

Hear the one about  
the lawyers who generate millions  
of dollars every year to  
improve access to justice?

It goes like this:  
Interest earned on their mixed trust  
accounts – totalling more than  
three-quarters of a billion dollars since  
1974 – is used to put justice in  
easier reach and promote professional  
excellence across Ontario.



This interest produced  
\$7.8 million for Legal Aid Ontario  
in 2009, and a record \$14.3 million  
was paid out in grants.

We're the  
Law Foundation of Ontario and  
we helped make it happen.

*And that's no joke.*

The Law Foundation of Ontario (LFO) is a not-for-profit corporation, established by provincial statute in 1974. It has a unique mandate to help more people understand the law and use it to improve their lives.

The LFO enables grantees to pursue public interest mandates and strengthens linkages among them. It also supports excellence on the part of legal professionals and promotes the pursuit of public interest law. Improved access to justice, particularly for disadvantaged groups, is an underlying objective of all its work.

The LFO is primarily funded by the interest from the mixed trust accounts into which lawyers and paralegals in Ontario deposit funds they hold in trust for clients.

The LFO also administers the Class Proceedings Fund, which was established with an LFO endowment in 1992. The fund supports pursuit of class actions in the public interest.

Further information, including application procedures, is available at [www.lawfoundation.on.ca](http://www.lawfoundation.on.ca)



REPORT FROM THE CHAIR

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The business of the LFO is to improve access to justice through carefully selected funding awards.

And while we were certainly conscious of and affected by economic conditions in 2009, we conducted a record volume of business.

Using a surplus from previous years, we elected to maintain a high level of support during a time of particular need for many of our grantees and the clients they serve.

We saw increases of approximately 30 per cent in grant applications and 20 per cent in grants authorized, both relative to already high figures in 2008. We were pleased to see more new applicants, and greater geographic and subject-matter diversity.

This likely reflects increased needs and fewer funding alternatives due to the economy. But we also believe that the heightened awareness of the LFO and the new relationships we have cultivated played an important role. These primarily resulted from a provincial outreach tour that we initiated in 2008.

Our grantees achieved diverse and remarkable outcomes this past year. This report lists the approximately 150 discretionary grants we authorized in 2009, and highlights achievements arising out of only a small sample of these and earlier grants. Collectively, these represent a tremendous contribution to the promotion of broader understanding of the law, more equitable access to justice and excellence in the legal profession.

We continued to offer fellowships, providing significant personal development opportunities while advancing the work of host institutions. And our targeted debt-repayment assistance program further facilitated recruitment into public interest law.

#### 2009 Focal Points

Operationally and strategically, we had three key focal points in 2009:

**Grantee Partnerships** – We deepened our relationships with many of our long-term grantees by supporting the expansion of their capacity. An Executive Directors Network of key grantees and regular professional-development events were fully operational. We also funded evaluations of key LFO-supported programs, and have set aside monies in a Rejuvenation Fund to enable continuous improvements on the part of these key organizations.

**Connecting Project** – We acted on the recommendations in the 2008 Connecting Report, to promote access to justice for linguistic minorities and those living in rural and remote areas. Under the guidance of a new project director, we established Connecting Articling Fellowships, and worked towards launching a Community Capacity Consortium and selecting a region within which to pilot additional measures recommended in the report.

**Access to Justice Fund** – In late 2009, we received \$14.6 million as directed in the settlement order in the *Cassano v. TD Bank* class action (*cy præs* funds that could not be distributed to individual plaintiffs). This has brought about the creation of an Access to Justice Fund, which will support work in priority areas in Ontario and across Canada, and is being rolled out in 2010.

Additionally, we continued to modernize internal operations and infrastructure, including introduction of new grants-management software and the rollout of an e-filing process for the forms which mixed trust account holders must submit, and which enable us to ensure that we receive the funds due to us.

#### New Realities

Of course, this report would not be complete without an acknowledgment of the challenging financial picture created by the significant decline in interest rates during 2009, its dramatic effect on our primary source of revenue and most particularly, on the funding we provided to Legal Aid Ontario (representing a statutorily fixed percentage of our interest revenue). The impact of these low interest rates will continue to be felt in 2010.

In recognition of that reality, we have taken steps in early 2010 both to ensure ongoing financial support and stability for our long-term grantees, while significantly scaling back other discretionary grant-making. To fairly address the latter, and to maximize the impact of available funds, we have reduced both grant limits and the number of application cycles.

Combined with efforts to increase our returns from both mixed trust accounts and investments, we believe that these measures position us well to sustain our work, even with much more modest resources. All funding organizations faced the challenges brought on by the economy in 2009. But we are proud that despite these challenges, we have not only preserved but expanded our work in areas of great need, while also adjusting to financial realities.

#### Board Transition

Larry Banack concluded a five-year term as chair of the LFO board of trustees at the beginning of 2009. Larry oversaw a period of significant development at LFO, marked by heightened outreach and the launch of various signature initiatives, which will continue to shape the organization's work for years to come. The Debt Repayment Assistance Program, the Public Interest Articling and Community Leadership in Justice Fellowships, and the Law and Innovation Fund (out of which the current Connecting Project originated) are all legacies of Larry's tenure as chair. On behalf of LFO staff and the current trustees, I wish to thank Larry, and to acknowledge the impact of the "big thinking" he consistently brought to the table and inspired in others.

I wish, too, to take this opportunity to acknowledge the tremendous contribution of every member of our exceptional staff and the trustees of the LFO board for their devotion to our work. As well, thank you to the many individuals and organizations among our grantees, and our other partners and stakeholders, whose commitment and efforts have made the results described in this report possible.



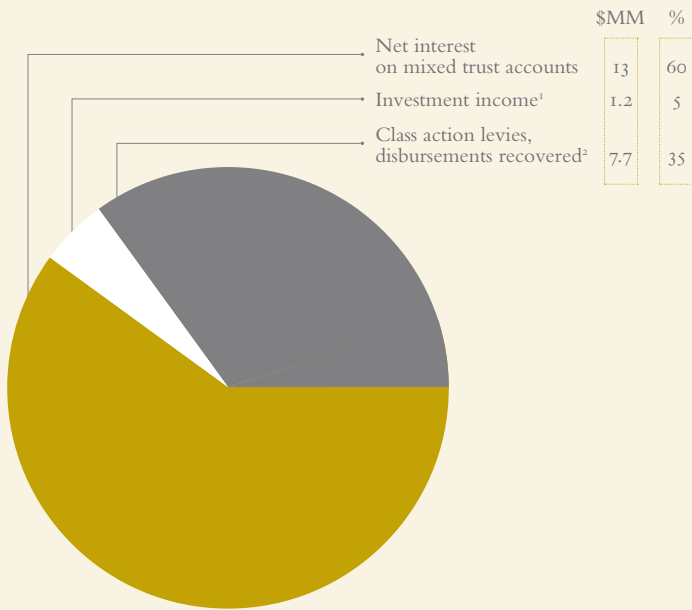
**Mark J. Sandler**  
Chair

## FINANCIAL OVERVIEW

### Revenue

The *Law Society Act* requires that all interest earned on mixed trust accounts held by lawyers and paralegals in Ontario be paid to the LFO, and this is its primary revenue source.

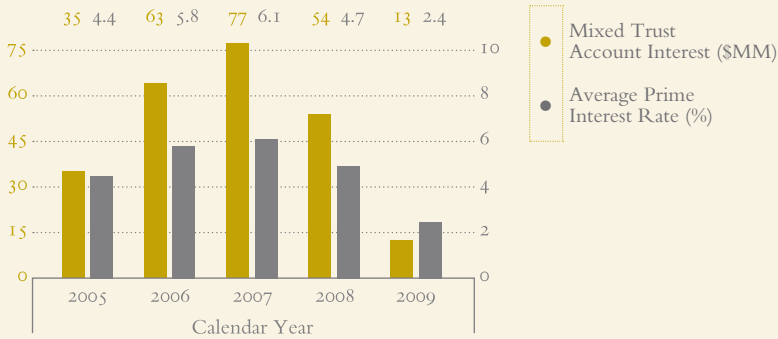
#### 2009 Regular Revenue



- 1 Investment of funds set aside for specific longer-term allocations
- 2 10% levy on awards/settlements and recovery of disbursements paid in cases funded through Class Proceedings Fund

Revenues from mixed trust accounts can be highly variable, and in 2009 they were sharply reduced by weak economic conditions and very low interest rates. Mixed trust account revenues are also influenced by the service charges and interest rates negotiated with the banks and financial institutions that hold mixed trust accounts.

#### Interest Revenues and Rates



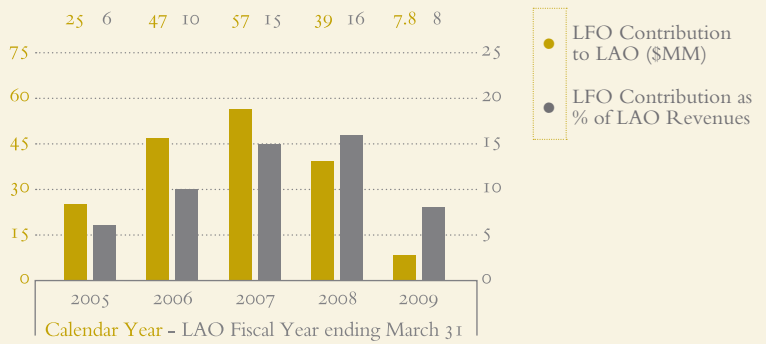
LFO's regular 2009 revenues were supplemented with a one-time payment of \$14.6 million. This was part of the settlement arrangement relating to a specific class action, and was in addition to funds otherwise payable to LFO because the case was supported through the Class Proceedings Fund. These funds were entirely used to establish the Access to Justice Fund which has been launched in 2010.

[www.lawfoundation.on.ca/atjf](http://www.lawfoundation.on.ca/atjf)

### Expenditures

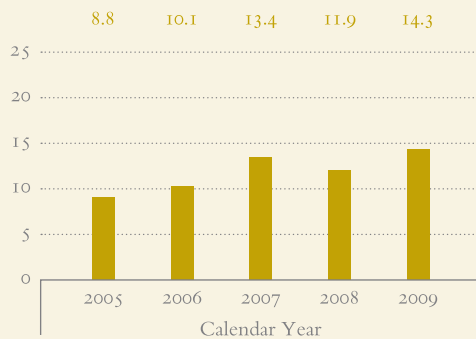
The *Law Society Act* requires that 75 per cent of LFO's net mixed trust account revenues, less operating expenses, be paid to Legal Aid Ontario (LAO) to supplement its other funding sources.

#### LFO Funding to LAO



The large majority of the rest of LFO's revenue, after making the 75 per cent allocation to LAO, is awarded in grants to improve access to justice and enhance excellence in the legal profession. Surplus funds from previous years supported record grant authorizations in 2009.

