



Who We Are

***F**or over thirty years, The Law Foundation of Ontario (LFO) has been committed to supporting access to justice, community participation in the justice system, advancing legal knowledge and promoting excellence in the legal profession.*

The LFO is the only grant-making foundation in Ontario with an exclusive focus on people's legal needs and the contribution that law makes to civil society. Established in 1974, under an amendment to the Law Society Act (the governing legislation of lawyers and paralegals in Ontario), the LFO receives interest on lawyers' and paralegals' mixed trust accounts to fund a wide range of worthwhile initiatives.

The LFO is also home to the Class Proceedings Committee and administers the Class Proceedings Fund, which was established in 1992. The Fund provides financial support to parties to class proceedings.



The Law Foundation of Ontario
Building a better foundation for justice in Ontario

The Law Foundation of Ontario

Our Vision

The Law Foundation of Ontario is a catalyst for advancing the ideal of a truly accessible justice system. The LFO is recognized as a leader, working through creative partnerships to sustain and strengthen the development of a just society.

Our Mission

The Law Foundation of Ontario is committed to the advancement of legal knowledge, excellence within the legal profession and community participation in the legal system. The LFO funds programs and initiatives that promote and enhance access to justice for all Ontarians.

Board of Trustees

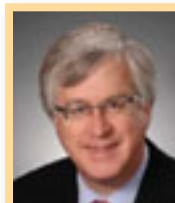
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Barbara Stewart, Executive Secretary
Mary Shannon Brown, Executive Director

Report from the Chair

2008 *was another record-breaking year for The Law Foundation of Ontario. In addition to a 25% jump in grant applications, and disbursing the*

largest amount of funds yet (\$11.9 million compared to \$10.4 million in 2007), we also

undertook a number of new projects to expand our reach across the province and to improve our operations. Many of the Foundation's activities in 2008 will continue to return benefits over the next few years.



In 2008, the Foundation again demonstrated that it takes seriously its vision to be "a catalyst for advancing the ideal of a truly accessible justice system." In 2007, we reported that we had identified two pervasive barriers to access to justice: those facing people who do not speak English or French, and those facing people living in rural or remote areas of the province. These barriers were identified through the response to our 2006 Law and Innovation Fund campaign. In

2008, the Foundation commissioned George Thomson and Karen Cohl to conduct province-wide consultations and provide recommendations for systemic solutions to these two barriers. Their report, *Connecting Across Language and Distance*, describes how the Foundation, through strategic funding, could act as a catalyst for improving access to justice. The report is thoughtful, visionary and practical, giving much to the Foundation to work with in 2009 and beyond. On behalf of the Foundation, I would like to express our appreciation and admiration for George and Karen's outstanding work on this challenging assignment. The Foundation will be moving quickly in 2009 to capitalize on the excitement and support generated by the *Connecting* report.

Another major initiative in 2008 was an outreach tour designed to raise the Foundation's profile with not-for-profit organizations outside the Toronto area and with post-secondary institutions other than law schools. Through open houses hosted in 14 cities across Ontario, we met with over 150 not-for-profits and more than 30 universities and community colleges. The response to our presentations was extremely positive, and we are already seeing the effects of that tour through an increase in the number and diversity of grant requests being submitted.

At the same time that our granting activities increased, we continued to place a high priority on operational effectiveness. With the support of the Ministry of the Attorney General and the Law Society of Upper Canada, we were able to update our regulations to allow electronic filing of Form 1, which will significantly reduce the burden of compliance for lawyers and paralegals. We also implemented numerous changes within our office to maximize the use of technology, to modify our staffing model, and improve our administrative practices so that we are well-positioned to meet the challenges of the coming years. And not for a moment did we lose sight of the importance of continuing our prudent management of all revenues, investments and expenditures. Our tradition

of careful financial stewardship will stand us in good stead through the current economic downturn, and we are well positioned to honour all of our on-going grant commitments in 2009.

These are only a few highlights of the Foundation's many achievements from 2008. Our biggest achievement, however, is always the support we are privileged to provide for the outstanding work of our grantees, and the support we are privileged to receive from our partners. I am honoured to have served as Chair of the Foundation for the last five years, and I know that the new Chair, Mark Sandler, will find this role to be as rewarding as I have. It has been an immense pleasure to work with so many dedicated people and institutions - our grantees, the Law Society of Upper Canada, the Ministry of the Attorney General, Legal Aid Ontario, other law foundations across the country, the Ontario bar and judiciary, and the law schools, among many others. I was continually inspired by the commitment and enthusiasm of my colleague trustees and the members of the Class Proceedings Committee, and wonderfully supported by

the energetic staff of the Foundation. To all of the Foundation's partners, grantees, trustees and staff, I simply say "thank you" for your enormous contribution of time, energy and talent to ensure the fulfillment of the Law Foundation's mandate to promote and enhance justice for all Ontarians.



Larry Banack,
Chair

Building...

GRANTEE HIGHLIGHTS

The LFO supports professional excellence through a wide range of organizations and opportunities. The following is a small selection of professional development grants the LFO provided in 2008. Please see pp. 12–15 for the complete list of all grants approved in 2008.

CANADIAN CENTRE FOR ELDER LAW (CCEL)

4th Annual Canadian Conference on Elder Law

The CCEL was established in 2003 and is dedicated to the creation and promotion of legal research to foster the dignity and safety of older adults in Canada. In 2008, the CCEL held its 4th Annual Canadian Conference on Elder Law – a leading national and international forum on law and issues affecting seniors. The LFO contributed to the conference to support professional development for Ontario-based lawyers, judges, and others specializing in elder law.

BLACK LAW STUDENTS' ASSOCIATION OF CANADA (BLSAC)

17th Annual Conference: *Black Canadian Achievement in Law*

A national not-for-profit organization, BLSAC formed in 1991 to remove systemic and other barriers facing Black people wishing to enter law school and the legal profession. From the year of its inception, BLSAC has organized a national conference for Black law students, which the LFO has supported since 2002. The annual conferences provide BLSAC members the opportunity to meet with legal academics and practitioners to discuss professional needs and goals, and to foster professional excellence. LFO contributed funds to enable Ontario law students to attend the conference in Vancouver.

