finance Committee, along with the Treasurer's expenses. In May, the Audit & Finance Committee approved the formation of a working group to review the bencher expense and remuneration policies and the transparency of reporting.

REGULATION

CHANGES IN THE PROFESSIONAL REGULATION DIVISION

On February 6, 2017, a new organizational structure was implemented in the Professional Regulation Division. The key changes can be summarized as:

- More robust, early triage and resolution carried out by a larger Intake & Resolution department.
- Creation of new multi-functional Enforcement teams with different types of Investigators and Discipline Counsel/Paralegals working together in teams.
- Creation of a Technology & Evidence Control department to enhance the Division's ability to receive, produce, manage and control electronic data.



In conjunction with this structural reorganization, the Division has been streamlining processes and increasing efficiencies in order to more effectively protect the public and address public interest concerns. These changes have already made an impact. In the first five months of 2017:

- 14 Notices of Motion for interlocutory suspension have been filed, an increase from the 8 filed in the same period in 2016. In all of 2016, a total of 25 Notices of Motion for interlocutory suspension were filed while in each of 2014 and 2015, 14 Notices of Motion were filed.
- The Intake & Resolution department closed approximately 50% more complaints and obtained instructions to investigate in approximately 33% fewer complaints than in the same period in 2016.
- Investigating staff have been able to focus on reducing caseloads and addressing those complaints which raising allegations of a serious nature. As at May 31, 2017, the number of active inventory of complaints under investigation has been reduced to 1388. As at May 31, 2016, the number of complaints under investigation in the former Complaints Resolution and Investigations department totalled 2602 complaints.

COMPLAINTS, INVESTIGATIONS AND PROSECUTIONS

Complaint Trends

Complaint trends fluctuate year by year. 2016 marked the first increase in the number of new complaints received in Professional Regulation since 2013. The total number of new complaints received in 2016 was 4.0% higher than the total number received in 2015 and 1.1% higher than the total number received in 2014. Between January 1 and May 31, 2017, the Division received 2099 new complaints, virtually the same number received between January and May 2016 (2098) but an increase of approximately 8% from number received in the same period in 2015. An analysis of the complaints received during the period reveals the following:

- Consistent with previous years, approximately 75% of new complaints involve lawyers and 12% of new complaints involve paralegals.



- Sole practitioners and licensees in small firms (up to 5 licensees) continue to receive the largest number and proportion of complaints (approximately 75% for lawyers and 96% for paralegals).
- In previous years, lawyers in private practice who have been in practice for more than 30 years received significantly more complaints than would be expected. In 2016, for the first time, no significant difference was noted. This continues to be the case in the first five months of 2017.
- As in other years, the highest proportion received contain service related issues (approximately 50% of all new complaints) followed by integrity issues (46% of all new complaints), governance issues (17% of all new complaints), financial issues (10% of all new complaints) and conflict issues (8% of all new complaints).
- The highest proportion (30%) of new complaints received by lawyers and by paralegals continues to be in the area of civil litigation, followed by family and real estate law for lawyers and criminal/quasi-criminal matters for paralegals.

Investigations

As noted above, in the first five months of 2017, the Intake and Resolution department closed approximately 50% more complaints than in the same period of 2016 (1287 complaints compared to 861). During the same period, 422 complaints were instructed for investigation, a 33% reduction from the same period in 2016 (when 633 complaints were instructed for investigation).

In 2016, investigating staff reduced the inventory of investigations by 17%, from 2,493 complaints at the beginning of the year to 2,064 complaints at year end. In the first five months of 2017, the focused efforts of the investigating staff have further reduced the inventory of cases under investigation to 1388 complaints. This represents a decrease of 33% from the beginning of the year and a 47% decrease from the inventory of complaints under investigation as at May 31, 2016 (2602).

In the first five months of 2017, 1167 complaints have been completed at the end of the investigative phase. Of these 1167 complaints:

- 1% were closed with diversion (e.g. invitation to attend, letter of advice, practice



- review/spot audit recommendation, undertaking, mentoring).
- 2% were resolved.
 - 21% were discontinued (due to ongoing internal or external litigation) or closed due to a lack of jurisdiction.
 - 24% were closed with a staff caution or best practises advice.
 - 40% were closed as there was no or insufficient evidence of misconduct.
 - 12% were transferred for prosecution.