#### Grants Authorized (Total) (\$MM)



## GOVERNANCE AND STAFFING

The LFO is governed by a five-person board of trustees whose members serve on a voluntary basis. Three trustees are appointed by the Law Society of Upper Canada (the governing body for lawyers), and two by the Attorney General of Ontario.

While independent of the Law Society and outside of government, the LFO files an annual report with the Attorney General who then tables it in the Legislative Assembly.

### Trustees



**Mark Sandler<sup>1</sup>** (Chair)  
Partner; Cooper & Sandler



**Mark Leach<sup>2</sup>**  
Assistant Deputy Attorney General; Policy & Family Justice Services Division, Ontario



**Janet E. Minor<sup>1</sup>**  
General Counsel; Constitutional Law Branch, Ministry of the Attorney General, Ontario



**Paul Schabas<sup>1</sup>**  
Partner; Blake, Cassels & Graydon LLP



**Lorne M. Sossin<sup>2</sup>**  
Professor; Faculty of Law, University of Toronto

- <sup>1</sup> Appointed by the Law Society  
<sup>2</sup> Appointed by the Attorney General

### Staff



Seated left to right

- Judy Mark** Director, Strategic Finance and Administration  
**Nopparath Pathoomrath-Allen** Administrative Coordinator  
**Ayumi Bailly** Director, Policy and Programs  
**Taciana Estrela** Office Assistant  
**Vivien Lee** Project Coordinator

Standing left to right

- Gina Papageorgiou** Counsel, Class Proceedings Committee  
**Alida De Lorenzi** Grants Officer  
**Arta Tafaj** Senior Administrative Coordinator  
**Susan Turner** Grants Officer  
**Elizabeth Goldberg** Chief Executive Officer  
**Daniel Huffaker** Grants Officer, Connecting Project  
**Brian Johns** Project Assistant  
**Irene Geridis** Manager, Accounting and Administration  
**Barbara Stewart** Executive Assistant to the CEO  
**Tanya Lee** Project Director, Connecting Project



Grants  
and  
Outcomes



## HEIGHTENED PROFESSIONAL EXCELLENCE



Many LFO grants and activities are aimed at fostering excellence in the legal professions.

The ultimate objective is two-fold: to ensure that competent, ethical and diverse counsel is available when Ontarians need it; and to make legal career paths as rich and rewarding as possible for those who follow them.

The highlighted grants include ones authorized in 2009 and previously, and descriptions focus on achievements during 2009.

A full list of grants authorized during 2009 appears on pages 16-17.

**Partner:** Association of Family and Conciliation Courts,  
Ontario Chapter

**Project:** Law Student Child Protection Dinner

**Place:** Toronto

The association – originally the Advisory Committee on Attracting New Child Protection Lawyers – hosted a career-oriented networking dinner in March which linked Toronto-area law students with judges and senior child-protection lawyers. Child protection has become an under-serviced practice area, with negative implications for families involved in proceedings, likely due in part to relatively limited promotion and awareness of this career alternative at law schools. Approximately 60 people, half of them students, attended the event. The event generated numerous follow-up requests from participants to attend proceedings, and the same model was subsequently used for an event in Windsor.

**Partner:** Criminal Lawyers' Association

[www.criminallawyers.ca](http://www.criminallawyers.ca)

**Project:** New Criminal Lawyer Mentoring Pilot Project

**Place:** Province-Wide

The CLA undertook development of a pilot project involving structured and one-on-one mentoring for a group of 10 new criminal lawyers in sole practice or small firms, over a six to eight-month period. The project was initiated in response to concerns expressed by judges regarding the number of inexperienced lawyers appearing on complex criminal matters, and to various factors that have resulted in a criminal-law mentorship gap, such as affordability challenges that prevent many criminal lawyers from hiring articling students. Based on the pilot project, a practice-management mentorship model will be developed for potential broader application within the criminal bar and other types of practice.

**Partner:** Humber College

[www.humber.ca](http://www.humber.ca)

**Project:** Graduate Certificate in Forensic Practice –

Online Development

**Place:** Toronto

Building from earlier LFO-funded program development work, Humber's School of Social and Community Services continued to expand online course availability in its forensic practice certificate program. Forensic practice involves the intersection between disciplines such as social work and nursing on the one hand, and law enforcement and the courts on the other. Common contexts include child welfare work and probation and parole services. Humber's is the only certificate or degree program in forensic practice in Canada, and has seen an increase in participation by students from outside the Greater Toronto Area. When completed in 2010, the current phase of work will result in online availability of an additional four courses relating to child welfare and substance abuse.

**Partner:** Law School Teaching Clinics

**Project:** Sabbaticals for Directors, Instructors and Supervisors

**Place:** Province-Wide

This grant enables two instructors per year from the legal clinics associated with Ontario's law schools to take four-month sabbaticals, during which they study and develop methods and materials to enhance clinic-based education. This recognizes the important role of clinics in legal education, and as pathways to careers in public interest law. Sabbaticals were awarded in 2009 to staff members from the Community and Legal Aid Services Program (Osgoode Hall Law School) and from Downtown Legal Services (University of Toronto), for projects involving development of a trial advocacy course and a paper proposing a new analytical framework for clinical legal education. Outcomes of sabbaticals are circulated throughout the clinic and legal education communities.

**Partner:** LibraryCo. Inc.

[www.libraryco.ca](http://www.libraryco.ca)

**Project:** Electronic Resources Initiative

**Place:** Province-Wide

LibraryCo is a not-for-profit corporation that centrally manages the 48 county and district law libraries around the province. Support for law libraries is among the LFO's specific legislative objectives, and it has provided grants to LibraryCo since its inception. Access to current research resources – for lawyers at all sizes of firms and in all locations – improves the availability and quality of legal services. LibraryCo is currently focusing much of its efforts on optimizing the range and availability of its electronic resources, which Ontario lawyers can already tap into via tens of thousands of connections. The 2009 grant supported the full scope of LibraryCo's electronic resource acquisitions for the year.

**Partner:** Ontario Courts Accessibility

Legal Education Sub-Committee

**Project:** Courts Disability Accessibility Education Project

**Place:** Province-Wide

The sub-committee began to develop a web-based and comprehensive collection of existing teaching materials relating to barriers to Ontario's court system for people with disabilities, and means of overcoming those barriers. This work is a response to a recommendation of the Weiler Committee, which was appointed by the Chief Justice, and which in 2007 documented limitations on the access that 1.5 million Ontarians with disabilities have to the courts. The web site – due to be launched in 2010 – will support expanded education for legal professionals on disability-related matters, and ultimately contribute to improved court accessibility. Gaps in existing teaching materials will also be identified.

**Partner:** Osgoode Society for Canadian Legal History  
[www.osgoodesociety.ca](http://www.osgoodesociety.ca)

**Project:** Symposium on Canadian Legal History  
**Place:** Toronto

In October, the society held a milestone symposium at Osgoode Hall, following its annual book launch and marking the organization's 30th anniversary. The Society has been the vehicle through which the discipline of legal history has taken shape in Canada. Its dozens of books represent most of the published work in the area, and its extensive collection of oral histories is unique in Canada and one of only a few in the world. The event attracted most leading legal historians, and a total of more than 100 participants from university faculties, the profession and the judiciary. The event also provided an opportunity for deliberation on the direction of the Society and the discipline during their fourth decade.

### Support for Law Schools

Ontario law schools are important partners in the LFO's professional development efforts. Each receives an annual comprehensive grant to support student enrichment and community outreach, and schools are eligible for one-time project grants. An example of the use of one comprehensive grant is described below – at the University of Western Ontario, whose law school turned 50 during 2009 – along with brief descriptions of one of a number of LFO-supported projects at each of the other schools.

**University of Western Ontario Comprehensive Grant**  
[www.law.uwo.ca](http://www.law.uwo.ca)

UWO used its comprehensive grant for 2008-09 to support the faculty's distinctive January Term, its active exchange program, its community outreach and public interest law offerings, and to otherwise enrich its core teaching and research functions.

The January Term is a four-week period during which upper-year students take a single intensive small-group course with an active learning component. Grant funding helps secure participation of leading international academics in January Term, thus bringing invaluable global perspectives to the faculty.

About one in five UWO students participate in its international exchange program, which involves partnerships with law schools in more than a dozen countries.

Legal services are provided to thousands of members of the UWO and London-Middlesex communities each year through the faculty's Community Legal Services clinic, the associated Dispute Resolution Centre (mediation services), and through participation in the national Pro Bono Students Canada program.

Grant money also supports research and teaching assistance (provided by students to faculty members), student conference attendance, student participation in advocacy competitions, the faculty's graduate program and scholarship, the *Journal of Law and Jurisprudence*, and the faculty's library.

### A Sample of Projects at Other Law Schools

**Osgoode Hall** [www.osgoode.yorku.ca](http://www.osgoode.yorku.ca) – The Alternative Dispute Resolution Clinic was launched to serve the needs of the community surrounding York University in conflict prevention and resolution. Participating students are trained in the theory and practice of mediation, and other forms of conflict resolution, and get practical experience that includes mediating disputes at Small Claims Court. Student outreach included workshops and meetings with community organizations, lawyers and legal aid clinics.

**Queen's University** <http://law.queensu.ca> – After Queen's demonstrated the feasibility of a Small Business Law Clinic, the LFO agreed to provide two-year seed funding. The clinic's mandate is to meet the basic legal needs of local entrepreneurs, new businesses and non-profits in eastern Ontario on a pro bono basis, while giving students practical exposure to business law. Clients with limited financial means are referred to the clinic by the Kingston Economic Development Corporation.

**University of Ottawa (Common Law Section)**

[www.commonlaw.uottawa.ca](http://www.commonlaw.uottawa.ca) – The Public Interest Environmental Law Clinic, established in 2006 in partnership with Ecojustice Canada, continued to provide clinical legal education and to work with environmental groups on diverse litigation and law reform projects. Improved access for francophone students and French-language services were among its advancements.

**University of Ottawa (Civil Law Section)**

[www.droitcivil.uottawa.ca](http://www.droitcivil.uottawa.ca) – Building on its prominence in the field, the faculty hosted an International Conference on Child Rights. Unique by virtue of the active participation of children and youth, the conference was part of a series of events marking the 20th anniversary of the UN Convention on the Rights of the Child, and was structured around that treaty's four guiding principles.

**University of Toronto** [www.law.utoronto.ca](http://www.law.utoronto.ca) – A multi-year Professional Diversity and Legal Opportunities program culminated with a particular focus on the needs of internationally trained lawyers (ITL). Milestones included launch of a comprehensive bridging program (with provincial funding) to assist such lawyers to enter the profession, and creation of the first ITL pre-articling internship at a major Canadian law firm.

**University of Windsor** [www.uwindsor.ca/law](http://www.uwindsor.ca/law) – The Law Enforcement Accountability Project was launched in 2009. This student-led research and outreach initiative was commissioned to undertake projects that included reviews of a police service's anti-racial profiling initiatives, and of the university's campus police complaints process. LEAP was a response in part to recent legislative changes relating to police complaints.