FEDERATION OF ASIAN CANADIAN LAWYERS (FACL)

Second Annual Symposium: *Asian Canadian Lawyers in Action*

FACL is a not-for-profit organization working closely with other Asian Canadian associations and community organizations, and affiliated with the National Asian Pacific American Bar Association, to promote equity, justice and opportunity for Asian Canadians in both the legal profession and the wider community. The LFO contributed to the cost of FACL's second annual symposium, which was designed to provide a forum for the exchange of ideas on legal issues facing Asian Canadians, to examine the particular forms of discrimination and racism experienced by the various Asian communities in Ontario and to suggest proactive ways to overcome barriers to access to justice and to the legal profession. A summary of the well-attended event is available on FACL's website at http://www.facl.ca/documents/FACL_Conference_Summary_Report.pdf.

THE LAW SOCIETY OF UPPER CANADA (LSUC)

Paralegal Education/Access to Justice Education

In 2007, the LSUC's regulatory responsibilities were expanded to include oversight of paralegals, making Ontario the first jurisdiction in North America to do so. As part of this new responsibility, the LSUC now manages an annual licensing process that comprehensively assesses the knowledge, skills and abilities of all paralegal candidates. The LFO traditionally makes a regular contribution toward the education component of the annual licensing process for lawyers. In 2008, the LFO funded the educational component of the annual paralegal licensing process, which includes support services for candidates with special needs, the production and translation of educational materials, e-learning initiatives and additional materials. The new oversight system for paralegals will serve to enhance professional excellence and to provide the public with more protection and improved access to justice.

Excellence within the Legal Profession

UNIVERSITY OF WATERLOO, SCHOOL OF ACCOUNTING AND FINANCE (UW)

Ethics, the Professional Service Firm and Corporate Governance: A Study of Professional Autonomy and Ethical Decision-making in Large Corporate Law Firms

UW researchers are collaborating with the University of Toronto's Centre for the Legal Profession (also currently funded by the LFO) and the Canadian Business Ethics Research Network to carry out a new two and a half year study that builds upon earlier work conducted by the same research team. The current study being funded by the LFO and the Alberta Law Foundation is investigating the factors that influence ethical decision-making of lawyers working in large law firms across Canada. The research team's earlier work investigated the influences on the ethics of in-house counsel of large corporations; the new study will examine the accuracy of the perception that private sector law firms can provide more impartial advice than in-house counsel.

NATIVE LAW CENTRE (NLC)

Support of the Native Law Centre's Mandate

The NLC was established in 1975 at the University of Saskatchewan, and became part of the University's College of Law in 1984. The NLC's mandate is to facilitate access to legal education for Aboriginal peoples, to promote the development of the law and the legal system in Canada in ways which better accommodate the advancement of



Presidents of the Black Law Students' Association of Canada

Aboriginal peoples and communities, and to disseminate information concerning Aboriginal peoples and the law. The LFO, together with five other Canadian law foundations, contribute funds to support the NLC's native law library and the Program of Legal Studies for Native People, which is an eight-week preparatory course open to Aboriginal students across Canada. Taught by lawyers and law professors, the course is designed to help students develop the skills necessary for success in law school.

CHIEF JUSTICE OF ONTARIO'S ADVISORY COMMITTEE ON PROFESSIONALISM

Conference: Lifelong Learning and Professionalism

The Chief Justice of Ontario's Advisory Committee on Professionalism was created in 2000 to "maintain and

encourage those aspects of the practice of law that makes it a learned and proud profession". In partnership with the University of Toronto's Centre for the Legal Profession (also currently funded by the LFO), this one-day conference was designed to explore the scope and importance of lifelong learning, examine what can be learned from other jurisdictions, and consider the role of various stakeholders within the legal profession in advancing education in professionalism. The day concluded with the 2009 Annual Goodman Lecture, delivered by the Honourable Justice Stephen Goudge, Court of Appeal for Ontario, entitled "Looking Back and Looking Forward on Learning in Professionalism". Copies of the conference presentations and webcasts are freely available on the internet at <http://www.clp.utoronto.ca>.

THE FOUNDATION FOR LEGAL RESEARCH (FLR)

Legal Research

The FLR, created in 1957, supports academic research into legal rules (doctrinal research), the workings of the legal system, and the relationship between legal rules and other disciplines such as criminology, psychology, psychiatry, sociology and economics. The LFO and the Law Foundation of British Columbia provide funds and administrative support to the FLR, enabling it to increase the range and number of grants it provides to legal scholars.

ONTARIO LAW SCHOOLS

For many years, the LFO has supported all of Ontario's law schools by giving annual grants for student enrichment activities and community outreach. In addition to these annual grants, the schools are also eligible to apply to the LFO for one-time project grants. The following examples are taken from both types of grants, and are a very small selection of the many innovative student enrichment activities that the LFO supports.

UNIVERSITY OF OTTAWA, FACULTY OF LAW (CIVIL LAW)

Weeshuweoon Summer Program

The Weeshuweoon Summer Program is a pre-law program offered to students from Aboriginal communities to facilitate access to full-time studies in law. This three-week intensive course is delivered in Cree territory, and brings together Aboriginal students, non-Aboriginal law students, and Cree elders. The course explores differences between legal traditions by examining a single topic, such as Cree property law, from each of the different systems.

UNIVERSITY OF OTTAWA, FACULTY OF LAW (COMMON LAW)

uOttawa-Ecojustice Environmental Law Clinic

In partnership with Ecojustice (formerly known as Sierra Legal Defence Fund), and with funding support from the LFO and the McConnell Family Foundation, the University of Ottawa has established Canada's first interdisciplinary environmental law and policy clinic. The Clinic gives students opportunities to gain experience in a wide range of legal services (such as community legal education, summary legal advice, law reform submissions, representation before administrative bodies, and assisting in litigation) and gives community organizations access to interdisciplinary teams of experts.

UNIVERSITY OF TORONTO, FACULTY OF LAW Centre for the Legal Profession

With start-up funding from the LFO, the Centre's goal is to broaden and deepen the understanding of and relationship between professionalism, ethics and public service. The Centre offers academic programming, outreach to the legal profession, and promotes public service and student leadership. The Centre brings together leaders from academia, private practice, the judiciary and public interest groups to engage in active dialogue about the capacities, judgment and actions necessary for effective lawyering.

UNIVERSITY OF WINDSOR, FACULTY OF LAW Mediation Services (UWMS)

The UWMS was founded to address the growing need for mediation and dispute resolution services for the University and Windsor-Essex County communities. The UWMS enables law students to learn and practice a range of conflict resolution skills and provides free mediation services to the local community, in the belief that mediation principles and techniques can not only settle private disputes but can also play a key role in community development. The UWMS community development initiatives include elder abuse projects, peer mediation programs in high schools, and conflict management programs at young offender facilities, among others.