The number of reports received of lawyers engaged in mortgage fraud remains at an average of about 2.4 per month. However, the inventory of investigations remains lower than in previous years (38% fewer than at the end of May 2016, 26% fewer than at the beginning of 2017). In addition, the number of matters proceeding to Discipline remains low (3 licensees in 2017 to date). The Investigations department continues to closely track and regularly monitor these matters for timely completion.

Advertising & Fee Issues

The Executive Director, Professional Regulation has established a strategic priority team within the Professional Regulation Division to undertake investigations and, where required, prosecutions in the area of advertising and referral fees. The team was formed on a pilot project basis in the fall of 2016, and has been formalized in the Enforcement department as of February 2017. The work of the team continues to be informed by the work of the Advertising & Fee Issues Working Group, to ensure that policy focused attention is brought to bear on the Law Society's regulatory response. There are currently over 90 cases involving advertising and referral fees that are in the Enforcement process (active investigation or in the discipline process). There are an additional 13 cases in the Intake & Resolution process.

The Technology and Evidence Control Unit

One of the key changes in Professional Regulation's restructuring process is the creation of a Technology & Evidence Control (TEC) Unit. The mandate of the TEC Unit is to provide the Division with the ability to receive, produce, manage and control electronic data in order to operate efficiently and effectively and, as part of that mandate, to develop, implement and maintain an electronic data management system. The TEC Unit is responsible for the software applications that support electronic data management systems and oversees the warehousing of physical and digital evidence



obtained during an investigation.

Marjan Risteski began in March 2017 as Manager of the TEC Unit and, in close cooperation with Information Technology:

- Has already established an E-discovery and Forensic Lab which, among other things, allows for forensic imaging, forensic analysis of digital evidence, recovery of deleted files, enhanced metadata, extraction and analysis of e-mail messages and chat logs, and documents and images (active and deleted).
- Is working closely with our Information Technology Department to plan the acquisition of technology that will organize and track physical and digital evidence, and the acquisition of an Electronic Data Management System.

Discipline

The number of new completed investigations that are authorized for prosecution fluctuates from year to year. In the first five months of 2017, approximately 30% more licensee/applicant matters were sent for prosecution than in the same period in 2016. In addition, the number of Notices issued by Discipline Counsel/Paralegals to commence a proceeding before the Hearing Division has increased.

As at May 31, 2017, Discipline had issued a total of 74 Notices, compared to 66 Notices issued in the same period in 2016. The 74 Notices consist of 53 Notices of Application (conduct and capacity prosecutions), 7 Notices of Referral for Hearing (good character and reinstatement/terms dispute prosecutions); and 14 Notices of Motion for interlocutory suspension/restriction.

We are working to fill a number of vacancies in the discipline area. In the interim, discipline Counsel/Paralegals continue to carry heavy caseloads. As at May 31, 2017, staff have carriage of:

- 65 matters at the pre-issuance stage (mostly pre-PAC),
- 116 matters before the Hearing Division, and
- 21 appeals and judicial reviews before the Appeal Division and various courts.

In addition, Discipline Counsel/Paralegals are currently assisting on over 100



investigations.

Trusteeships, Compensation Fund and Regulatory Compliance

Between January 1 and May 31, 2017, **Trustee Services** has obtained 2 new formal trusteeship orders from the Superior Court, and 4 formal trusteeships have been discharged. An additional 29 cases have been opened in which guidance and information has been provided on how to wind up a licensee's practice. The department has received 527 and closed 378 requests from clients and others concerning licensees' practices and indexed and preserved over 7000 client files that have been retrieved from licensees' professional businesses.

Between January 1 and May 31, 2017, a total of 109 applications for compensation have been received by the **Compensation Fund**: 95 claims involving 29 lawyers and 14 claims involving 5 paralegals. During this period, a total of 96 claims have been granted: over \$7 million has been paid on 95 claims against 9 lawyers and \$2,175 has been paid on 1 claim against a paralegal. Eighty-two (82) of the 95 lawyer claims relates to a very high-profile real estate loss. Following the February criminal conviction of the lawyer in question, the Compensation Fund worked quickly to ensure a timely payout of the grants to a large proportion of the claimants who suffered significant losses as a result of the lawyer's dishonesty. The Fund continues to carry a number of potential claims related to this lawyer.

In the period from January 1 to May 31, 2017, **Regulatory Compliance** has:

- received 31 new undertakings to be monitored.
- received 79 new orders to be monitored.
- received and responded to 2242 regulatory inquiries involving 3081 licensees.
- provided 281 clearances for federal judicial appointments. This number exceeds the annual totals for 2016 (233) and 2015 (209).