## AND AN ABILITY TO ACT



Even when better understood, the legal system can still be very daunting. Many LFO grants help overcome barriers and better equip individuals and communities to engage in legal processes and to use legal tools – and to gain the benefit of the protections and advancement the law can provide.

The highlighted grants include ones authorized in 2009 and previously, and descriptions focus on achievements during 2009. A full list of grants authorized during 2009 appears on pages 16–17.

**Partner: Canadian Institute for Environmental Law and Policy**  
[www.cielap.org](http://www.cielap.org)

**Project: Engaging the Public in Brownfield Remediation**  
**Place: Province-Wide**

CIELAP began development of an online guide and public wiki relating to remediation of brownfield sites in Ontario, with a particular focus on opportunities for public involvement. Brownfields are typically un-used former industrial sites and can be heavily contaminated. Yet they are also often on prime locations, and recent legislative and policy changes encourage their re-development. This project will address a lack of plain-language information aimed at helping the public to engage in the review and implementation of such projects. The materials are expected to be completed in 2011, and will be applicable in the many communities across Ontario where brown-field remediation is underway or contemplated.

**Partner: Medico-Legal Society of Toronto**  
[www.mlst.ca](http://www.mlst.ca)

**Project: Advocacy Project – Health Professions Appeal and Review Board**  
**Place: Toronto**

40 students from both Toronto law schools were matched with individuals scheduled to appear before the HPARB and with volunteer lawyer-mentors. The students worked with the patient-plaintiffs to prepare their appeals, relating to complaints against doctors and other health professionals, and the appeals were heard in early 2010. The program improved the ability of the individuals assisted to present their appeals, and aligns with a growing focus on public interest work as part of legal education. A large number of unrepresented appellants has contributed to an HPARB case backlog, and assistance of this type has the potential to improve the speed and efficiency with which cases are heard.

**Partner: Parkdale Community Legal Services**  
[www.parkdalelegal.org](http://www.parkdalelegal.org)

**Project: Access to Justice for Workers in Low - Wage and Precarious Work**  
**Place: Province-Wide**

PCLS initiated this multi-year project in 2008, in light of the combination of a growing number of people holding low-wage and more precarious part-time, temporary and contract jobs; the challenges they often face in accessing information and enforcing employment-standards rights; and the resulting increases in non-compliance with those standards. LFO-funded research included interviews, focus groups, and analysis of case records and worker calls to a hotline. It has expanded the previously limited insight into issues faced by workers in the more than one-third of all jobs that are now non-standard. The research also informed subsequent PCLS efforts to provide these people with more effective legal support.

**Partner: Planned Lifetime Advocacy Network**  
[www.plan.ca](http://www.plan.ca)

**Project: Securing the Future of Ontarians with Disabilities**  
**Place: Province-Wide**

PLAN began work on a broad two-year project to help Ontarians make effective use of Registered Disability Savings Plan, which became available in late 2008. This is a vehicle for tax-deferred savings on behalf of a disabled beneficiary, and it's estimated 200,000 Ontarians could benefit from such plans. The tool is particularly important given that more disabled people now outlive their parents, and yet typically have low incomes. When fully implemented by the end of 2010, PLAN's multi-channel program will include an Ontario-specific web site and book, and in-person, web and tele-seminars. It will address RDSPs and other matters, such as wills and estates and guardianship, involved in planning a secured future for a disabled individual.

**Partner: Community Legal Clinic, University of Ottawa**  
[www.uottawa.ca/associations/clinic/eng/main.htm](http://www.uottawa.ca/associations/clinic/eng/main.htm)

**Project: Aboriginal Legal Services at Community Legal Clinic**  
**Place: Ottawa**

For the third year, a unique articling position at the university's legal clinic served to improve the legal capacity within and services available to Ottawa's Aboriginal community. When this program was initiated in 2006, there were no Aboriginal lawyers representing low-income Aboriginal clients in Ottawa, despite a preference on the part of many potential clients to be served by someone from a similar cultural background. An articling position for an Aboriginal student was created at CLC, with an extended term to allow time for community legal organizing. This has improved both service provision to Aboriginal clients, and enabled CLC to build valuable links with other organizations serving the Aboriginal community.

**Partner: Women's Legal Education and Action Fund (LEAF)**  
[www.leaf.ca](http://www.leaf.ca)

**Project: Equality Rights Project – Case Monitoring<sup>1</sup>**  
**Place: National**

Research lawyers were hired in 2009 to advance this multi-year effort to identify judicial processes and decisions that may represent barriers to women's equality. It will provide baseline data and fill a knowledge gap relating to the equality implications of lower court and tribunal decisions. The research encompassed criminal, family and immigration law, along with Charter and statutory human rights. Findings have suggested continuing difficulties in areas such as the judicial treatment of consent in the context of sexual assault. Summary analyses of case law in these and other research areas will be made available on a dedicated web site, along with other information that may enable action to address barriers. This national project is also being supported by other law foundations.

<sup>1</sup> Originally titled: "Legal Trends in Equality Jurisprudence – Case Monitoring"

## BEYOND GRANTS — OTHER LFO PROGRAMS

Beyond its core activity of awarding grants, LFO has established various multi-year or ongoing programs that are designed in part to leverage skills, advance public interest career choices, and recognize contributions on the part of individuals. See page 17 for a list of participating organizations.

### Fellowships

**Community Leadership in Justice** – Allows leaders from public interest groups to spend time in residence at an Ontario law school or other post-secondary institution, conducting research, teaching or other activities that improve access to justice and promote professional excellence.

**Connecting Articling** – Funds articling positions specifically designed to meet the needs of linguistic minorities and/or people living in rural or remote locations.

**Public Interest Articling** – Funds articling positions at a range of public interest organizations; this program is administered by Pro Bono Students Canada and is intended to promote career paths in public interest law.

### Debt Repayment Assistance

Each year, one graduate from each of six Ontario law schools is awarded multi-year support with the repayment of student loans, in recognition of his or her commitment to pursue a career in public interest law.

### Recognition

**Guthrie Award** – LFO’s signature recognition program acknowledges an outstanding individual or organizational contribution to access to justice or excellence in the legal profession (see page 28).

**McMurtry Endowment** – Two scholarships are awarded annually, one to a student selected by the Second Chance Scholarship Foundation, and another on a rotating basis to a student from one of Ontario’s law schools.

OUR VISION

The Law Foundation  
for advancing the ideal of a t  
The LFO is recognized as  
creative partnerships to s  
development o

OUR MISSION

The Law Foundation of  
the advancement of legal knowle  
profession and community pa  
The LFO funds programs and  
enhance access to jus

## VISION

of Ontario is a catalyst  
for a truly accessible justice system.  
As a leader, working through  
the courts, we will  
sustain and strengthen the  
foundations  
of a just society.

## MISSION

Ontario is committed to  
achieving  
integrity, knowledge, excellence within the legal  
system and  
public participation in the legal system.  
We will support  
innovative and  
bold initiatives that promote and  
improve  
access to justice for all Ontarians.

## GRANTS AUTHORIZED DURING 2009

The following is a list of all grants authorized by the LFO board of trustees during 2009.

These funds enabled grantees to pursue both ongoing and new initiatives and more details regarding some appear on pages 9-12.

Amounts authorized in connection with fellowships and other specific LFO programs are also noted.