QUEEN'S UNIVERSITY, FACULTY OF LAW

Education Equity Program

Queen's Education Equity Program offers several resources to law students from equity-seeking groups. LFO funding contributes to such programs services as the laptop loan program, student research on equity issues, and student attendance at equity-themed conferences.

UNIVERSITY OF WESTERN ONTARIO, FACULTY OF LAW

Community Legal Services / Dispute Resolution Centre

Western's Community Legal Services provides free legal advice and representation to members of the London community as well as to students at Fanshawe College and Western. LFO funding supports the salaries of summer positions for law students to advise and represent clients who are not eligible for legal aid, and to deliver public legal education programs.



University of Windsor Mediation Services' Team



Fauteux Hall, Faculty of Law, University of Ottawa

OSGOODE HALL LAW SCHOOL AT YORK UNIVERSITY

Osgoode Public Interest Requirement

Osgoode was the first Canadian law school to introduce a public service requirement as part of its undergraduate degree program. Students must complete 40 volunteer hours of law-related activities that support the public interest, in addition to passing all of their course requirements. The LFO is supporting the start-up costs for the development and implementation of this innovation in professional legal education.

Building...

GRANTEE HIGHLIGHTS

The following is a short list of examples of numerous and creative projects funded by the LFO and carried out by the community organizations to promote access to justice. Please see pp. 12-15 for the complete list of all grants approved in 2008.

YMCA/YWCA NATIONAL CAPITAL REGION Ottawa Community Mediation Program

The National Capital Region YMCA-YWCA offers a wide range of programs for health, fitness and recreation, child care, camping and outdoor education, and social services. The three-year community mediation project, in partnership with Pro Bono Law Ontario and the Federal Department of Justice, addresses the needs of people living in the community who cannot get help with their problems through legal aid or elsewhere and who want to maintain a civil relationship with the other party. The program offers community awareness sessions; referrals to other community services; presentations to community organizations and front line workers; educational workshops for parents, teachers and other professionals working in community organizations; mediations for parties; and dialogue facilitation for not-for-profit/community groups.

JUSTICE FOR CHILDREN AND YOUTH Street Youth Legal Services Program

Justice for Children and Youth (JCY) is a legal aid clinic that provides select legal representation to low-income children and youth in Toronto and vicinity. JCY's Street Youth Legal Services Program delivers legal information and services directly to young street-involved people through drop-in centres and shelters. LFO funding is used to provide a lawyer to work on-location to educate agency staff and street youth about their legal rights and responsibilities. This community-based approach also encourages these individuals to move away from street life and pursue meaningful participation in the broader community.

PRO BONO LAW ONTARIO (PBLO)

The Family Legal Health Program at the Hospital for Sick Children

One of the LFO's flagship grantees, PBLO is a charitable organization that creates and promotes opportunities for lawyers to provide free legal services to persons of limited means. In partnership with Toronto's Hospital for Sick Children, PBLO started a two-year pilot to train health care professionals to identify social causes of patient illness for which a legal remedy is available. LFO funding of this pilot will support a Triage Lawyer located on-site at SickKids who will train hospital staff, refer families to participating law firms and, where appropriate, provide direct legal assistance.

NATIONAL YOUTH IN CARE NETWORK

'Six Within' Documentary Series

The National Youth in Care Network is a not-for-profit organization whose mandate is to increase the awareness of the needs of youth in government care by researching the issues and by providing emotional support to youth in care. Research shows that legal and personal outcomes for children who "age out" of state care are significantly poorer than the life prospects of other youth in Ontario. In partnership with documentary filmmaker Andrée Cazabon, the Network is creating a series of six 25-minute documentary films that will explore the legal and policy issues encountered by six young people living in the child protection system. The goal of Six Within is to educate and inspire changes within the court system and legal procedures to improve the life chances of Ontario youth leaving state care.

FCJ REFUGEE CENTRE

Legal Protection and Integration Program for Uprooted People

FCJ Refugee Centre (formerly the FCJ Hamilton House Refugee Project) is a registered charity serving refugees and others at risk due to their immigration status. The Centre serves increasing numbers of immigrants and refugees each year (1,062 in 2006, over 1,500 in

Access to Justice for Vulnerable Communities

2007) of whom 80% are women and children, many fleeing traumatic experiences in their home countries including domestic and sexual violence, civil war, and, political persecution. The Centre offers an integrated model of services that includes a shelter and programs ranging from interpretation, employment training, legal and medical referrals, and counseling. Working with community partners (Pro Bono Students Canada, METRAC, Working Women Community Centre), the Centre is using LFO's funding to deliver the Legal Protection and Integration Program for Uprooted People which provides legal support for refugee claimants and non-status persons with the help of pro bono lawyers and law students. The Centre takes referrals from across southern Ontario, works with immigration officials on cross-border issues, and provides training on a range of subjects (e.g. refugee determination process training for staff of the Refugee Law Office, sensitivity training for the Refugee Lawyers Association). From January to December, over 8000 volunteer client-service hours were logged, ranging from research on immigration and refugee issues to filling out legal forms.

ELIZABETH FRY SOCIETY OF TORONTO Access Project

The Elizabeth Fry Society of Toronto is a not-for-profit organization, incorporated in 1952, dedicated to working with women who have been, are presently at risk of



Photo courtesy of the CNIB.

being, or are in conflict with the law. Its mission is to create a safe place for women to develop skills and build their capacity to make informed choices. The LFO provided funds to translate, print and distribute the four components of its Access program material in 10 languages (French, Spanish, Italian, Cantonese or Mandarin, Tamil, Portuguese, Punjabi, Urdu, Farsi, Hindi). The Access program assists women whose first language is not English to access criminal law education, covering topics such as the criminal law components of domestic violence; assault/child abuse; shoplifting, theft and fraud; immigration/status considerations and sex work trafficking. The material will focus on what constitutes an offence, rights and responsibilities once charged, and navigating the legal system.

LUKE'S PLACE SUPPORT & RESOURCE CENTRE FOR WOMEN AND CHILDREN

Pro Bono Legal Clinic Pilot Project

Luke's Place is a shelter in Durham Region that offers a wide range of support services for women and children fleeing abuse. The LFO is funding Luke's Place for a two and a half year project to pilot the delivery of integrated legal services. With complementary funding from the Ontario Trillium Foundation, together with volunteer family law lawyers, Luke's Place will be offering on-site legal information workshops and legal advice services to women at four shelters in Durham.