With respect to collections, as at April 30, 2017, Regulatory Compliance had collected \$112,820 in costs. While collections has always been handled in-house at the Law Society, Regulatory Compliance has initiated a pilot project where approximately 15 files have been selected and provided to a law firm for the purpose of collections. This retainer is being paid on the basis of a contingency fee arrangement. The pilot project includes files which involve the largest debtors, with a total of over \$3 million owing to



the Law Society.

PROFESSIONAL DEVELOPMENT & COMPETENCE

Continuing Professional Development

The first part of 2017 continues to be strong for the CPD department, with total revenue ahead of budget and of 2016 results for the same period, due, in part, to earlier timing of the Family Law Summit.

Total program registration is up by nearly 1900 attendees for this period. Through April, in-person attendance for programming totaled 2451, while attendance through webcast, replays, eCourse and on-demand programming was 15,550. At over 85% of total attendance, members continue to indicate a preference for CPD content accessed through means other than in-person program attendance.

CPD continues to review and incorporate competencies into our program planning. The first Competencies' Advisory Group will meet soon, during which our proposed practice competencies in Estates and Trusts will be discussed and validated by a group of diverse, experienced practitioners in this area. Several other Advisory Group meetings will take place in 2017 for other practice areas, as CPD planning continues to shift to a competencies-based curriculum in support of the organizations strategic plan tactics.

Lawyer Licensing Process

Following approval by Convocation in November 2016, the Dialogue on Licensing initiative commenced in April of this year. The initiative involves a series of facilitated in person and webcast discussion groups taking place in Hamilton, London, Ottawa, Sudbury, Thunder Bay, Toronto, and Windsor, with the goal of seeking input from the profession on the future of the lawyer licensing process. The discussion groups have been informed by robust reference materials, statistics and reports on four key topics:

- The Need for Change
- Market Dynamics and the Legal Profession
- Licensing Examinations—Assessment of Entry-Level Competence



- Transitional Training

The thoughtful commentary and diverse range of perspectives provided by participants are being compiled into reports that will assist the PD&C committee in their ongoing review of the lawyer licensing process. Stakeholders are also able to provide written input to the Law Society. A dedicated website has been established at www.lsucdialogue.ca.

To date, there are approximately 2200 newly registered lawyer licensing candidates in the licensing cycle that formally commenced on May 1, 2017. This number will continue to increase for the next few months as the continual intake process receives internationally trained candidates. Approximately 2000 candidates are registered for the June lawyer licensing examinations, and over 1600 candidates who have fulfilled all of their licensing requirements will be called to the bar in the six call to the bar ceremonies taking place in London, Ottawa and Toronto in June.

Paralegal Licensing Process

There are approximately 1200 new registrants in the paralegal licensing process. Approximately 800 candidates have indicated an intention to write the August paralegal licensing examination. In 2017 thus far, 380 paralegal licences have been issued, with 145 of these newly licensed paralegals attending the paralegal reception in April.

Paralegal education program accreditation activities continued to be an active part of licensing and accreditation activities in the first half of 2017. A total of 26 private career and community colleges are offering 29 approved paralegal programs at 42 college campuses across the province. As of June 2017, a total of 91 program intakes have been declared, with 13 intakes having been cancelled due to low enrolment requirements. To date, three (3) new paralegal education accreditation applications have been received and are currently under review. To ensure ongoing program quality, five paralegal college program audits have been completed this year already, with at least two more audits scheduled to be completed by the year end.



PROFESSIONAL DEVELOPMENT

Certified Specialist Program

The Law Society's Certified Specialist Program continues to recognize practitioners with high standards of knowledge, skill, experience and professional conduct to support access to quality legal representation by the public. Following the recent development of a specialization in Indigenous Legal Issues, the Certified Specialist Board recently approved its first specialist in this area, with four more practitioners indicating an interest in this new credential. There have also been 15 new certified specialists in 2017 to date in the areas of civil litigation, citizenship and immigration law corporate commercial law, construction law, criminal law, and environmental law.

Practice Supports and Resources

The Department's work has focused on expanding the new Coach and Advisor Network (CAN), while maintaining and enhancing the quality of service provided by the Practice Management and the CPD Accreditation teams.

Since launching in November 2016, CAN has recruited 143 lawyers and paralegals to its roster and has responded to more than 270 Requests for Time with a Coach or Advisor. CAN's "Introduction to Coaching Workshop" has been offered as morning and evening sessions at the Lamont Learning Centre at Osgoode Hall and as an evening session in Guelph. Dates are being set for the fall in Sudbury and Ottawa. In May 2017, CAN also launched "Best Practices for Coaches and Advisors", a webcast that highlights the continuum of supports available to Coaches, Advisors and Participants, and that addresses frequently asked questions regarding practice management, LawPRO coverage, coaching techniques and mental health and wellness.