<b>Alzheimer Society of Sault Ste. Marie and Algoma District</b> Workshop: Power of Attorney and Living Wills	\$3,000	<b>FCJ Refugee Centre</b> Legal Protection and Integration Program for Uprooted People Sharing Skills and Resources with the Settlement Community	\$84,400 \$150,000
<b>Association des juristes d'expression française de l'Ontario</b> Concentration en justice!	\$141,000	<b>Federation of Metro Tenants' Association</b> Tenant School: Train the Trainers	\$4,250
<b>Association in Defence of the Wrongly Convicted (AIDWYC)</b> Modernization of Office Operations Program Activities	\$90,000 \$494,409	<b>Grey-Bruce Geriatric Education Cooperative</b> Elder Abuse Workshop	\$3,950
<b>Association of Family and Conciliation Courts, Ontario Chapter</b> Child Protection Intensive Training Program for New Lawyers Law Student Child Protection Dinner - Windsor	\$10,230 \$3,200	<b>Hamilton Mountain Legal and Community Services</b> Human Rights Outreach Project	\$50,000
<b>Black Law Students Association of Canada</b> BLSAC Annual Conference and Related Initiatives	\$35,000	<b>Humber College Institute of Technology and Advanced Learning, Forensic Social Work Program</b> Ontario Graduate Certificate in Forensic Practice	\$40,000
<b>Brock University, Faculty of Social Sciences</b> Conference: Forum on Human Rights and Intellectual Disabilities	\$17,875	<b>Humber College Institute of Technology and Advancing Learning, Library</b> Researcher	\$5,000
<b>Canadian Centre for International Justice</b> Evaluation Proposal International Justice: Ontario Law and Practice	\$5,000 \$100,000	<b>Industrial Accident Victims Group of Ontario (IAVGO)</b> Rural Migrant Workers Human Rights Project	\$50,000
<b>Canadian Civil Liberties Education Trust</b> Feasibility Study for Phase 2 of the That's Not Fair Video Project Program Activities	\$52,316 \$221,100	<b>Institut de leadership des femmes de l'Ontario</b> Social Integration and Knowledge of Law (SIKOL)	\$25,000
<b>Canadian Council of Muslim Women</b> Sample Muslim Pre-nuptial Agreement	\$44,406	<b>International Women's Rights Project (IWRP)</b> CONSTITUTE!	\$20,000
<b>Canadian Environmental Law Association</b> Making the Links: Environmental Health, Equity and Law	\$81,000	<b>Justice for Children and Youth</b> Street Youth Legal Services	\$53,860
<b>Canadian Institute for Environmental Law and Policy</b> Engaging the Public in Brownfield Remediation	\$20,000	<b>Kingston Interval House</b> Conference: Research Council, Collaborative Service Delivery Site	\$25,000
<b>Canadian Institute for the Administration of Justice</b> Conference: Taking Remedies Seriously	\$10,000	<b>Law Commission of Ontario</b> Program Activities	\$485,000
<b>Canadian Law and Society Association</b> Canadian Law and Society Association Annual Meeting and Graduate Student Workshop	\$16,090	<b>Law in Action Within Schools</b> LAWS Summer Job Program 2009 Program Activities	\$15,390 \$181,182
<b>Canadian Mental Health Association Windsor Essex Branch</b> Mental Health Court Awareness Project	\$21,545	<b>Law School Annual Comprehensive Grants 2010/11</b> Osgoode Hall Law School University of Toronto, Faculty of Law University of Windsor, Faculty of Law Queen's University, Faculty of Law University of Ottawa, Faculty of Law, Civil Law Section University of Ottawa, Faculty of Law, Common Law Section University of Western Ontario, Faculty of Law	\$470,000 \$390,000 \$390,000 \$390,000 \$235,000 \$470,000 \$390,000
<b>Centre for Equality Rights in Accommodation</b> Real Rights in a Virtual World	\$185,000	<b>LEAF - National Office</b> Legal Trends in Equality Jurisprudence: A Case Monitoring Project	\$48,400
<b>Centre for Social Innovation</b> The ONN Changing Times Research and Education Initiative	\$98,000	<b>LibraryCo Inc.</b> 2010 Electronic Legal Resources Initiative	\$850,000
<b>Centre for the Legal Profession</b> Start-up Costs	\$101,000	<b>LiveWorkPlay Incorporated</b> The Law and You!	\$25,000
<b>CLASP (Osgoode Hall Law School)</b> Sabbaticals for Directors, Instructors, and Supervisors at Ontario's Teaching Legal Clinics	\$40,000	<b>London Arts Council</b> Legal Education Workshop Series	\$6,650
<b>Combating Hatred in the 21st Century Conference</b> Conference: Combating Hatred in 21st Century - Legal Remedies	\$25,000	<b>McMaster University, Department of Psychiatry and Behavioural Neurosciences</b> Online Training for Residents on the CCB Summary Tool for Hearing Preparation	\$24,970
<b>Community Information Fairview</b> Law Student Training	\$10,000	<b>Medico-Legal Society of Toronto</b> MLST Advocacy Project	\$28,000
<b>Community Law School (Sarnia-Lambton) Inc.</b> Certificate in Community Advocacy Program Course Updates and Expansion	\$24,500	<b>Meta Centre</b> Access Through Justice	\$151,030
<b>Community Legal Education Ontario</b> Attendance at PLAIN Conference 2009 CLEONet Connecting Consortium Exploring the Expansion of CLEONet Organizational Capacity Review	\$2,500 \$140,000 \$40,000 \$25,000 \$71,820	<b>Metropolitan Action Committee on Violence Against Women and Children</b> Bridge Funding METRAC Community Justice Program	\$41,900 \$293,575
<b>Criminal Lawyers' Association</b> New Criminal Lawyer Mentoring Pilot Project	\$125,000	<b>National Capital Region YMCA/YWCA</b> Ottawa Community Mediation Project	\$111,177
<b>Downtown Legal Services</b> Sabbaticals for Directors, Instructors, and Supervisors at Ontario's Teaching Legal Clinics	\$40,000	<b>Native Law Centre</b> Aboriginal Legal Education	\$20,000
<b>EcoJustice</b> Protecting Ontario's Groundwater and Wetlands through Legal Research and Education	\$70,000	<b>Neighbourhood Legal Services</b> Agency-based Training in Immigration Law/Family Reunification	\$66,275
<b>Ethno-Racial People with Disabilities Coalition of Ontario</b> Symposium: Parenting with a Disability and the Legal System	\$20,850	<b>Ontario Bar Association</b> Law Day/Law Week 2009	\$116,800
<b>Family Services Ontario</b> Best Practice Guidelines Manual for Family Service Ontario Agencies	\$16,800	<b>Ontario Council of University Libraries</b> Ontario Digital Initiative: Ontario Royal Commissions and Commissions of Inquiry, 1792-1996	\$25,000
		<b>Ontario Federation of Indian Friendship Centres</b> An Integrated Aboriginal Justice System	\$75,000

<b>Ontario Justice Education Network</b>			
2009 OJEN-LAWS Justice Education Symposium	\$5,800		
Courts Disability Accessibility Education Project	\$25,000		
Database/Website Overhaul	\$23,000		
OJEN/LFO Mock Trial Fund	\$16,000		
Program Activities	\$700,000		
Translation of New Curriculum Resources	\$40,000		
<b>Osgoode Hall Law School</b>			
15th Biennial Meeting of the International Academy of Commercial and Consumer Law	\$25,000		
Canadian National Division Qualifying Tournament of the 2010 Philip C. Jessup International Law Moot Court Competition	\$25,000		
Conference: Community Legal Clinics and Access to Justice: Celebrating Legacies/Renewing Commitments	\$22,200		
<b>Place Du Partage</b>			
Justice pour tous (Justice for All)	\$18,200		
<b>Planned Lifetime Advocacy Network (PLAN)</b>			
Securing the Future of Ontarians with Disabilities	\$215,000		
<b>Planned Lifetime Networks-Waterloo</b>			
Future Planning Workshops	\$8,500		
<b>Pro Bono Law Ontario</b>			
Program Activities	\$800,000		
<b>Pro Bono Students Canada</b>			
Program Activities	\$503,396		
<b>Queen's University, Faculty of Law</b>			
International Conference on Criminalization	\$20,055		
International Conference on Feminist Constitutionalism	\$18,050		
Queen's Business Law Clinic	\$79,525		
Workshop: Women, Equality, and Fiscal Policy: Gender Analysis of Taxes, Spending and Budgets	\$16,520		
<b>Second Chance Employment Counselling (Wellington) Inc.</b>			
Employment Counsellor Training Project	\$23,700		
<b>Slaw</b>			
Development of Slaw	\$30,000		
<b>Social Rights Advocacy Centre</b>			
Social Rights and the Law in Ontario	\$51,604		
<b>SPINLAW (Student Public Interest Network Legal Action Workshop)</b>			
Travel Bursary Fund for Students	\$10,000		
<b>Springtide Resources, Inc.</b>			
Online Learning on Criminal Law and Violence Against Women	\$71,000		
<b>St. Leonard's Society of Canada</b>			
Community Connections for Offenders who have Mental Health Disorders Project	\$6,000		
<b>The Advocates' Society</b>			
The Justice Museum at Campbell House	\$74,840		
<b>The Council of Elizabeth Fry Societies of Ontario (CEFSO)</b>			
Human Rights in Action-Ontario: A Handbook for Women Serving Provincial Sentences	\$25,000		
<b>The Foundation for Legal Research</b>			
Legal Research Project	\$30,000		
<b>The Institute of Parliamentary and Political Law</b>			
Third Law and Parliament Conference, 2009	\$30,000		
Website	\$7,500		
<b>The Law Society of Upper Canada</b>			
Lawyer Licensing Process 2010	\$875,000		
Paralegal Licensing Process 2010	\$85,000		
<b>The Osgoode Society for Canadian Legal History</b>			
Program Activities	\$221,803		
Symposium on Canadian Legal History	\$14,040		
Website Development	\$13,920		
<b>University of Ottawa, Faculty of Law, Civil Law Section</b>			
University of Ottawa International Conference on Child Rights	\$40,000		
<b>University of Ottawa, Faculty of Law, Common Law Section</b>			
African Women's Equality Project	\$100,000		
Challenging Anonymity in Assisted Human Reproduction Technologies	\$5,000		
Conference: Sexual Assault Law, Practice and Activism in a Post-Jane Doe Era	\$25,000		
IUCN Academy of Environmental Law	\$80,000		
Professionalism Speakers Series	\$5,900		
Public Interest Environmental Law Clinic	\$50,000		
Public Interest Fellowship Program	\$25,000		
<b>University of Ottawa, Faculty of Social Science</b>			
Le Mouvement C'est l'temps!	\$21,804		
<b>University of Toronto, Faculty of Law</b>			
Michael Trebilcock Symposium	\$25,000		
Professional Diversity and Legal Opportunities Officer	\$50,000		
<b>University of Western Ontario, Faculty of Law</b>			
Canadian National Division Qualifying Tournament of the 2009 Philip C. Jessup International Law Moot Court Competition	\$25,000		
Mobilizing Ontario's Developing Intellectual Property Expertise	\$25,000		
<b>University of Windsor, Faculty of Law</b>			
Intellectual Property and Innovation Law Legal Information Network	\$25,000		
<b>Wesley Urban Ministries</b>			
Community Public Legal Education for Hamiltonians	\$7,000		
<b>Workers' Action Centre</b>			
Opportunities for Change	\$85,600		
Workers in Precarious Employment: Improving Awareness, Access and Support for Human Rights	\$50,000		
<b>OTHER LFO PROGRAMS</b>			
<b>2009-10 Community Leadership in Justice Fellowships</b>			
Reach Canada - University of Ottawa, Human Rights Research and Education Centre: Barrier-free Access to Courts for Persons with Disabilities (Fellow - Allan McChesney)		\$65,000	
Public Interest Advocacy Centre - Carleton University, Department of Law: Protecting the Vulnerable Consumer in the Marketplace (Fellow - Michael Janigan)		\$65,000	
Canadian HIV/AIDS Legal Network - University of Toronto, Faculty of Law: Reforming Canada's Access to Medicines Regime (Fellow - Richard Elliott)		\$65,000	
<b>Connecting Articling Fellowship 2010-11</b>			
Community Advocacy & Legal Centre (CALC)		\$44,950	
Community Legal Clinic - Simcoe, Haliburton, Kawartha Lakes		\$44,950	
Waterloo Region Community Legal Services		\$44,950	
Community Legal Clinic of York Region		\$44,950	
Metro Toronto Chinese and Southeast Asian Legal Clinic		\$44,950	
Legal Aid Ontario (LAO)		\$179,800	
Toronto Workers' Health and Safety Legal Clinic		\$44,950	
Keewaytinok Native Legal Services		\$44,950	
<b>Debt Repayment Assistance Program 2009</b>			
Osgoode Hall Law School		\$30,000	
Queen's University, Faculty of Law		\$30,000	
University of Western Ontario, Faculty of Law		\$30,000	
University of Windsor, Faculty of Law		\$30,000	
University of Ottawa, Faculty of Law, Common Law Section		\$30,000	
University of Toronto, Faculty of Law		\$30,000	
<b>Public Interest Articling Fellowship 2010/11</b>			
Amnesty International Canada		\$69,500	
Barbra Schlifer Commemorative Clinic		\$69,500	
Canadian Civil Liberties Association		\$69,500	
Canadian Internet Policy and Public Interest Clinic		\$69,500	
EcoJustice		\$69,500	
Public Interest Advocacy Centre		\$69,500	
<b>Roy &amp; Ria McMurtry Endowment 2009-2010</b>			
Second Chance Scholarship Foundation Inc.		\$5,000	
University of Western Ontario, Faculty of Law		\$5,000	
<b>Total Grants</b>			<b>\$14,285,857</b>



Report on  
Class Proceedings

## ABOUT THE CLASS PROCEEDINGS COMMITTEE

The Class Proceedings Fund (the “Fund”) and the Class Proceedings Committee (CPC) support cases in which one or more representative plaintiffs make a common claim on behalf of a larger group. Class actions provide efficiencies, and have resulted in many more claims being heard than would otherwise likely be the case.

