

THE LAW FOUNDATION OF ONTARIO – A BETTER FOUNDATION FOR JUSTICE

Following the trail: From mixed trust account interest to access to justice

Most Ontario lawyers and paralegals are probably aware that interest earned on their mixed trust accounts goes somewhere – there’s that annual compliance form to file after all – but may not have a full understanding of where the money ends up or how it’s used.

Closing that circle, by informing legal professionals as to what’s being achieved with this revenue, is the purpose of this new regular editorial contribution to the *Gazette* from the Law Foundation of Ontario. The LFO was created in 1974 and is the statutory body that receives all mixed trust account interest.

The LFO’s mandate is to advance access to justice and to promote professional excellence, which it does in various ways including:

- *Funding for Legal Aid Ontario* – By law, 75 per cent of net mixed trust account revenues are directed by LFO to LAO, providing what is typically a significant supplemental income stream.
- *Grants* – Dozens of grants every year support law-related work on the part of diverse non-profit organizations, ranging from prominent groups with province-wide mandates such as Pro Bono Law Ontario through to small grassroots initiatives such as the Ontario Black History Society.
- *Support for Law Schools* – Annual multi-purpose grants to each of the province’s law schools enable them to undertake educational enrichment and better achieve a margin of excellence.
- *Fellowships* – Various fellowships support articling positions at public interest organizations and at agencies serving remote communities and linguistic minorities, and help to forge better links between community leaders and academia.

The significant collective impact of this work includes: enabling better and often more innovative service delivery to Ontarians who face barriers in accessing justice; enabling more law students to enter into public interest careers; and supporting professional excellence through legal education for both students and the practising bar.

And while the work of the LFO is by no means the only public service initiative for which Ontario’s legal community can claim credit, it is certainly among the most significant.



Such work is of course not without its challenges, and the LFO’s approaches are continually evolving.

Key among current challenges are rock-bottom interest rates which are affecting mixed trust account revenues. These revenues rebounded moderately in 2010, but at \$13.8 million they were well below both a 10-year average of \$36.6 million and a 2007 peak of \$76.9 million.

Fortunately, this revenue impact was offset to a degree by last year’s launch of the national Access to Justice Fund. Its creation was made possible by the receipt of \$14.6 million under the terms of a class action settlement.¹ This represented a precedent-setting use of *cy-près* funds and is one of the most significant milestones in the LFO’s history. Grants have been approved for projects relating to Aboriginal Peoples, linguistic minorities and rural residents, legal self-help, domestic violence and consumer rights.

Further information regarding LFO activities and recent developments is available in its just-released 2010 annual report (pictured above) at: www.lawfoundation.on.ca/annual.php. And watch this space for future updates and information... [OLG](#)

¹ *Cassano v. Toronto Dominion Bank 2009 Can LII 35732 (ON S.C.)*