As part of its outreach, CAN has developed the "Coaching and your Practice" program accredited for 1.5 professionalism hours which is being offered for free to local law associations and other legal organizations across the province. CAN has already accepted invitations from Kingston, Waterloo, Brantford, Sarnia, Halton, St. Catharine's, London and Carleton County. CAN looks forward to more opportunities with organizations and associations and continues to work with the leadership of various mentorship programs in Ontario.



The Practice Management Helpline has answered more than 3400 inquiries in 2017 so far. New resources have been developed and existing resources updated to reflect the recent amendments to the *Rules of Professional Conduct and Paralegal Rules of Conduct*. For example, Practice Management recently assisted in the development of the resources to support lawyers, paralegals and the public on the topic of referral fees.

EXTERNAL RELATIONS AND COMMUNICATIONS

In March 2017, Sheena Weir was appointed as Executive Director of the newly formed External Relations and Communications Division (ERC). ERC brings together Public Affairs, Communications, Media Relations, French Language Services and TAG – The Action Group on Access to Justice. ERC’s work entails issues management and external engagement, as well management of Law Society communications channels.

ERC provides strategic advice to the board, senior management and operational areas in support of the Law Society’s priorities and our regulatory mandate. Overseeing a diverse portfolio, ERC serves as the guardian of the Law Society’s reputation across a broad range of stakeholder groups.

ERC is positioned to offer comprehensive and coordinated services that support the successful implementation of operational and policy initiatives. In its first 100 days, ERC has provided expertise to the following priority initiatives:

- Advertising and Fee Issues Working Group
- Dialogue on Licensing
- Law Society Awards
- Annual General Meeting
- Coach and Advisor Network
- Family Legal Services Review
- The expansion of Unified Family Courts in Ontario
- Real Estate issues, including recent changes to the Land Transfer Tax system and the introduction of the Non-Resident Speculation Tax
- Legal Aid
- Protection of privilege
- Law Society Appointments



Media Relations

ERC works to ensure that the Law Society, its mandate, initiatives and operations are represented accurately and positively in the media. Core activities focus on managing a very high volume of media inquiries as well as proactively earning positive coverage.

In the first five months of 2017, ERC received and responded to 193 media inquiries. The majority related to high profile or ongoing discipline matters.

Another focus of significant media interest was personal injury advertising in relation to referral and contingency fees and the report of the Advertising and Referral Fee Arrangement Issues Working Group. The resulting coverage by both legal and mainstream media was fair and included front page placement in the Toronto Star.

Since January, ERC has facilitated over two dozen interviews with legal trade and mainstream publications. Topics that have generated media interest include the Family Legal Services Review Report, the Compensation Fund and the Law Society Awards.

Media Relations distributes a weekly update of all Law Society Tribunal proceedings to almost 100 media outlets and interested stakeholders throughout the province. This service provides further transparency regarding regulatory matters and continues to garner increased media coverage.

TAG – The Action Group on Access to Justice

TAG is currently in its third year and we are proud of its leadership on the access to justice landscape.

In January, the Law Society hosted the official launch of Steps to Justice, an online resource that provides clear language information and related next steps about common legal problems. Steps to Justice is led by Community Legal Education Ontario and brings together a wide range of key justice sector organizations such as the Ontario Ministry of the Attorney General, the Superior Court of Justice and the Ontario Court of Justice, the Social Justice Tribunals of Ontario, Legal Aid Ontario, the Law Society of Upper Canada, and the Association of Community Legal Clinics of Ontario. TAG played a key role in facilitating this ground-breaking collaboration and will continue to support



its uptake across the justice sector, among trusted intermediary communities and within the general public.

TAG's innovative engagement efforts are shaping the access to justice discourse. Its work on spotlighting and training librarians as legal information gateways was recognized with two American Bar Association award nominations. In addition, Manager Sabreena Delhon recently spoke about the importance of public-centered solutions and the results of TAG's Public Perceptions of Access to Justice Report at the annual meeting of the National Action Committee on Access to Justice in Civil and Family Matters.

In the coming weeks TAG will be releasing a podcast that explores how people are finding new ways to improve access to justice across Ontario. In addition, planning is underway for a second annual Access to Justice Week which will be held from October 23 to 27.