Class actions are nevertheless expensive to pursue. Further, the potential benefit for representative plaintiffs can be small and the potential exposure to cost awards can be very significant. The CPC uses the Fund to address these barriers, upon application by plaintiffs, by providing support for these cases and indemnifying plaintiffs against costs awards which may be made.

The CPC decides whether or not to provide support to individual cases based on: how strong the claim appears to be, the broader public issues it raises, efforts that have been made to fund it by other means, the likelihood of it being certified by the courts to proceed as a class action, and the amount available in the Fund at the time.

The Fund was established by statute in 1992, with a \$500,000 endowment from the Law Foundation of Ontario (LFO). When an award or settlement is received in a case it has funded, the Fund receives a 10 per cent levy and the return of any disbursements paid.

The CPC has five members, one appointed by each of the LFO and the Attorney General of Ontario, and three appointed jointly.

### CPC Members



**Valerie A. Edwards (Chair)**<sup>1</sup>  
Partner; Torkin, Manes LLP



**Wendy J. Earle**<sup>1</sup>  
Partner; Borden Ladner  
Gervais LLP



**Paul Evraire, QC**<sup>1</sup>  
Special Counsel;  
Department of Justice



**F. Paul Morrison**<sup>2</sup>  
Partner; McCarthy Tétrault



**Lorne Sossin**<sup>3</sup>  
Professor;  
Faculty of Law,  
University of Toronto

- <sup>1</sup> Appointed jointly  
<sup>2</sup> Appointed by the Attorney General  
<sup>3</sup> Appointed by LFO

## REPORT FROM THE CHAIR

There were noteworthy increases in the volume of activity relating to the Fund in 2009. The CPC approved 12 new applications for funding in 2009 – the highest number ever approved in one year. The CPC also approved the highest quantum of funding, over \$3.6 million dollars, and more than four times the funding approved in 2008.

The approved cases engage a diverse array of public interest issues such as: alleged breach of fiduciary duty by residential schools that housed disabled children, alleged employer failure to pay required overtime, alleged deficiencies in a drug used to treat mental illness, alleged false and misleading representations by a college, and alleged breaches of insurance legislation.

Six previously funded cases settled in 2009, also a much higher number than in 2008. The subject matter of these cases was similarly diverse, and involved allegations of: *Securities Act* violations, pension plan mismanagement, criminal rates of interest, undisclosed credit card fees, and copyright infringement. Over \$1 billion was awarded by the courts in these cases, for the benefit of more than 1.5 million class members. In addition, *cy pres* awards totaling more than \$45 million were made in three of these cases to non-profit organizations because the settlement funds could not be feasibly distributed to individual class members. These *cy pres* awards will support literacy, food banks and hospital services – as well as establishment of the LFO’s new national Access to Justice Fund.

We reached a significant milestone with two CPC-funded actions proceeding to trial in the fall of 2009. Each trial lasted several months and the matters were under reserve when this report was prepared. Certification as a class action was denied in one funded case in 2009, and this resulted (in 2010) in the largest cost award to date in a class action in Canada. This matter was under appeal when this report was prepared.

My fellow committee members and I are gratified with the outcomes achieved in 2009, and by the expectation that the Fund will play a growing role in advancing important public interests in 2010 and beyond. I would also like to thank our staff counsel, Gina Papageorgiou, whose day-to-day efforts put the vision behind the Fund into action, and the LFO, which hosts and administers the Fund.

Valerie A. Edwards  
Chair, Class Proceedings Committee

## 2009 RESULTS

### Statement of Financial Position

	For period from Jan. 1, 2009 to Dec. 31, 2009	For period from 1993 to Dec. 31, 2009
	\$	\$
Opening balance	6,547,096	500,000
Total funding awarded	(3,628,850)	(5,929,834)
Funding repaid/cancelled	218,859	778,266
Administration costs/expenses	(317,220)	(1,034,455)
Interest received	49,908	1,354,616
10% levies received	7,522,795	15,288,148
Costs awards in favour of defendants	(643,112)	(1,207,265)
Balance as at Dec. 31, 2009	9,749,476	9,749,476

### Applications and Decisions (as of year-end)

	2005	2006	2007	2008	2009	1992-2009
Total Applications Heard	2	8	3	12	13	93
Funding Approved	1	5	2	9	12	50
Denied or Deferred *	1	3	1	3	1	27

\* A deferral decision is sometimes made pending either receipt of additional information or certification as a class action.

As required by O.Reg.771/92, s.13, we report as follows:

#### 1. Number of new applications, by stage in the proceeding, at the time of application.

Stage in the proceeding	Number of new applications 2009	Number of new applications 2008
Pre Certification	8	8
Appeal re: Certification	-	-
Discovery	2	4
Determination of Common Issues	3	-
Appeal re: Common Issues	-	-
Post Common Issue Stage	-	-
Total	13	12

#### 2. New applications granted and refused, by stage in the proceeding, at the time of application.

Stage in the proceeding	Granted	Refused	Pending*/Stayed, etc	Total
<b>2009</b>				
Pre Certification	8	-	-	-
Discovery	2	-	-	-
Other	2	1	-	-
Total	12	1	-	13
<b>2008</b>				
Pre Certification	5	2	1	-
Discovery	4	-	-	-
Other	-	-	-	-
Total	9	2	1	12

\* Carried forward to the next year.

3. In 2009 financial support was awarded for twelve new cases under section 59.3(1) of the Act<sup>1</sup> and further financial support was awarded for ten cases which had previously been approved, as a result of supplementary funding applications under section 59.3(5) of the Act. In 2008 financial support was awarded for nine new cases under section 59.3(1) of the Act and further financial support was awarded for five cases which had previously been approved, as a result of supplementary funding applications under section 59.3(5) of the Act.

#### 4. Total awards, by disbursement type.

Type of Disbursement	Total Amount Awarded 2009
Administrative Expenses	\$755,083
Travel	\$103,023
Examiners' Charges	\$147,583
Experts' Fees	\$2,392,346
Notice to Class	\$137,262
Other	\$6,573
Goods and Services Tax	\$86,980
Total	\$3,628,850

As per regulation 771/92, this section includes only amounts awarded during 2009. Total amounts paid out of the Fund during 2009 may vary as amounts awarded are reimbursed to applicants on an ongoing basis after funded disbursements have been duly incurred and paid by the applicant.

5. The total amount of money paid from the Fund to applicants under section 59.3 of the Act: 2009, \$2,357,960; 2008, \$488,206. At December 31, 2009, the balance of all awards outstanding which had not yet been paid to applicants was \$1,270,889.
6. In 2009, three funded proceedings were certified. In 2008, two funded proceedings were certified.
7. In 2009, six applicants who had received financial support settled their proceedings such that the classes involved in these proceedings received a monetary payment. In 2008, two applicants who had received financial support settled their proceedings.
8. In 2009, 26 defendants in two separate legal proceedings made applications to the Fund for payment of costs awards made in their favour pursuant to section 59.4 of the Act; 10 applications were received in 2008. This results from the indemnification of plaintiffs against cost awards.
9. In 2009, \$643,112 was paid from the Fund to defendants under section 59.4 of the Act. In 2008, \$243,526 was paid to defendants under section 59.4 of the Act. This results from the indemnification of plaintiffs against cost awards.

<sup>1</sup> References are to the *Law Society Act*

10. Proceedings for which plaintiff was awarded financial support under section 59.3 of the Act (including both newly approved cases and previously approved ones for which supplementary funding was awarded during 2009).

	Administration Expenses	Travel Expenses	Examiners' Charges	Experts' Fees	Notice to Class	Other	GST	Total
2009								
Case A	48,000	-	15,000	200,000	25,000	-	14,400	302,400
Case B	-	-	-	-	1,095	-	-	1,095
Case C	25,000	60,000	10,000	528,571	25,000	-	32,429	681,000
Case D	981	-	500	5,000	-	-	1,624	8,105
Case E	28,894	-	20,583	27,068	-	-	3,908	80,453
Case F	27,650	-	2,000	19,800	-	-	2,472	51,922
Case G	5,000	-	10,000	40,000	-	-	-	55,000
Case H	485,000	-	-	-	-	-	-	485,000
Case I	-	-	-	80,000	-	-	4,000	84,000
Case J	-	-	-	35,000	-	-	-	35,000
Case K	10,000	-	15,000	50,000	-	-	-	75,000
Case L	21,100	2,500	5,000	-	-	-	1,430	30,030
Case M	10,550	11,000	5,000	-	-	-	1,328	27,878
Case N	5,239	23	-	-	86,167	1,573	4,650	97,652
Case O	22,242	4,500	2,000	-	-	-	1,437	30,179
Case P	-	-	-	40,000	-	-	2,000	42,000
Case Q	38,400	25,000	10,000	60,000	-	-	6,352	139,752
Case R	-	-	-	1,080,312	-	-	-	1,080,312
Case S	4,000	-	37,500	175,000	-	-	8,950	225,450
Case T	3,027	-	-	26,595	-	-	-	29,622
Case U	20,000	-	15,000	-	-	5,000	2,000	42,000
Case V	-	-	-	25,000	-	-	-	25,000
All cases	755,083	103,023	147,583	2,392,346	137,262	6,573	86,980	3,628,850
2008								
All cases	158,551	2,000	62,840	388,054	134,888	1,275	30,396	778,004

**Case A**

Alleged conspiracy to fix prices

**Case B**

Alleged negligence in relation to sale and distribution of jaw implants product

**Case C**

Alleged negligence, nuisance, trespass and strict liability in relation to nickel transmission to properties

**Case D**

Alleged negligent construction and sale of solariums

**Case E**

Alleged breach of employment contract relating to unpaid overtime

**Case F**

Alleged Crown liability in respect of SARS infections in Ontario

**Case G**

Alleged negligence relating to defective glucose monitors

**Case H**

Alleged criminal rates of interest with respect to payday loans

**Case I**

Alleged breach of employment contract relating to unpaid overtime

**Case J & K**

Alleged failure to diagnose tuberculosis resulting in infection of third parties

**Case L**

Alleged negligence, breach of statutory duty and breach of fiduciary duty with respect to government run facility for disabled minors

**Case M**

Alleged negligence, breach of statutory duty and breach of fiduciary duty with respect to privately run facility for disabled minors

**Case N**

Alleged copyright infringement

**Case O**

Alleged breaches of *Consumer Protection Act*

**Case P**

Alleged breach of a franchise agreement

**Case Q**

Alleged breach of employment agreement regarding unpaid overtime

**Case R**

Alleged breaches of *Insurance Corporations Act* relating to participating policies

**Case S**

Alleged negligence with respect to pharmaceutical product

**Case T**

Alleged environmental contamination of groundwater

**Case U**

Alleged breach of fiduciary duty, negligence, assault, battery and intentional infliction of mental suffering at a Christian school

**Case V**

Alleged criminal rates of interest charged on late payments of digital television and audio services

For more information on the CPC please contact:

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gpapageorgiou@lawfoundation.on.ca  
(416) 595-1425



Financial  
Statements



*December 31, 2009*

## AUDITED FINANCIAL STATEMENTS

To The Trustees of The Law Foundation of Ontario

We have audited the statement of financial position of The Law Foundation of Ontario as at December 31, 2009 and the statements of revenue, expenses and grants, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*

Chartered Accountants  
Licensed Public Accountants  
February 19, 2010

**Deloitte.**

### STATEMENT OF FINANCIAL POSITION

As at December 31, 2009

	2009	2008
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash	880,470	513,423
Current portion of externally restricted cash and short-term investments for Class Proceedings Fund (Note 4)	1,932,629	709,084
Short-term investments (Note 6)	54,211,655	47,690,827
Marketable securities, at cost (fair value – \$9,796,546 (2008 – \$10,030,927)) (Note 6)	9,423,093	9,680,881
Prepaid expenses	16,631	-
Interest receivable	306,624	415,791
	66,771,102	59,010,006
Externally restricted cash and investments for Class proceedings fund (Note 4)	9,815,399	6,597,695
Externally restricted cash and investments for Roy & Ria McMurtry Endowment fund (Note 5)	115,478	123,116
Capital assets (Note 7)	544,948	437,308
	77,246,927	66,168,125
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	509,450	201,596
Due to Legal Aid Ontario (Note 8)	182,623	28,116
Grants payable (Note 9)	18,324,375	16,072,789
	19,016,448	16,302,501
Long-term grants payable (Note 9)	1,657,540	635,000
	20,673,988	16,937,501
<b>Fund balances</b>		
<b>Internally restricted fund balances</b>		
Grant Stabilization (formerly Reserve Fund) (Note 10)	16,000,000	16,000,000
Future commitment fund (Note 11)	4,574,136	4,346,079
Public interest articling fellowships fund (Note 12)	-	196,670
Strategic initiative fund (Note 13)	-	72,237
Debt repayment fund (Note 14)	-	565,000
Access to justice fund (Note 15)	14,595,516	-
Rejuvenation fund (Note 16)	2,687,022	2,906,866
	37,856,674	24,086,852
<b>Externally restricted fund balances</b>		
Class proceedings fund (Note 17)	9,749,476	6,547,096
Roy and Ria McMurtry Endowment fund (Note 18)	108,524	113,065
	9,858,000	6,660,161
<b>Unrestricted fund balance – general fund</b>	8,858,265	18,483,611
	56,572,939	49,230,624
	77,246,927	66,168,125

## STATEMENT OF REVENUE, EXPENSES AND GRANTS

Year ended December 31, 2009

	Internally Restricted Grant Stabilization (formerly Reserve) Fund	Internally Restricted Access to Justice Fund (Note 15)	Other Internally Restricted Funds (Note 20)	Unrestricted General Fund	Externally- Restricted Class Proceedings Fund	Externally- Restricted- Roy and Ria McMurtry Endowment Fund	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>							
Interest on lawyers' mixed trust accounts, net of service charges of \$2,563,175 (Note 19)	-	-	-	12,968,261	-	-	12,968,261
Other investment income	386,965	1,864	-	729,942	49,908	4,324	1,173,003
Settlement received (Note 15)	-	-	-	14,530,395	-	-	14,530,395
Levy on awards (Note 17)	-	-	-	-	7,522,795	-	7,522,795
Funding payment recovered (Note 17)	-	-	-	-	159,192	-	159,192
	386,965	1,864	-	28,228,598	7,731,895	4,324	36,353,646
<b>Expenses</b>							
Salaries	-	-	-	1,437,116	149,062	-	1,586,178
Rent and occupancy	-	-	-	204,397	10,010	-	214,407
Other administrative	-	478	18,611	603,528	24,563	-	647,180
Professional fees	-	-	-	135,972	133,585	-	269,557
Printing and office supplies	-	-	-	94,552	-	-	94,552
Cost awards (Note 17)	-	-	-	-	643,112	-	643,112
Amortization	-	-	-	116,914	-	-	116,914
	-	478	18,611	2,592,479	960,332	-	3,571,900
Excess of revenue over expenses before the undernoted	386,965	1,386	(18,611)	25,636,119	6,771,563	4,324	32,781,746
Allocation to Legal Aid Ontario (Note 8)	-	-	-	7,782,623	-	-	7,782,623
Grants authorized, net of reversal of grants authorized in prior years	-	-	3,568,733	10,510,027	3,569,183	10,000	17,657,943
	-	-	3,568,733	18,292,650	3,569,183	10,000	25,440,566
Excess (deficiency) of revenue over expenses and grants for the year	386,965	1,386	(3,587,344)	7,343,469	3,202,380	(5,676)	7,341,180

## STATEMENT OF REVENUE, EXPENSES AND GRANTS

Year ended December 31, 2008

	Internally Restricted Reserve Fund	Other Internally Restricted Funds (Note 20)	Unrestricted General Fund	Externally- Restricted Class Proceedings Fund	Externally- Restricted- Roy and Ria McMurtry Endowment Fund	Total
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Interest on lawyers' mixed trust accounts, net of service charges of \$2,863,525 (Note 19)	-	-	53,811,791	-	-	53,811,791
Other investment income	528,576	-	1,723,861	226,192	4,019	2,482,648
Levy on awards (Note 17)	-	-	-	1,088,506	-	1,088,506
	528,576	-	55,535,652	1,314,698	4,019	57,382,945
<b>Expenses</b>						
Salaries	-	-	1,228,177	130,910	-	1,359,087
Rent and occupancy	-	-	199,235	9,605	-	208,840
Other administrative	-	-	302,383	22,424	-	324,807
Professional fees	-	-	146,597	126,856	-	273,453
Printing and office supplies	-	-	87,498	-	-	87,498
Cost awards (Note 17)	-	-	-	243,526	-	243,526
Amortization	-	-	77,079	-	-	77,079
	-	-	2,040,969	533,321	-	2,574,290
Excess of revenue over expenses before the undernoted	528,576	-	53,494,683	781,377	4,019	54,808,655
Allocation to Legal Aid Ontario (Note 8)	-	-	38,828,116	-	-	38,828,116
Grants authorized, net of reversal of grants authorized in prior years and payment recovered (Note 9)	-	3,604,533	7,853,066	686,281	10,000	12,153,880
	-	3,604,533	46,681,182	686,281	10,000	50,981,996
Excess (deficiency) of revenue over expenses and grants for the year	528,576	(3,604,533)	6,813,501	95,096	(5,981)	3,826,659

## STATEMENT OF CHANGES IN FUND BALANCES

Year ended December 31, 2009

	Fund balances, beginning of year	Excess (deficiency) of revenue over expense, and grants for the year	Change in unrealized gain on available for sale financial assets	Net Allocations	Fund balances, end of year
	\$	\$	\$	\$	\$
<b>Internally Restricted Funds</b>					
Grant Stabilization					
(formerly Reserve) Fund	16,000,000	386,965	-	(386,965)	16,000,000
Debt Repayment Fund	565,000	(180,000)	-	(385,000)	-
Public Interest Articling					
Fellowships Fund	196,670	(417,000)	-	220,330	-
Future Commitment Fund	4,346,079	(2,770,500)	-	2,998,557	4,574,136
Strategic Initiative Fund	72,237	-	-	(72,237)	-
Access to Justice Fund	-	1,386	-	14,594,130	14,595,516
Rejuvenation Fund	2,906,866	(219,844)	-	-	2,687,022
<b>Unrestricted Funds</b>					
Unrestricted General Fund	18,483,611	7,343,469	-	(16,968,815)	8,858,265
<b>Externally Restricted Funds</b>					
Externally-Restricted					
Class Proceedings Fund	6,547,096	3,202,380	-	-	9,749,476
Externally-Restricted Roy & Ria					
McMurtry Endowment Fund	113,065	(5,676)	1,135	-	108,524
Total	49,230,624	7,341,180	1,135	-	56,572,939

## STATEMENT OF CHANGES IN FUND BALANCES

Year ended December 31, 2008

	Fund balances, beginning of year	Excess (deficiency) of revenue over expense, and grants for the year	Change in unrealized gain on available for sale financial assets	Net Allocations	Fund balances, end of year
	\$	\$	\$	\$	\$
<b>Internally Restricted Funds</b>					
Reserve Fund	12,239,154	528,576	-	3,232,270	16,000,000
Debt Repayment Fund	745,000	(180,000)	-	-	565,000
Public Interest Articling					
Fellowships Fund	727,500	(530,830)	-	-	196,670
Future Commitment Fund	6,495,899	(2,879,445)	-	729,625	4,346,079
Strategic Initiative Fund	15,861	56,376	-	-	72,237
Rejuvenation Fund	2,977,500	(70,634)	-	-	2,906,866
<b>Unrestricted Funds</b>					
Unrestricted General Fund	15,632,005	6,813,501	-	(3,961,895)	18,483,611
<b>Externally Restricted Funds</b>					
Externally-Restricted					
Class Proceedings Fund	6,452,000	95,096	-	-	6,547,096
Externally-Restricted Roy & Ria					
McMurtry Endowment Fund	119,046	(5,981)	-	-	113,065
Total	45,403,965	3,826,659	-	-	49,230,624

## STATEMENT OF CASH FLOWS

Year ended December 31, 2009

	2009	2008
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenses and grants for the year	7,341,180	3,826,659
Item not affecting cash—amortization	116,914	77,079
	7,458,094	3,903,738
Changes in non-cash operating items		
Prepaid expenses	(16,631)	-
Interest receivable	109,167	128,776
Due to Legal Aid Ontario	154,507	419,501
Accounts payable and accrued liabilities	307,854	(54,278)
Grants payable	3,274,126	2,043,629
	11,287,117	5,710,920
<b>Investing activities</b>		
Decrease (increase) in short-term investments	(6,520,828)	(5,949,244)
Decrease (increase) in marketable securities	257,788	21,430
Increase in current portion of externally restricted cash and short-term investments		
for Class Proceedings Fund	(1,223,545)	(211,291)
Increase in externally restricted cash and short-term investments for Class Proceedings Fund	(3,217,704)	(104,951)
Decrease (increase) in externally restricted cash and investment for Roy & Ria McMurtry Endowment Fund	8,773	79
Purchase of capital assets	(224,554)	(160,920)
	(10,920,070)	(6,404,897)
Net increase (decrease) in cash	367,047	(693,977)
Cash, beginning of year	513,423	1,207,400
Cash, end of year	880,470	513,423

**1. Purpose of the organization**

The Law Foundation of Ontario (the “Foundation”) was established in 1974, under an amendment to the *Law Society Act*, as a corporation without share capital. The Foundation was created to receive interest accruing on monies held in lawyers’ mixed trust accounts and to establish and maintain a fund to be used for the purposes of legal education and legal research, legal aid and the establishment, maintenance and operation of law libraries. The Foundation is a not-for-profit organization under subsection 149(1)(1) of the *Income Tax Act (Canada)* and, as such, is exempt from income taxes.