CANADIAN NATIONAL INSTITUTE FOR THE BLIND (CNIB)

Access to Legal Information for People Living with Vision Loss

According to the CNIB, less than 5% of information published in print is available in an accessible format for people living with vision loss. The CNIB will conduct an extensive survey to determine what percentage of this material is of a legal nature. LFO funding will provide the CNIB with the necessary resources to help identify these gaps and create, in an accessible format, a comprehensive inventory of legal materials.

Building...

GRANTEE HIGHLIGHTS

Another of the LFO's priorities is the promotion of legal literacy for community service providers and the general public. The following is a selection of such grants offered in 2008. Please see pp. 12-15 for the complete list of all grants approved in 2008.

COMMUNITY LEGAL EDUCATION ONTARIO (CLEO)

Conference: *Learn, Grow, Connect: Practicing community legal education in a diverse Ontario*

Founded in 1974, CLEO is a community legal clinic that specializes in public legal education and information (PLEI). In partnership with the Centre for the Legal Profession at the University of Toronto, CLEO hosted a two-day conference for community organizations across Ontario that produce, use or have a need for PLEI, and a variety of experts in the areas of PLEI, popular education, community development, and needs assessment. The event goal was to improve community organizations' capacity to provide effective and innovative legal information, and to support the coordination of PLEI resources across the province. Conference materials can be accessed online at www.cleonet.ca/conference.

MADD CANADA (MOTHERS AGAINST DRUNK DRIVING)

A Guide to the Criminal Justice System for Victims of Impaired Driving

MADD Canada is a charitable organization committed to stopping impaired driving and supporting victims. MADD Canada believes that public knowledge of the legal ramifications of driving while impaired is a deterrent for many. In 2008, the LFO funded the revision and reprint of *A Victim's Guide to Canadian Criminal Justice System*, to reflect several recent changes in the *Criminal Code*. The guide, which the LFO previously supported in 2004, is a valuable public legal education tool that is distributed free of

charge to communities across Ontario and is also available on the MADD Canada website (http://www.madd.ca/english/services/your_loved_one.pdf).

KINGSTON INTERVAL HOUSE (KIH)

Staff Legal Information Training

Since 1975, KIH has provided emergency shelter and programming to women and children fleeing domestic violence. LFO funding is being used to develop and deliver legal information training to KIH staff. In addition to being led by a family law lawyer, the training will capitalize on materials created by other community organizations such as METRAC, Family Law Education for Women, CLEO, and Springtide Resources. Covering 12 family law topics, the training is designed to teach KIH staff to communicate basic and up-to-date legal information and to make appropriate referrals for legal advice.

CANADIAN HIV/AIDS LEGAL NETWORK

Symposium: *HIV, Law and Human Rights - "From Evidence and Principle to Policy and Practice"*

The Canadian HIV/AIDS Legal Network promotes the rights of people living with and vulnerable to HIV/AIDS. The Network fulfils its mandate through a variety of activities, including research and policy analysis, public legal education and community mobilization. The LFO contributed to the cost of the Network's first annual symposium on HIV, law and human rights. The symposium program included specialized training for legal professionals (for example, prisoners' rights to information and services for HIV prevention and care, and key legal developments relating to HIV, among others). Information from the symposium has been made freely available on the Network's website through its HIV/AIDS Policy and Law Review.

Legal Literacy

ASSOCIATION DES JURISTES D'EXPRESSION FRANÇAISE DE L'ONTARIO (AJEFO)

Concentration en justice!

Founded in 1980, AJEFO's members (lawyers, judges, court staff, law students, law professors, among others) promote access to justice in French in the Ontario court system. Capitalizing on the success of another LFO-funded program, Law in Action Within Schools (LAWS), AJEFO is adapting the LAWS model to promote bilingual careers in the justice sector to francophone high school students in Ottawa. LFO has committed to supporting AJEFO's four-year pilot, which will aim to assist at-risk Francophone students to achieve their full potential by exposing them to the justice system, assisting them in developing the skills and knowledge necessary to academic success, enhancing their knowledge and understanding of the Canadian justice system, and building a sense of pride in the Francophone legal community.



First Annual Symposium on HIV Law & Human Rights. Photo courtesy of Canadian HIV/AIDS Legal Network.

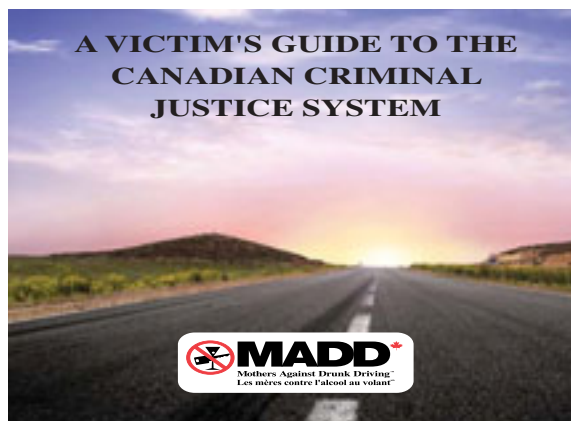


Photo courtesy of MADD Canada.

CANADIAN ENVIRONMENTAL LAW ASSOCIATION (CELA)

Environmental Health, Equity and Law: Making the Links

The Canadian Environmental Law Association (CELA) is a not-for-profit legal clinic established in 1970 to use existing laws to protect the environment and to advocate environmental law reforms. The LFO is funding a three-year research and public legal education pilot intended to link environmental, health and legal issues in six Ontario communities and to build community capacity to respond more strategically to issues such as safe shelter, safe water, indoor air quality, and consumer safety. The concept for the pilot arose in response to the many requests CELA has received from lawyers who wish to understand more about and have better access to information on environmental illnesses, and from doctors who wish to understand more about and have better access to environmental law information.