Industry and Internal Communications

ERC is focusing on enhancing its modern and responsive communications approach in service of the Law Society's strategic plan. Work continues on the Law Society's bilingual corporate website redesign project with a launch set for the first quarter of 2018. The new website design and architecture prioritizes accessibility to ensure that visitors – whether staff, licensees or the public – can find the information that they need.

ERC maintains a range of communications channels. Readership of the Gazette, our online magazine, continues to grow compared to previous quarters in 2016. On May 25, the Gazette announced the 11 exceptional legal professionals celebrated at our annual Law Society Awards event. This drew over 10,000 page views and set a record readership for 2017. Convocation Update, an e-newsletter that delivers policy and other news to licensees, has a new look and the 2016 Annual Report website was successfully launched last month at the Law Society's Annual General Meeting.

French Language Services

From January 1 to May 31, French Language Services handled close to 5,000 translation or proofreading requests from a variety of internal clients. The types of requests that French Language Services responds to are varied, from a single-line



tweet to an exhaustive Convocation Report. Regardless of the scope of the work, the aim is to provide quality and timely French Translations to all internal clients for the benefit of Francophone licensees and members of the public in Ontario.

Digital and Social Media

ERC has continued to focus efforts on increasing engagement and enhancing its brand through content marketing. The division has seen success promoting a number of topics through various digital and social media platforms over the last six months.

As a result, an increase in our membership outreach has grown audiences by 10%:

- Facebook (an increase from 3,785 likes to 4,184 page likes)
- LinkedIn (an increase from 8,108 to 8,831 followers)
- Twitter (an increase from 10,000 to 11,000 followers)

So far the top topics of interest for 2017 include: Human Rights Award, Dialogue on Licensing, Unified Family Court, Equity programs, and Law Society Awards.

Starting in June, ERC will be acquiring Cision's social media monitoring tool. Data collected by this tool will inform outreach strategies and provide insight about our target audiences.

CORPORATE SERVICES

OUR PEOPLE

Diversity Census and Inclusion Initiatives

The Law Society is committed to fostering a workplace that supports diversity and inclusion. The 2016 Diversity Census and Inclusion Survey provided the Law Society with information on how that commitment can continue to be strengthened. With that focus, the Diversity & Inclusion Committee was established to organize educational events for Law Society employees. These educational events will provide opportunities



for employees to broaden their knowledge and to learn from each other; to promote an inclusive workplace.

June saw the launch of the Canadian Centre for Diversity and Inclusion (CCDI) “dynamic” mode tool, which provides employees (both new and current) with the ability to input and update their demographic information on an ongoing basis. This will provide the Law Society, at any time with updated and current information on the demographic makeup of our employees.

Employee Engagement and Enablement Survey

The results from the 2016 Employee Engagement and Enablement Survey (EES) have led to a number of initiatives, to help the organization attract and retain the best talent. Eligible employees re-enrolled in their benefits programs online for the first time in March and will have ongoing access to their Total Reward Statements (TRS) in June. Organizations use TRS as an attraction and retention tool – the statements provide employees with a clear picture of the value of their entire employment package.

The Talent Management and Succession Planning Program will launch this summer. The program will provide employees with the opportunity to increase their skills and capabilities in a number of key areas, as well as ensure the Law Society has developed managers to fill essential roles.

TECHNOLOGY

Relationship Management System Project (RMS)

The Relationship Management System (RMS) is the name of the project to modernize the Lawyer & Paralegal Database, or, as many people call it, “the AS/400” (after the name of the IBM server it runs on). The current system, implemented in 2003, is dated and we need new technology to enable us to continue to be effective, service oriented, and more proactive. Among the major business goals of the RMS, is the goal to increase the efficiency of our existing staff to prepare us for taking on new, data-intensive initiatives.

In 2016, we completed much of our preparatory work for this project, and received funding and project go-ahead approval at the end of the year. This year we completed a



detailed RFP and sent it out to vendors, receiving a dozen responses, which the evaluation committee reduced to a shortlist of four. We then requested that each shortlisted vendor develop a proof-of-concept application to demonstrate the strengths of their platforms, which they presented to us during the last week in April.

On May 16, the 10-person evaluation committee came to a consensus agreement to award the contract for the Discovery Phase to a company called WaveMaker. The Discovery Phase is a relatively short introductory phase during which we will engage with the vendor more closely, enabling them to develop a fixed-price quotation for the full implementation of the RMS. Our goal is to complete the Discovery Phase by the end of September, and to be able to start the Implementation Phase in November.