**2. Significant accounting policies**

The Foundation follows generally accepted accounting principles of The Canadian Institute of Chartered Accountants for not-for-profit organizations. The significant accounting policies are summarized below:

**Revenue recognition** The Foundation follows the restricted method of accounting for revenue. Revenue is recognized when received or receivable in the respective fund if the amount to be received can be reasonably estimated.

**Fund balances** The Grant Stabilization (formerly, The Reserve) Fund, Future Commitment Fund, Public Interest Articling Fellowships Fund, the Strategic Initiative Fund, Debt Repayment Fund, Access to Justice Fund and Rejuvenation Fund are internally restricted funds (Notes 10-16). The Class Proceedings Fund and the Roy & Ria McMurtry Endowment Fund are externally restricted funds (Notes 17 and 18).

**Interest earned on lawyers’ mixed trust accounts** The interest earned on lawyers’ mixed trust accounts is calculated and remitted to the Foundation based on agreements made with individual financial institutions. The lawyers’ mixed trust accounts are not the property of, nor administered by, the Foundation. The Foundation is, therefore, unable to determine the amount of interest that is accruing until such time as it is advised by each individual financial institution and statutory filings are received from the lawyers. Such interest is therefore recorded when determinable by the Foundation in the Unrestricted general fund.

**Grants** Grants for legal education, legal aid, legal research and law libraries are recorded in the period in which they are authorized by the Board of Trustees.

**Levy on awards** The Class Proceedings Fund is entitled to a 10% levy on any award or settlement to the plaintiff in a funded action. The levy on awards is recorded when determinable by the Foundation.

**Capital assets** Capital assets are carried at cost less accumulated depreciation and amortization. Furniture and fixtures are depreciated on a declining balance basis at 20% per annum. Computer hardware and software are depreciated on a straight-line basis over their estimated useful lives of three years. Leasehold improvements are amortized on a straight-line basis over the term of the lease.

**Use of estimates** The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year, (the Foundation relies on bank statements to record the interest revenue earned on lawyers’ mixed trust accounts). Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include investments and accrued liabilities.

**Financial instruments** The Foundation has elected the following classifications for its financial assets and liabilities:

	Classification	Measurement
Cash	Held for trading	Fair value
Interest receivable	Loans and receivables	Amortized cost
Short term investments for Class-Proceeding Fund	Held-to-Maturity	Amortized cost
Short term investments	Held-to-Maturity	Amortized cost
Marketable securities	Held-to-Maturity	Amortized cost
Investments for Roy & Ria McMurtry Endowment fund	Available for sale	Fair value
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Due to Legal Aid Ontario	Other liabilities	Amortized cost
Grants payable	Other liabilities	Amortized cost

**Held-for-trading** Held-for-trading instruments are accounted for at fair value, with changes in their fair value recognized in the Statement of revenue, expenses and grants.

**Loans and receivables and other liabilities** This category includes all loans and receivables, except debt securities, and other liabilities. They are measured at amortized cost using the effective interest method and the gain or loss is recognized in the Statement of revenue, expenses and grants. Amortized cost approximates fair value.

**Held-to-maturity** Financial instruments included in this category have fixed maturity and fixed or determinable payments and management intends (and has the ability) to hold these instruments to maturity. The financial assets classified as held-to-maturity are measured at amortized cost using the effective interest method and the gain or loss is recognized in the Statement of revenue, expenses and grants.

**Available-for-sale** Financial assets classified as available-for-sale are carried at fair value (which represents the bid price when financial assets are quoted in active markets). The gain or loss originating from subsequent measurement is recognized in the Statement of changes in fund balances and is transferred to excess (deficiency) of revenue over expenses and grants when the asset is sold. Any unrealized gain or loss of foreign exchange related to available-for-sale financial instruments is also recognized in the Statement of changes in fund balances and transferred to net income or loss when the asset is sold. Impairment write-downs relating to available-for-sale financial instruments are immediately recognized in excess (deficiency) of revenue over expenses and grants.

As allowed under Section 3855 “Financial Instruments – Recognition and Measurement”, the Foundation has elected not to account for non-financial contracts as derivatives, and not to account for embedded derivatives in non-financial contracts, leases and insurance contracts as embedded derivatives.

The Foundation has elected to follow the disclosure requirements of Section 3861 “Financial Instruments – Disclosure and Presentation” of the CICA Handbook.

**Investments** Short-term investments are accounted for on the settlement date basis and any transaction costs are expensed as incurred. Marketable securities are carried at cost. Other investments are carried at fair value.

**3. Changes in accounting policies**

*Adoption of accounting policies*

**4400 series of Handbook Section – Not-for-profit organizations**

In September 2008, the Canadian Institute of Chartered Accountants (“CICA”) issued amendments to several of the existing sections on accounting, measurement and financial reporting by Not-for-profit organizations contained in the 4400 series of Sections of the CICA Handbook. The adoption of these amendments has not resulted in any change in how the Foundation accounts for its transactions.

**Section 1000 – Financial statement concepts**

On January 1, 2009, the Foundation adopted the amendments made to Section 1000 “Financial statements concepts”. The amended section requires an entity to demonstrate that any expenditure that it wishes to present as an asset meets the conceptual definition of an asset or is permitted to be recorded as assets under specific CICA Handbook section. The adoption of these amendments has not resulted in any change in how the Foundation accounts for its transactions.

**Credit risk and the fair value of financial assets and financial liabilities**

In January 2009, the Emerging Issues Committee (“EIC”) of the CICA issued EIC-173 “Credit risk and the fair value of financial assets and financial liabilities”. This abstract requires that an entity’s own credit risk (for financial liabilities) and the credit risk of the counterparty (for financial assets) should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. The new guidance did not have any impact on the valuation of the Foundation’s financial assets and liabilities.

**4. Externally restricted cash and short-term investments for Class Proceedings Fund**

Restricted cash and short-term investments consist of cash and bankers acceptances with similar terms as described in note 5 and are externally restricted for Class Proceedings Fund grants. Payments are subject to approval of grant and fulfillment of grant terms. Included in Restricted cash and short-term investments is \$1,932,629 (2008 – \$709,084) which has been authorized as grants to be paid in the 2010 fiscal year.

**5. Externally restricted cash and Investments for Roy & Ria McMurtry Endowment Fund**

Restricted cash and investments consist of cash, fixed income securities and equities. The fixed income securities are comprised of bonds and deposit notes which mature between May 19, 2010 and March 8, 2017 and the coupon rates range from 4.00% to 4.69% (2008 – 4.00% to 4.69%).

	2009	2008
	\$	\$
Restricted cash	2,556	11,187
Fixed income investment	64,862	67,741
Equities	48,060	44,188
	115,478	123,116

**6. Short-term investments and marketable securities**

The Foundation’s short-term investments comprise cash, GICs and bankers’ acceptances of \$54,211,655 (2008 – \$47,690,287). The effective yields on the bankers’ acceptances of \$10,832,159 (2008 – \$38,012,357) range from 0.24% to 0.65% (2008 – 3.55% to 5.5%).

The Foundation’s marketable securities include bonds of \$9,385,300 (2008 – \$9,643,774), which mature between September 2, 2010 and March 8, 2018 and can be liquidated at any time. The coupon rates range from 2.2% to 5.05% (2008 – 2.7% to 6.4%).

The Foundation has followed a Statement of Investment Policies, which provides the investment objectives, performance expectations and guidelines for the management of these investments. The Statement of Investment Policies requires that all investments must fall within the *Trustee Act of Ontario* and requires that certain additional restrictions must be met.

**7. Capital assets**

	2009		2008	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Furniture and fixtures	254,106	129,558	124,548	104,920
Computer hardware	149,437	107,153	42,284	77,932
Computer software	167,031	80,599	86,432	54,840
Leasehold improvements	402,897	111,213	291,684	199,616
	973,471	428,523	544,948	437,308

**8. Due to Legal Aid Ontario**

Pursuant to Section 55(3) of the *Law Society Act* (R.S.O. 1990, Chapter L.8), 75% of the net revenue received during the year from interest received on lawyers’ mixed trust accounts, less operating expenses, is to be paid to Legal Aid Ontario. The provision for the share of net revenue payable to Legal Aid Ontario is recorded annually in the Foundation’s accounts.

	2009	2008
	\$	\$
Interest on lawyers’ mixed trust accounts (net of service charges \$2,563,175; 2008 – \$2,863,525)	12,968,261	53,811,791
Expenses	(2,591,430)	(2,040,969)
Interest after expenses	10,376,831	51,770,822
Due to Legal Aid Ontario, beginning of year	28,116	447,617
75% allocation to Legal Aid Ontario	7,782,623	38,828,116
Paid to Legal Aid Ontario, during the year	(7,628,116)	(39,247,617)
Due to Legal Aid Ontario, end of year	182,623	28,116

## 9. Grants authorized

Grants authorized consist of the following:

	Unrestricted	Debt repayment	Future commitment	Rejuvenation	Roy & Ria McMurtry	Strategic initiatives	Public interest articling	Class proceeding	2009 Total	2008 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening	13,266,797	285,000	-	77,943	10,000	1,499,524	859,441	709,084	16,707,789	14,664,160
Grants authorized	10,729,361	180,000	2,770,500	201,233	10,000	-	417,000	3,628,850	17,936,944	12,719,620
Payments	(8,611,776)	(100,000)	(2,770,500)	(156,493)	(15,000)	-	(372,088)	(2,357,960)	(14,383,817)	(10,125,171)
Grants transferred	1,499,524	-	-	-	-	(1,499,524)	-	-	-	-
Grants reversed	(219,334)	-	-	-	-	-	-	(59,667)	(279,001)	(550,820)
Ending										
Grants payable	16,664,572	365,000	-	122,683	5,000	-	904,353	1,920,307	19,981,915	16,707,789
Less:										
Long-term grants payable	(1,389,040)	(60,000)	-	-	-	-	(208,500)	-	(1,657,540)	(635,000)
Current grants payable	15,275,532	305,000	-	122,683	5,000	-	695,853	1,920,307	18,324,375	16,072,789

## 10. Grant Stabilization Fund

In 1981, the Trustees of the Foundation established a Reserve Fund to provide for future contingencies and future beneficiaries of its statutory objects that relate to legal education, legal research and law libraries. This fund was created and has been maintained from the 25% of net revenue intended to be made available for those beneficiaries. In 2009, the Trustees of the Foundation changed the name of the fund to the "Grant Stabilization Fund". The balance of the Fund is maintained at \$16 million.