Grants Authorized During 2008

Administrative Justice Working Group Symposium: The Future of Administrative Justice	\$9,420	Canadian Environmental Law Association (CELA) Environmental Health, Equity and Law: <i>Making the Links</i>	\$81,000
Advisory Committee on Attracting New Child Protection Lawyers, The Law Student Child Protection Dinner	\$7,700	Canadian HIV/AIDS Legal Network First Annual symposium on HIV, Law and Human Rights	\$24,974
Afghan Women's Organization (AWO) Legal Information Sessions for Staff	\$8,741	Canadian Institute for the Administration of Justice Conference: <i>Reasonable Accommodation and the Role of the State</i>	\$10,000
Association in Defence of the Wrongly Convicted (AIDWYC) Program Activities Volunteer Coordinator Organizational Development	\$75,000 \$21,666 \$50,000	Canadian Law & Society Association CLSA-LSA Conference (Travel subsidies for Graduate Students)	\$24,525
Association des juristes d'expression française de l'Ontario (AJEFO) Concentration en justice!	\$61,525	Canadian Lawyers Abroad – Ottawa Student Chapter University of Ottawa, Faculty of Law 4th Annual Student Conference	\$1,825
Assumption University (University of Windsor) Convocation Panel: <i>The Role of Royal Commissions</i>	\$25,000	Canadian National Institute for the Blind (CNIB) Access to Legal Information for People Living with Vision Loss	\$28,235
Barbra Schlifer Commemorative Clinic Strategic Planning Process	\$19,200	Carleton University, Department of Law Tour of Kingston area prisons	\$2,219
Black Law Students' Association of Canada 17th Annual Conference 18th Annual Conference	\$25,000 \$35,000	Centre for Refugee Studies, York University Research Workshop: <i>Critical Issues in International Refugee Law</i>	\$10,000
Canadian Association of Law Teachers (CALT) Annual Conference 2008	\$4,000	Centre for Social Innovation on behalf of Ontario Nonprofit Network Modernization of the <i>Corporations Act</i>	\$115,000
Canadian Centre for Elder Law 4th Annual Canadian Conference on Elder Law	\$10,000	Change 12 Proposal Development Support	\$4,000
Canadian Centre for International Justice Program Evaluation	\$18,000	Chief Justice of Ontario's Advisory Committee on Professionalism Conference: <i>Lifelong Learning and Professionalism</i>	\$19,160
Canadian Civil Liberties Education Trust Teaching Civil Liberties/Civil Liberties in the Schools <i>That's not Fair</i> video project, Phase I	\$266,160 \$16,250	Community Legal Education Ontario Conference: <i>Practicing Community Legal Education in Ontario</i> CLEONet Family Law Think Tank Professional Development	\$120,775 \$100,000 \$15,000 \$2,362

Grants Authorized During 2008

Dickson Circle, The		Law Schools Funding (2009/10 Comprehensive Grants)	
Poverty Law – Advanced Trial Advocacy	\$100,000	Osgoode Hall Law School	\$470,000
Ecotrust Canada		Queen's University Law School	\$390,000
Aboriginal Use and Occupancy and the Courts	\$18,000	University of Ottawa, Civil Law Section	\$235,000
Elizabeth Fry Society of Toronto		University of Ottawa, Common Law Section	\$470,000
Access Project	\$32,353	University of Toronto	\$390,000
FCJ Refugee Centre		University of Western Ontario	\$390,000
Legal Protection and Integration Program for Uprooted People	\$26,000	University of Windsor	\$390,000
Federation of Asian Canadian Lawyers		Law Society of Upper Canada, The	
Symposium: <i>Asian Canadian Lawyers in Action</i>	\$10,000	The G. Arthur Martin Records Project	\$10,943
Foundation for Legal Research		Ontario Civil Legal Needs Project	\$60,000
Legal Research Project	\$30,000	Lawyer Licensing Process	\$1,000,000
Heritage Skills Development Centre		Paralegal Licensing Process	\$175,934
Scarborough East Legal Education for Disadvantaged Women	\$24,865	Archives	\$54,000
Judges Cup Organizing Committee		LibraryCo Inc.	
Annual Judges Cup: <i>York Region Secondary School Mock Trial Competition</i>	\$5,000	2009 Electronic Resource Acquisitions	\$700,000
Justice for Children and Youth		Lifetime Networks Ottawa	
Street Youth Legal Services Program	\$92,800	Future Planning Workshops	\$10,000
Kingston Interval House		Luke's Place Support and Resource Centre for Women and Children	
Staff Legal Information Training	\$24,500	Pro Bono Legal Clinic Pilot Project	\$465,435
Law Commission of Ontario		MADD Canada (Mothers Against Drunk Driving)	
Program Activities	\$485,000	<i>A Victim's Guide to the Canadian Criminal Justice System</i>	\$20,440
		Migrant Workers Ad Hoc Organizing Committee	
		Conference: <i>Solidarity: Migrant Workers</i>	\$7,885
		Nathanson Centre on Transnational Human Rights, Osgoode Hall Law School, York University	
		Workshop: <i>Guns, Crime and Social Order</i>	\$10,000
		National Youth in Care Network	
		<i>Six Within</i> Documentary series	\$100,000
		Native Law Centre	
		Aboriginal Legal Education	\$20,000

Grants Authorized During 2008

Ontario ACORN (Association of Community Organizations for Reform Now)

Tenant Outreach Project \$21,000

Ontario Bar Association

Law Day/Law Week 2008 \$89,750

Ontario Justice Education Network (OJEN)

Program Activities \$525,000

OJEN/LFO Mock Trial Fund \$15,000

Strategic Planning Process \$19,000

Justice Education Symposium Travel Subsidies \$5,800

Ontario Student Debating Union

Provincial High School Debating Championship \$2,000

Ontario Teaching Legal Clinics

Sabbaticals for Instructors at Ontario Teaching Legal Clinics

Parkdale Community Legal Clinic: Cynthia Pay \$40,000

Parkdale Community Legal Clinic: Geri Sadoway \$40,000

Osgoode Hall Law School

Osgoode Human Rights in Africa Virtual Collaborative Research Project \$23,380

ADR Clinic \$172,000

Osgoode Public Interest Requirement \$25,000

Osgoode Society for Canadian Legal History, The

Program Activities \$200,000

Parkdale Community Legal Services

Access to Justice for Workers in Low-wage & Precarious Work \$59,530

Planned Lifetime Networks Waterloo

Future Planning Workshops \$5,900

Pro Bono Law Ontario

Program Activities \$513,083

Law Help Ontario Evaluation \$25,000

Spanning the Nation: 2nd National Pro Bono Conference \$25,000

The Family Legal Health Program at the Hospital for Sick Children \$207,634

Pro Bono Students Canada

Program Activities \$471,778

Professional Development \$3,080

Articling Fellowship Administration \$44,331

REACH Canada

Conference: *Put Our Minds to Work* \$15,000

Rexdale Community Legal Clinic

Mobile Housing Pilot Project \$24,930

Ryerson University

Symposium: Innovations in Legal Education \$19,500

Sage Centre

New Organizational/Governance Model for Charitable Organizations \$40,000

Scadding Court Community Centre

Summit on the Regulations Defining a New Police Complaints Process \$24,644

Schlegel – University of Waterloo Research Institute for Aging

Integrated Access to Justice for the Middle Income Seniors Community:

Whitby Legal Services Assessment Project \$25,000

South Asian Legal Clinic of Ontario (SALCO)

Pro Bono Program \$11,398

South Asian Women's Centre

Linguistic Access to Legal Justice Education for South Asian Women \$25,000

Student Public Interest Network Legal Action Workshop (SPINLAW)

Public Interest Day and SPINLAW Conference \$10,000

University of Ottawa, Common Law Section

Progress & Opportunities for Women's Equality Rights: Africa-Canada \$100,000

Aboriginal Legal Services at the University of Ottawa Community Legal Clinic \$25,000

Public Interest Environmental Law Clinic \$75,000

Grants Authorized During 2008

University of Toronto, Faculty of Law

Law in Action Within Schools (LAWS)	\$217,350
Law in Action Within Schools (LAWS) – Summer Job Program	\$11,970
Centre for the Legal Profession, Ethics and Public Service	\$158,250
Centre for the Legal Profession, Ethics and Public Service Symposium: <i>Can Legal Ethics Be Taught?</i>	\$9,200
A Summit on Aboriginal Economic Development	\$14,907

University of Waterloo

Ethics, the Professional Services Firm and Corporate Governance: A Study	\$48,848
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University of Windsor, Faculty of Law

The Intellectual Property and Innovation Law Legal Information Network	\$25,000
LEAP (Law Enforcement Accountability Project)	\$25,000

Workers' Action Centre

Legal Research and Legal Education Program	\$85,600
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YMCA National Capital Region

Community Mediation Program	\$128,599
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York University

York Centre for Public Policy and Law	\$51,762
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SIGNATURE PROGRAMS

LFO Debt Repayment Assistance Program (D-RAP)

\$180,000

Community Leadership in Justice Fellowships

Community Advocacy and Legal Centre, Belleville/Osgoode Hall Law School	\$65,000
Citizen Advocacy & Well-Come Centre for Human Potential/ St. Clair College	\$65,000

2009/10 Public Interest Articling Fellowships

Association in Defence of the Wrongly Convicted	\$69,500
Amnesty International	\$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

Roy & Ria McMurtry Endowment

Scholarship Recipient from University of Ottawa, Civil Law Section	\$5,000
Second Chance Scholarship Foundation	\$5,000

TOTAL GRANTS

\$11,941,616

Report on Class Proceedings

In 1992, the Class Proceedings Committee (CPC) and the Class Proceedings Fund (the Fund) were established under the Law Society Amendment Act to provide financial support to class action plaintiffs. The Fund was established with a \$500,000 contribution from The Law Foundation of Ontario. The Fund receives a levy in the amount of 10% on any awards or settlements in funded proceedings together with a return of any funded disbursements in successful cases. Plaintiffs are also indemnified for costs that may be awarded against them in funded proceedings.

Class Proceedings Committee

Appointed jointly by The Law Foundation of Ontario and the Attorney General:



Valerie A. Edwards, Chair
Torkin, Manes, Cohen & Arbus LLP
Barristers and Solicitors



Wendy J. Earle
Borden Ladner Gervais LLP
Barristers and Solicitors



Paul Evraire, Q.C.
Special Counsel
Department of Justice

Appointed by the Attorney General:



F. Paul Morrison
McCarthy Tetrault
Barristers and Solicitors

Appointed by The Law Foundation of Ontario:



Professor Lorne Sossin
Faculty of Law
University of Toronto

Report on Class Proceedings

Report from the Chair

Over the course of its 16-year history, the Class Proceedings Fund has supported many important legal proceedings in a variety of areas including environmental cases, claims by pensioners, medical negligence claims, retirement benefit claims and insurance claims. The Fund has also supported cases involving alleged criminal rates of interest, alleged breaches of copyright, alleged breaches of banking agreements, and alleged defective medical appliances.

2008 was defined by considerable growth in many respects. As part of its ongoing plan to educate the Bar about the Class Proceedings Committee (CPC) and the Fund, the CPC held an information session in September with many experienced members of the class actions bar in attendance. The CPC received valuable feedback from the bar about its operations and the Fund. We also participated in panel discussions about funding issues faced by representative plaintiffs at the annual Osgoode conference on class actions and at the Canadian Institute Conference on Class Actions. We gained important insight about the ways in which the CPC facilitates access to justice, and the ways in which it can be improved.

The CPC established a comprehensive website where class actions lawyers and members of the public can easily access up-to-date information about the Fund, copies of applicable legislation and practice directions, a step by step outline of *How to Apply*, a listing of upcoming meetings dates, as well as details about the members of the CPC.

The CPC also received a record number of applications during 2008—twelve. It provided funding in nine of those cases, which is the highest number of proceedings funded in one year.

Two cases which the CPC supported were resolved successfully with class members ultimately receiving significant benefits. The first case involved alleged misleading financial information in prospectuses upon which investors claimed they relied. This case was settled for \$40,000,000. The second case involved alleged mishandling of pension funds and was settled for \$11,000,000.

The members of the CPC and I are pleased that 2008 represented a significant increase in the number of applications received and cases funded. We feel truly privileged to have the opportunity to provide financial assistance to individuals who would not otherwise have the resources to advance their legal rights. As Chair, I want to thank the dedicated efforts of my fellow committee members whose expertise provides the insightful guidance needed to carry out our important work. Our staff counsel, Gina Papageorgiou, is the public face of the CPC and on behalf of the committee, I thank her for her diligence and commitment to our work.

I also take this opportunity to thank The Law Foundation of Ontario. As administrators of the Fund, their work is an integral part of the CPC's efforts in facilitating the public's access to justice.

Together, we look forward to continuing our work in the years ahead.



Valerie A. Edwards,
Chair, CPC Committee

A handwritten signature in dark ink, which appears to read "Val Edwards". The signature is written in a cursive, flowing style.