LSUC Portal

Last year we completed the integration of the Lawyer Annual Report (LAR) and Paralegal Annual Report (PAR) into the re-designed LSUC Portal. This year we are planning to make further changes in line with the recommendations of the Challenges Faced by Racialized Licensees Working Group (see below), as well as to continue to improve the accessibility of the overall Portal. We are also working on a number of new portal-related initiatives related to the management of business information, including a project to greatly reduce duplicate business records; the development of a “Business View” to improve the ease with which licensees are able to manage their business information; and the ability to renew professional corporations online. We are also working to improve the Lawyer & Paralegal Directory, by providing greater control through a new “Access to Justice” Portlet.

Challenges Faced by Racialized Licensees

In the short term, in response to the recommendations of the Challenges Faced by Racialized Licensees Working Group Report approved by Convocation last December, we are planning some changes to the 2017 LAR/PAR, specifically: the addition of two questions (one about abiding by a Statement of Principles and the other about the existence of a workplace Human Rights/Diversity Policy); some changes to the demographic data section; and the addition of notices about future changes in our use of self-identification data and our intention to collect qualitative inclusion data.



In addition to these changes, we are working to develop a platform for collecting the diversity and inclusion self-assessment reports from legal workplaces of 10 or more licensees, as per Recommendation 3(3) of the Working Group Report (starting in 2018). In the longer term, we are also planning for the development of a platform for providing reports containing quantitative licensee self-identification data from the LAR and the PAR to legal workplaces of 25 or more, based on Recommendations 4 and 5 of the Working Group Report (starting in 2019).

Digital Information Risk Management

The recent “WannaCry” ransomware attacks have highlighted the importance of having a strong information risk management plan in place, and of maintaining it constantly. Due to our information security controls and processes, as well as our program of user education about the risks of “phishing” and malware, we were thankfully not affected by this particular attack—but with more attacks being launched on a weekly basis, we cannot afford to become complacent.

In addition to constant maintenance of our information security controls, this year we are also working on a number of major security related projects, including: an upgrade to our firewalls to support our ever-increasing network usage; the implementation of an Identity & Access Management system to provide greater control over user authentication and authorization; and a third party assessment of our credit card processing systems to certify our compliance with Payment Card Industry (PCI) standards.

Other Projects

A number of other major IT projects are underway this year, including:

- We have started the design and development of a new SharePoint-based workflow for the CSC’s By-Law Administration Services Department (BAS), based on the very successful workflow implemented for the Membership Services in 2014/15.
- We are working closely with the newly-hired Manager of the Technology & Evidence Control Unit of the Professional Regulation Division to procure the required equipment and services for the digital forensics and evidence



management functions, and also to assist with the planning for the implementation of litigation support software to enable the move to all-digital document handling.

- We are working closely with the Facilities Department to support the implementation of the Law Society's space master plan, and to continue the work to provide much-improved and standardized AV capabilities in all meeting rooms.

OUR SPACE

Space Allocation

Earlier this year a review of current space allocation for the administrative offices of the Law Society Professional Regulation Division (PRD) was launched; we determined that the existing space allocation at Osgoode Hall would not meet the spatial and functional needs required by PRD in order to align with the recent organizational changes. For this, a move to 393 University newly leased premises on the 11th and 12th floor was determined to be the best fit. The new space will allow for new workflow and team structures as well as accommodate for future growth. The move is scheduled for fall of 2017.

Similarly, a Master Plan for Osgoode Hall is in the works to provide relief to congested work areas. The plan will address efficiency of space usage, enhance the work environment with the use of flexible furniture solutions and update meeting spaces with integrated technology to foster collaboration.

PROGRAMS

Asset Preservation

While Osgoode Hall's architectural significance continues to be the main draw for the public, the Law Society's portrait collection is an invaluable record of Ontario's history and a tribute to Chief Justices of the province and Treasurers of the Society. The collection owned by the Law Society consists of over 100 paintings, sculptures, drawings and prints. A Portrait Tour mobile app project was completed and launched late 2016. The app, which highlights the various works, is now available for download by staff, members and the public.



Fence

Work is progressing on the repairs to the gates of our 150 year old fence. The project will remedy the rusted and broken parts, as well as provide new foundations so the vehicular gates can remain operable.