## 11. Future Commitment Fund

In 2004, the Trustees of the Foundation established a fund to hold funds which have been allocated from the unrestricted - General Fund to budget for funding plans extending beyond one year. Multi-year funding plans will continue to be formally approved and booked on a year-by-year basis, but the funds will come out of the future commitment fund rather than the unrestricted - General Fund. In 2009, the Board of Trustees authorized \$2,770,500 (2008 - \$ 2,879,445) and paid out \$2,770,500 (2008 - \$2,877,445). During the year, an allocation of \$2,998,557 (2008 - \$729,625) was made from the Unrestricted General Fund to the Future Commitment Fund in grants.

## 12. Public Interest Articling Fellowships Fund

In 2005, the Trustees of the Foundation established a fund for the Public Interest Articling Fellowships program, for an initial term of four years. The Fellowships have been awarded only to those qualifying organizations that do not have access to other resources with respect to funding articling positions. The sum of \$2,000,000 was allocated from the unrestricted fund to fund the initial four year period. In 2009, the Trustees of the Foundation agreed to fold the fund into the General Fund and to transfer the deficit of this program to the General Fund.

## 13. Strategic Initiative Fund

In 2005, the Trustees of the Foundation established a fund to hold funds which have been allocated from the unrestricted General Fund to budget for new strategic initiative projects. In 2009, the Trustees of the Foundation agreed to close the fund and to transfer the funding of these projects to the General Fund.

## 14. Debt Repayment Fund

In 2006, the Trustees of the Foundation established a fund to assist recent law graduates meet their education debt repayment obligation. Only those who pursue their career in the field of public interest law in Ontario are eligible for this fund. The source of this fund came from the unrestricted General Fund. In 2009, the Trustees of the Foundation agreed to transfer this fund to the Future Commitment Fund.

## 15. Access to Justice Fund

In 2009, the Trustees of the Foundation established an internally restricted fund to provide grants that promote access to justice. The source of this fund came from a one-time settlement in the amount of \$14,530,395 (together with interest earned thereon of \$63,735) that the Foundation received as a result of a ruling on a class action lawsuit, although the Foundation was not a party to the action. The amount was transferred from the Unrestricted general fund to the new Access to Justice fund.

## 16. Rejuvenation Fund

In 2007, the Rejuvenation Fund was established for the purpose of providing both human and organizational infrastructure support to eligible grantees for optimum performance and efficiency, and includes such activities as professional development, consulting services, technology upgrades and capital acquisitions and improvements. The source of this fund comes from the unrestricted General Fund.

## 17. Class Proceedings Fund

The Class Proceedings Fund (the "Fund") came into being in 1993 under an amendment to the *Law Society Act* to provide financial support to plaintiffs in class proceedings in respect of disbursements incurred and payments made to defendants regarding cost awards made against the funded plaintiffs. In the event a funded action settles or wins an award, disbursement award grants already paid are recoverable, and outstanding disbursement award grants payable are cancelled. As well, the Fund is entitled to a 10% levy on any award or settlement to the plaintiff in a funded action.

In 2009, the Fund recovered a previous year's disbursement award grant payment of \$159,192 (2008 - \$13,218). The Fund paid cost awards of \$643,112 (2008 - \$243,526) as a result of cost awards made against funded plaintiffs. The Fund received a levy on awards of \$7,522,795 (2008 - \$1,088,506) as a result of settlements to funded plaintiffs.

## 18. The Roy & Ria McMurtry Endowment Fund

In 2005, The Law Foundation of Ontario established the Roy & Ria McMurtry Endowment Fund in honour of Chief Justice and Mrs. McMurtry, upon his receipt of the 2005 Law Foundation of Ontario Guthrie Award. From the interest earned on the Fund, awards will be made in support of work within the Foundation's objects, of an organization chosen by the former Chief Justice and Mrs. McMurtry. In addition, on June 2007, the Board decided that an annual \$5,000 scholarship will be available to a student selected from the Law School on a rotating basis.

## 19. Interest on Lawyers' Mixed Trust Accounts

The Foundation negotiates with each financial institution for interest rates of return and service charges in order to achieve a net competitive rate of return.

## 20. Internally Restricted Funds - grants authorized

	2009	2008
	\$	\$
Public Interest Articling Fellowships Fund	417,000	530,830
Strategic Initiatives Fund	-	(56,376)
Debt Repayment Fund	180,000	180,000
Future Commitment Fund	2,770,500	2,879,445
Rejuvenation Fund	201,233	70,634
	3,568,733	3,604,533

## 21. Lease commitments

The Foundation has obligations under a non-cancellable operating lease. The future minimum annual lease payments for premises (excluding occupancy costs) in each of the next five years are as follows:

	\$
2010	74,100
2011	74,100
2012	76,633
2013	81,700
2014	81,700

## 22. Contingencies

Once funding has been granted by the Class Proceedings Committee to a plaintiff in a class action, the Class Proceedings Fund (the "Fund") becomes potentially liable for adverse cost awards against the plaintiff in the action. As at December 31, 2009 the Fund remained exposed to potential adverse cost awards in funded actions. In all actions, the likelihood of loss is indeterminable. Any loss will be recorded in the year it is determined.

## 23. Financial instruments

**Fair value** The carrying value of the Foundation's financial instruments approximates their fair value (except for marketable securities as disclosed on the balance sheet) due to the immediate or short-term maturity of these instruments.

**Interest rate risk** The Foundation is exposed to interest rate risk with respect to its short-term investments. Changes in the prime interest rate will have a positive or negative impact on the Foundation's interest income. Such exposure will increase accordingly should the Foundation maintain higher levels of short-term investments in the future.

**Transaction costs** Transaction costs for investments are expensed as they are incurred into the carrying value of the investments.

## 24. Capital management

As a not-for-profit entity, the Foundation's operations are reliant on revenues generated annually. The Foundation has accumulated Unrestricted Funds over its history. The Foundation also maintains fund balances which are available for the use of the Foundation at the Board's discretion, as described in Notes 10 to 16. The Externally Restricted Funds of the Foundation are described in Notes 17 and 18. The Foundation is in compliance with the restrictions imposed by the terms of these Funds.

## FELLOWSHIPS AND RECOGNITION

### Community Leadership in Justice Fellowships

This fellowship program is one of several the LFO currently provides annually (see page 13). The outcomes of the two CLJ fellowships completed during 2009 are highlighted here.

### Strengthening the College-Community Link

Filling out a form is simplicity itself for some, but a barrier to important government services for others – and that reality motivated **Joyce Zuk**'s LFO-funded Community Leadership in Justice Fellowship. Joyce is Executive Director of two community-service agencies, and spent her Fellowship at St. Clair College.

Joyce developed and launched a Forms Clinic model, now operating from six locations in Windsor. It provides walk-in and no-cost assistance to complete government forms. A combination of the language and literacy barriers faced by many members of the diverse community, and the increasing need to access government programs in a tough economy, had created strong demand.

The service is provided by paralegal students from St. Clair – creating what is believed to be a unique opportunity for students in this type of program to get valuable hands-on experience working with clients. Joyce's Fellowship involved developing curriculum and training students to provide these services, and forging the partnerships through which the clinics are provided.

"I probably wouldn't have had the chance to work with the college and teach there had it not been for the Fellowship," says Joyce. "And a really key piece was that it created an important opportunity for an academic institution to connect better with its community."

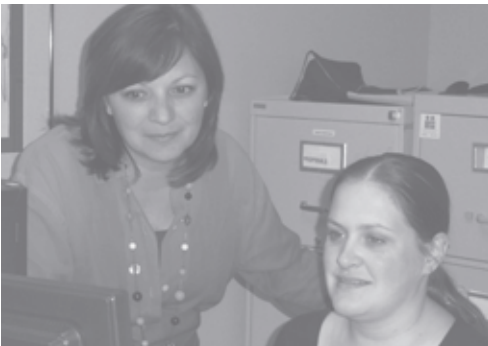
### Benefits Extending Across Borders

Law-student engagement and partnership-based improvements in access to civil justice were the dual themes of **Michele Leering**'s LFO-funded Community Leadership in Justice Fellowship. Michele is Executive Director and a lawyer at Belleville's Community Advocacy & Legal Centre (CALC), and while her Fellowship was intended to be broad from the outset, unexpected opportunities extended its scope and spinoff benefits even further.

In addition to working with students on access to justice-related projects, Michele created tools that will help put "reflective practice" to use in legal education. This involves equipping practitioners to better draw upon their ongoing experience to support professional development, and better sustaining the social-justice commitments that attract many to the profession. She worked with faculty to craft resource materials that will support curriculum reform efforts at Osgoode Hall Law School, the host institution for her fellowship.

Her partnership-related work entailed extensive research and network-development. This provided cross-learning opportunities that Michele subsequently leveraged in the course of her clinic's strategic planning, and in regional efforts to move forward with a separate LFO initiative to better serve linguistic minorities and rural residents.

Among the unexpected and enriching outcomes of the fellowship was the forging of international connections – which among other benefits led CALC to host an eight-day study tour in 2010 for colleagues working to establish community law centres in eastern Europe.



Joyce Zuk and paralegal student Jenn Renaud



Michele Leering

### Guthrie Medal Recipient

The LFO selected the **Barbra Schlifer Commemorative Clinic** of Toronto as the recipient of the 2009 Guthrie Award. The clinic is a renowned advocate for and service provider to female victims of violence. It has pioneered an integrated model that includes a full range of legal services, as well as language interpretation and transitional support. It remains a means by which thousands of women each year seek to overcome the often horrific impacts of violence and to move forward with their lives. The award was presented in the spring of 2010, during the clinic's 25th year in operation and 30 years after Barbra Schlifer's tragic murder.

### In Appreciation

The LFO extends its thanks to the following individuals who volunteered their time in support of various initiatives during 2009, as committee members, advisors and in other capacities. Their efforts were invaluable in broadening the perspectives and expertise on which the LFO was able to draw:

Alexis Archbold  
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Susan Elliott  
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Neena Gupta  
Katherine Hensel  
Hon. Frank Iacobucci  
Pelly Kumalo  
Michele Leering  
Alain Letourneau  
Gary Malkowski  
Mary Marrone  
Julie Mathews  
Hon. R. Roy McMurtry  
Diana Miles  
Paul Pape  
Mehreen Raza  
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Carolina Teves  
Aneurin Thomas

Finally, the LFO extends its appreciation and best wishes to **Mary Shannon Brown**, who was its long-time Executive Director. She was presented with a first-ever honorary Guthrie Award to mark the conclusion of over 25 years of service to the organization.

What the Law Foundation is able to do is to provide the resources for projects that serve Ontarians that would not otherwise be served by the justice system at all.

HON. STEPHEN GOUDGE  
COURT OF APPEAL FOR TORONTO

*This comment is one of a number of stakeholder perspectives on the Law Foundation of Ontario and its impact, which were captured in interviews during 2009. Hear what others had to say, including individuals who have directly benefited from LFO-funded programs, by watching the video at [www.lawfoundation.on.ca](http://www.lawfoundation.on.ca).*



**The Law Foundation of Ontario**  
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