Report on Class Proceedings

The CPC determines whether applicants will receive funding based upon a number of considerations, including the merits of the plaintiff's case, the extent to which the issue in the proceeding affects the public interest, the plaintiff's efforts to raise funds, the likelihood of certification and the amount of money in the Fund.

The existence of the CPC and the Fund facilitate the public's access to justice as potential class action plaintiffs may be discouraged from prosecuting their claims because the personal benefit to them might be quite small even if they are successful and there is potential exposure to significant costs awards against them if they are unsuccessful.

From 1992 until December 31, 2008 the CPC heard 80 applications for funding. Of those applications, 38 were approved for funding, 26 were denied/deferred and 16 were withdrawn or are currently in abeyance. Of those applications for funding that were denied/deferred, four were denied/deferred pending certification and four were denied/deferred pending receipt of additional information from the applicant. Those applications where funding was awarded represent 89 individual lawsuits since some approved applications for funding involve more than one separate civil proceeding. During the period January 1, 2008 to December 31, 2008, the CPC approved nine new applications for funding, denied two new applications for funding and deferred one new application for funding pending receipt of additional information.

	For the period from Jan. 1, 2008 to Dec. 31, 2008	For the period from 1993 to Dec. 31, 2008
Opening balance	6,452,000	500,000
Total funding awarded	(778,004)	(2,300,984)
Funding repaid/cancelled	91,723	559,407
Administration costs/expenses	(289,795)	(717,235)
Interest received	226,192	1,304,708
10% levies received	1,088,506	7,765,353
Costs awards in favour of defendants	(243,526)	(564,153)
Balance as at Dec. 31, 2008	6,547,096	6,547,096

Report on Class Proceedings

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

1 NUMBER OF NEW APPLICATIONS, BY STAGE IN THE PROCEEDING.

Stage in the Proceeding	2008	Number of New Applications 2007
Pre Certification	8	4
Appeal re: Certification	-	1
Discovery	4	-
Determination of Common Issues	-	1
Appeal re: Common Issues	-	-
Post Common Issue Stage	-	-
Total	12	6

2 NEW APPLICATIONS GRANTED AND REFUSED, BY STAGE IN THE PROCEEDING.

Stage in the Proceeding	Granted	Refused	Pending* /Stayed, etc.	Total
2008				
Pre Certification	5	2	1	
Discovery	4	-	-	
Other	-	-	-	
Total	9	2	1	12
2007				
Pre Certification	2	-	2	
Discovery	-	-	-	
Other	-	1	1	
Total	2	1	3	6

*Carried forward to the next year.

3 In 2008 financial support was awarded for nine new single action applications under section 59.3(1) of the Act and five supplementary funding applications under section 59.3(5) of the Act. In 2007, financial support was awarded for two new single action applications under section 59.3(1) of the Act and three supplementary funding applications under section 59.3(5) of the Act.

4 TOTAL AWARDS, BY DISBURSEMENT TYPE.

Type of Disbursement	Total Amount Awarded 2008
Administrative Expenses	\$90,037.50
Notice to Class	134,887.63
Research & Preparation of Evidence	3,000.00
Copy and Binding	42,079.00
Service of Court Documents	3,812.00
Filing of Court Documents	3,328.00
Computer Research	6,096.00
Facsimile Charges	5,099.00
Examiners' Charges	62,840.00
Experts' Fees	388,054.00
Searches	-
Deliveries	5,100.00
Miscellaneous	1,275.00
Travel Expense	2,000.00
S.C.C. Security	-
Agency Fees	-
Goods and Services Tax	30,395.73
Total	\$778,003.86

As per regulation 771/92, this section includes only amounts awarded during 2008. Total amounts paid out of the Fund during 2008 may vary as amounts awarded are reimbursed to applicants on a going basis after funded disbursements have been duly incurred and paid by the applicant.

Report on Class Proceedings

- 5 The total amount of money paid from the Fund to applicants under section 59.3 of the Act was:

> 2008	\$488,206.27
> 2007	\$119,480.19

At December 31, 2008, the balance of all awards outstanding which had not yet been paid to applicants was \$709,084.

- 6 In 2008, two funded proceedings were certified.

- 7 In 2008, one applicant who had received support received judgement on common issues in its favour at a summary judgement motion. Two applicants who had received support settled their proceedings.

- 8 In 2008, ten defendants made applications to the Fund for payment of costs awards made in their favour pursuant to section 59.4 of the Act. In 2007, four applications were received.

- 9 In 2008, \$243,526.36 was paid from the Fund to defendants under section 59.4 of the Act. In 2007, \$27,083 was paid to defendants under section 59.4 of the Act.

- 10 Proceedings for which plaintiff was awarded financial support under section 59.3 of The Act.

Type of Disbursement	A m o u n t A w a r d e d											
	2008 Case A	2008 Case B	2008 Case C	2008 Case D	2008 Case E	2008 Case F	2008 Case G	2008 Case H	2008 Case I	2008 Case J	2008 Case K	2008 All cases
Administration Exp.		30,000.00								41,150.00	18,887.50	90,037.50
Notice to Class	5,000.00	18,145.00	50,652.93	17,589.70	5,000.00				38,000.00		500.00	134,887.63
Research and Preparation of evidence				3,000.00								3,000.00
Copy and Binding	5,000.00	5,000.00		15,000.00	5,000.00	10,000.00			2,079.00			42,079.00
Service of Court Document	500.00	200.00		2,000.00	500.00				612.00			3,812.00
Filing of Court Document	200.00	500.00		1,000.00	1,000.00				628.00			3,328.00
Computer Research					5,000.00				1,096.00			6,096.00
Facsimile Charges	500.00	500.00		3,000.00	1,000.00				99.00			5,099.00
Examiners' Charges		25,000.00		10,000.00	13,840.00	10,000.00				2,000.00	2,000.00	62,840.00
Experts' Fees		35,000.00		50,000.00	60,000.00	75,000.00	40,000.00	40,000.00	8,604.00	79,450.00		388,054.00
Searches												
Deliveries	500.00	600.00		3,000.00	1,000.00							5,100.00
Miscellaneous									1,275.00			1,275.00
Travel Expenses					2,000.00							2,000.00
GST		5,996.70		5,050.00	5,660.00	5,000.00			2,619.65	5,000.00	1,069.38	30,395.73
SCC Security Agency Fees												
Total	11,700.00	120,941.70	50,652.93	109,639.70	100,000.00	100,000.00	40,000.00	40,000.00	55,012.65	127,600.00	22,456.88	778,003.86

Report on Class Proceedings

Case A

Alleged breach of trust & breach of fiduciary obligation

Case B

Alleged conspiracy to fix prices

Case C

Alleged negligence, breach of trust & breach of fiduciary obligation

Case D

Alleged negligence relating to medical devices

Case E

Alleged environmental negligence and nuisance

Case F

Alleged environmental negligence and nuisance

Cases G & H

Alleged medical negligence

Case I

Alleged criminal rates of interest

Case J

Alleged breach of employment contract

Case K

Alleged breach of franchise agreement

The Law Foundation of Ontario is home to the CPC office and administers the Fund.