Doors Open

Doors Open was a great success again this year. A record crowd of over 13,000 visitors explored Osgoode Hall during the May 27-28 weekend. One hundred volunteers from the Law Society, the Court of Appeal and the Ministry of the Attorney General worked together to welcome our guests. The presence of Justices Thorburn and Tulloch, of the Treasurer, former Treasurers, and several benchers of the Law Society were valuable additions to the event. I for one, thoroughly enjoyed the day.

The primary objective of opening Osgoode Hall to the public is to let visitors discover the architecture and history of the building, but it is also a wonderful opportunity to answer their questions about the justice system and the regulation of the legal professions. TAG took advantage of the event to promote the “Steps to Justice” website and t-shirts were sold for the benefit of the “Lawyers Feed the Hungry” program. A special thank you to Elise Brunet, our resident Curator, who makes this all possible.

Administrative Obligations and Suspensions

The Law Society published a total of 856 suspension notices to the LSUC Portal during the first five months of 2017. In addition, staff in the Client Service Centre continue to follow up with reminder emails and an attempt to reach licensees who have not complied with their administrative obligations by phone.

Starting in 2018, staff will no longer contact licensees by phone about pending administrative suspensions. Most licensees are now familiar with the LSUC Portal, and realize that they have to check it on a regular basis to review important documents posted in their account. The Law Society will ensure that licensees are made aware of due dates for their administrative obligations, including publishing the dates on our website, and in licensee publications (such as the Gazette, the ORs, the e-Bulletin and the Paralegal Update). In addition, emails will be sent to all licensees on the suspension list prior to the Order being signed by the Summary Order Bencher.



However, licensees have an obligation to keep their contact information up to date with the Law Society (pursuant to By-Law 8). We expect them to take responsibility for diarizing the due dates for paying their annual fees, filing their annual report, complying with the CPD requirement and ensuring they have professional liability insurance, if required.

POLICY & LEGAL AFFAIRS

The rebuild of a policy unit has commenced. The office has been conceptualized as being staffed by three groups of counsel: Research Counsel, who will provide legal and other research required to support policy development; Policy Counsel, who will provide support to the standing committees of Convocation, focusing on the more standard work of the standing committees; and Strategic Policy Counsel, who will provide support for the more innovative policy-development undertaken by the standing committees of Convocation, working groups and task forces. The recruitment process has commenced and there has been a very good response in the Research Counsel competition. There is every indication that the Research Counsel positions will be filled within the next month or two.

The Policy Counsel and Strategic Policy Counsel competitions are still in their early stages. Job advertisements were posted during the first half of June, however, judging from some early expressions of interest in the positions, we are confident that we will be able to put in place a highly functional policy office.

TWU

The TWU case has been tentatively scheduled for hearing on November 30. The appellants (TWU and Brayden Volkenant) have delivered their factum, record and book of authorities. The Attorney General of Ontario has delivered a notice of intervention. As of June 13, one motion for leave to intervene had been delivered (that of the Canadian Council of Christian Charities).



SERVICES FOR MEMBERS AND THE PUBLIC

Law Society Referral Service

The Law Society Referral Service (LSRS) application and renewal process moved into the LSUC Portal in the middle of November 2016. Licensees are now applying to the service and managing their own LSRS profiles online. From January 1, 2017 to April 30, 2017, 165 eligible licensees used the LSUC Portal to apply to join or rejoin the service, which is a 12% increase in the number of LSRS applications submitted by licensees, compared to the same period last year.

From January 1, 2017 to April 30, 2017, the Law Society Referral Service provided 15,189 referrals. Of those, 11,260 were provided through the online service; 3,594 referrals were provided through the crisis line; and 335 referrals were provided by email. From January 1, 2017 to April 30, 2017, LSRS also provided the contact information of up to three lawyers or paralegals on 1,667 occasions to people who did not qualify for a referral. A member of the public would not qualify for a referral if they do not live in Ontario, if their legal matter is urgent and they cannot wait up to three business days for the licensee to arrange a consultation, or if they have already received a referral for the same legal issue within the calendar year.

Client Service Centre Changes

The Client Service Centre underwent some changes last month, resulting in a reduction from six departments to five. As of May 1, 2017, the processes formerly handled by the Administrative Compliance Department have been merged with other departments. Staff that worked in Administrative Compliance were transferred to either By-Law Administration Services or Complaints & Compliance (which was re-named from Complaints Services). To allow those departments to handle the additional work, some tasks completed in these two areas were transferred to Membership Services. Our goal was to align like processes together, to realize further efficiencies.

