

PROPOSED CHANGES TO THE LEGAL PROFESSION ACT AND THE BENCHER ELECTIONS: Is the Law Society Considering the Interests of You, Your Clients and the Public?

Are you familiar with the steps the Law Society of Alberta (LSA) has recently taken to amend the *Legal Profession Act*, and how it may affect you, your clients and the public?

Are you aware that the LSA has asked the government for changes that would give the Benchers the ability to potentially enact profit-driven non-lawyer ownership (NLO) of law practices, and alternative business structures (ABS) for law practices without further legislative change?

Are you aware that the LSA is seeking a reduction in the required number of elected Benchers to as few as 6?

If the above concerns you, you have an opportunity to vote for Bencher candidates who have the same concerns that you do in this Bencher election.

Before the Law Society takes steps to amend the *Legal Profession Act* (LPA) to allow entity regulation, which opens the door to profit-driven non-lawyer ownership of law firms and alternative business structures, the Alberta Civil Trial Lawyers Association (ACTLA) believes the LSA has a duty to consult fully with the bar in general and with law organizations across the province, such as ACTLA, to comment on legislative changes and specific proposals that impact Law Society members and the public. Consultation should occur before changes are proposed, not after. Have you been fully consulted?

Why should I care about profit-driven non-lawyer ownership of law firms/practices and alternative business structures?

One concern is that non-lawyer ownership is profit-driven. As a result, the 'profit-driven' model could substantially impact a lawyer's ability to

act in the best interests of clients and the public. There are real concerns about the potential conflicts of interest (ethical, legal, practical, etc.) between the duty to non-lawyer for-profit shareholders/owners and the duty to clients, as well as the independence of the profession. Experience in jurisdictions that allowed profit-driven non-lawyer ownership of law practices and alternative business structures has not demonstrated any real improvement of access to justice. In fact, in some of those jurisdictions, profit-driven non-lawyer ownership of law firms/practices and alternative business structures led to monopolization, decimation of diversity and the wiping out of many sole practitioners and small firms. The most extreme example of this is in Australia and the UK where Slater and Gordon Lawyers, propped up by profit-driven non-lawyer shareholders/owners, went from mega firm to now being on the **verge of bankruptcy**. What happens to Slater and Gordon's 200,000 clients left with a law firm in its death throes after the non-lawyer profit-driven shareholders/owners took their profits and departed? Is the public's interest served by entities with profit-driven non-lawyer ownership delivering legal services and outright competing with lawyers and law practices? Where does that leave clients? Is this the future you see for our profession?

The Law Society has only proposed legislative changes to allow for entity regulation. How are entity regulation, profit-driven non-lawyer ownership, and alternative business structures related?

The LSA has asked for changes to the *Legal Profession Act* to allow it to engage in entity regulation and has publicly stated that it is doing so because of a need to regulate lawyers better, not because it wants to enact NLO or ABS. The LSA has specifically stated that it is not engaging in consultation about non-lawyer ownership (NLO) or alternative business structures (ABS) at this time. However, entity regulation arguably strongly leads to ABS and NLO. The LSA has not provided to the profession or the public the language of the legislative changes it is seeking. Further,

in collaboration with the Prairie Law Societies, the LSA acknowledged ties between ABS and entity regulation in the November 2015 Abstract "Innovating Regulation" which stated:

For the purpose of this discussion paper, ABS refers to who may own, fund, earn revenue from and provide services in a legal practice, as well as the services that can be provided by a legal practice. These options can best be monitored if the law societies have the authority to regulate the entire entity .

Why is the LSA not engaging in a discussion about NLO and ABS prior to proposed legislative changes when they have stated that these changes can lead to ABS?

Can we assure ourselves that the LSA will consult with the profession before enacting NLO and ABS when it put a trust transfer fee in place and the Edmonton LSA office was closed with limited consultation with the profession?

There are no LSA town hall meetings for the legal profession in Lethbridge or Edmonton on these issues before the Benchers election.

ACTLA has canvassed all Bencher candidates on these issues. There are many Bencher candidates who take a strong position regarding NLO and ABS; you can inform yourself on their views at www.actla.com. ACTLA strongly encourages you to inform yourself on these extremely important issues, and to consider the Bencher candidates' views when casting your vote in the Bencher Elections.

The Alberta Civil Trial Lawyers Association (ACTLA) was founded in the Spring of 1986 as a non-profit society dedicated to the objectives of advancing the science of jurisprudence, training in all fields and phases of advocacy, upholding the honour and dignity of the profession of law, encouraging brotherhood and sisterhood among the members of the bar, upholding and improving the adversary system and trial by jury, and promoting the administration of justice and the public good.

**ALTERNATIVE BUSINESS STRUCTURES,
PROFIT-DRIVEN NON-LAWYER OWNERSHIP
AND ENTITY REGULATION**

**WHAT YOU NEED TO KNOW WHEN VOTING
IN THE 2017 LAW SOCIETY OF ALBERTA
BENCHER ELECTIONS**

**Why should I care about profit-driven non-lawyer
ownership of law firms/practices and
alternative business structures?**

**The Law Society has only proposed legislative
changes to allow for entity regulation.**

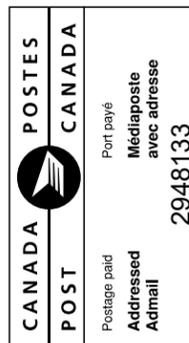
**How are entity regulation, profit-driven non-lawyer
ownership, and alternative business structures related?**

**Why is the LSA not engaging in a discussion about
NLO and ABS prior to proposed legislative changes
when they have stated that
these changes can lead to ABS?**

**To review candidate positions and comments on these
important issues, visit www.actla.com
and click on**

[ACTLA Q&A to Bencher Candidates](#)

*ACTLA Mission Statement: To advocate for a strong civil justice system
that protects the rights of all Albertans.*



Alberta Civil Trial Lawyers Association
550-10055 106 Street NW
Edmonton, Alberta T5J 2Y2
Tel: 1-800-665-7248
Fax: 1-780-429-1199
Email: admin@actla.com

Alberta Civil Trial
Lawyers Association

**ALTERNATIVE BUSINESS STRUCTURES,
PROFIT-DRIVEN NON-LAWYER OWNERSHIP
AND ENTITY REGULATION**

**WHAT YOU NEED TO KNOW WHEN VOTING IN
THE LAW SOCIETY OF ALBERTA
BENCHER ELECTIONS**

2017