The Law Society's website has been updated, so licensees will know which processes are handled by each department. Highlights are that professional corporation applications will be reviewed in By-Law Administration Services, mobility



permits/licensing applications will be handled by Complaints & Compliance and certificates of standing will be prepared by Membership Services.

Member Assistance Plan (MAP)

As the MAP & Peer programs move into their fifth year in 2018, I am pleased to report that through tremendous efforts we have developed a highly successful assistance program.

Members Assistance and Peer programs are built on a foundation of trust and confidence. As a result, the best metric to measure success is knowing whether or not our members actually trust and utilize the program. Our MAP is now it is recognized as one of the most successful membership programs in the country with a utilization of over 5.2% in 2016 and a projected 2017 annual utilization of 5.59%. Important to note that this level of utilization far exceeds the *'normal'* or expected uptake for a programs of this nature - 'membership' or 'association' program.

With the ongoing commitment of Aon and the focus and expertise that this team brings to managing the professionalism and quality of programming delivered by the provider, Homewood Health, we have every confidence that this program will continue to be a success.

Over the last four years we've enjoyed a partnership with Aon that has greatly contributed to the health and wellness of our profession. Accessibility to the highest quality of clinical and non-clinical resources is now without question. Guidance and feedback on the evolution of our mental health strategy task force is ongoing.

In line with the program's mandate – *"Ensuring increased awareness of mental illness and addictions issues among the Ontario legal professions and those with whom they work,"* this has been accomplished in part through a diverse communication strategy that ensures that our provider, Homewood, engages our members through a multidisciplinary approach, that includes on line or print publications, the multitude of speaking engagements across the province industry conferences and engaging with our new members currently completing studies at any one of a number of Ontario law schools.

The assurance of a dedicated staff with professional industry, clinical and legal backgrounds ensures an alignment with our culture and unique challenges.



For the Peer program under the direction of our partner at Aon, the provider Homewood maintains a strong network of 34 peers (lawyers, paralegal, students) all trained and focused on one thing - the health, safety and sustainability of our profession

As we move into our fifth year, we will once again be reviewing the market for new options and opportunities to ensure that we stay at the forefront of clinical and non-clinical services and solutions in the best interest of the physical, mental and social health of our membership. We continue to work with our consulting partner Aon Hewitt and expect that the program will continue to evolve and improve.

Toronto Lawyers Feed the Hungry Program

In January 2016, Convocation approved two year funding of \$100,000 per year for a position to support Lawyers Feed the Hungry programs. In April 2017, The Audit & Finance Committee provided a status report on developments to Convocation. We engaged a Fundraising Consultant to provide initial guidance and expertise. We then hired a Development Manager, Aviva Malka, whose mandate is strategic fund growth and relationship development. The intention is to support the programs across Ontario and assist the Toronto program in becoming self-sustaining.

On average, the Program serves approximately 60,000 guests a year at an average annual cost of \$380,000. The current financial situation of the program is healthy. The Toronto Lawyer's Feed the Hungry Program's fund balance at the end of 2016 was \$935,000 with annual revenues of \$755,000 up from \$507,000 in 2015. Direct costs associated with operating the program have remained relatively unchanged over the last three years.

I am excited to announce the Schulich Foundation has recognized the important work of the Toronto Lawyers Feed the Hungry Program and has committed an extraordinary gift in support of the program by matching each dollar raised by the Foundation in donations from lawyers and law firms between May 1st and July 31st, 2017 up to a total of \$100,000. The Schulich Foundation has a long history of providing remarkable philanthropic support to educational and medical institutions, and other worthy causes.

So any donations from lawyers and law firms during this time can double the impact of funds raised, making it an ideal time for the legal community and its leadership to



contribute. The campaign is well underway and the Development Manager and Fundraising Committee, co-chaired by The Honourable Stephen T. Goudge and Ian Hull are working diligently to realize the full potential of this opportunity which will provide great assistance in establishing the program as self-sustaining.

CONCLUSION

This has been a challenging time for many of our operational divisions. We are working through a number of transitions and changes which inevitably prove disruptive. I am extremely grateful for the leadership and wisdom of our Senior Management Executive in supporting these initiatives, and the commitment of those in operations who continue to sustain us by carrying the heavy workload that is reflected in this report. We are blessed to have such an extraordinarily dedicated staff.

I acknowledge with thanks our Benchers and particularly our Treasurer, Paul Schabas, for their continued patience and openness to working with us. Their vision and encouragement to us as we work together to fulfill our public interest mandate keeps us energized and looking forward to new challenges.





The Law Society
of Upper Canada

Barreau du
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