For more information on the CPC please contact:

Gina Papageorgiou

CPC c/o The Law Foundation of Ontario
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M5H 3R3

gpapageorgiou@lawfoundation.on.ca
Tel. 416-595-1425

Staff

Gina Papageorgiou, Counsel

Mary Shannon Brown, Secretary



The Law Foundation of Ontario Financial Statements

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Auditors' Report

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, 2008 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, 2008 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
March 20, 2009

Deloitte

Member of
Deloitte Touche Tohmatsu

Statement of Financial Position

As at December 31, 2008	2008 \$	2007 \$
Assets		
Current		
Cash	513,423	1,207,400
Current portion of externally restricted cash and short-term investments for Class Proceedings Fund (Note 4)	709,084	497,793
Short-term investments (Note 6)	47,690,827	41,741,583
Marketable securities, at cost (fair value – \$10,030,927 (2007 - \$9,712,952)) (Note 6)	9,680,881	9,702,311
Interest receivable	415,791	544,567
	59,010,006	53,693,654
Externally restricted cash and investments for Class proceeding fund (Note 4)	6,597,695	6,492,744
Externally restricted cash and investments for Roy & Ria McMurtry endowment fund (Note 5)	123,116	123,195
Capital assets (Note 7)	437,308	353,467
	66,168,125	60,663,060
Liabilities		
Current		
Accounts payable and accrued liabilities	201,596	147,318
Due to Legal Aid Ontario (Note 8)	28,116	447,617
Grants authorized (Note 9)	16,072,789	13,989,076
	16,302,501	14,584,011
Long-term grants authorized (Note 9)	635,000	675,084
	16,937,501	15,259,095
Fund balances		
Internally restricted fund balances		
Reserve fund (Note 10)	16,000,000	12,239,154
Future commitment fund (Note 11)	4,346,079	6,495,899
Public interest articling fellowships fund (Note 12)	196,670	727,500
Strategic initiative fund (Note 13)	72,237	15,861
Debt repayment fund (Note 14)	565,000	745,000
Rejuvenation fund (Note 15)	2,906,866	2,977,500
	24,086,852	23,200,914
Externally restricted fund balances		
Class proceedings fund (Note 16)	6,547,096	6,452,000
Roy and Ria McMurtry endowment fund (Note 17)	113,065	119,046
	6,660,161	6,571,046
Unrestricted fund balance – general fund	18,483,611	15,632,005
	49,230,624	45,403,965
	66,168,125	60,663,060

Approved by the Board, **Mark J. Sandler**, *Chair*, **Paul Schabas**, *Trustee*

Statement of Revenue, Expenses and Grants

Year ended December 31, 2008

	Internally Restricted Reserve Fund \$	Other Internally Restricted Funds (Note 19) \$	Unrestricted General Fund \$	Externally- Restricted Class Proceedings Fund \$	Externally- Restricted- Roy and Ria McMurtry Endowment Fund \$	Total \$
Revenue						
Interest on lawyers' mixed trust accounts, net of service charges of \$2,863,525 (Note 18)	-	-	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 16)	-	-	-	1,088,506	-	1,088,506
	528,576	-	55,535,652	1,314,698	4,019	57,382,945
Expenses						
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 16)	-	-	-	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 Revenue, Expenses and Grants

Year ended December 31, 2007

	Internally Restricted Reserve Fund \$	Other Internally Restricted Funds (Note 19) \$	Unrestricted General Fund \$	Externally- Restricted Class Proceedings Fund \$	Externally- Restricted- Roy and Ria McMurtry Endowment Fund \$	Total \$
Revenue						
Interest on lawyers' mixed trust accounts, net of service charges of \$2,863,350 (Note 18)	-	-	76,895,797	-	-	76,895,797
Other investment income	553,989	-	1,822,356	295,047	5,200	2,676,592
Levy on awards (Note 16)	-	-	-	1,971,192	-	1,971,192
	553,989	-	78,718,153	2,266,239	5,200	81,543,581
Expenses						
Salaries	-	-	743,407	78,999	-	822,406
Rent and occupancy	-	-	187,731	10,077	-	197,808
Other administrative	-	-	172,927	19,263	-	192,190
Professional fees	-	-	195,614	-	-	195,614
Printing and office supplies	-	-	25,270	-	-	25,270
Cost awards (Note 16)	-	-	-	27,083	-	27,083
Amortization	-	-	54,025	-	-	54,025
	-	-	1,378,974	135,422	-	1,514,396
Excess of revenue over expenses before the following	553,989	-	77,339,179	2,130,817	5,200	80,029,185
Allocation to Legal Aid Ontario (Note 8)	-	-	56,637,617	-	-	56,637,617
Grants authorized, net of reversal of grants authorized in prior years (Note 9)	-	4,639,956	8,433,300	(47,257)	5,000	13,030,999
	-	4,639,956	65,070,917	(47,257)	5,000	69,668,616
Excess (deficiency) of revenue over expenses and grants for the year	553,989	(4,639,956)	12,268,262	2,178,074	200	10,360,569

Statement of Changes in Fund Balances

Year ended December 31, 2008

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

Statement of Changes in Fund Balances

Year ended December 31, 2007

	Internally Restricted Funds							Externally-Restricted Class Proceedings Fund	Externally-Restricted-Roy and Ria McMurtry Endowment Fund	Total
	Reserve Fund \$	Debt Repayment Fund \$	Public Interest Articling Fellowships Fund \$	Future Commitment Fund \$	Strategic Initiative Fund \$	Rejuvenation Fund \$	Unrestricted General Fund \$			\$
Fund balances beginning of year	11,685,165	925,000	1,214,000	3,978,732	2,995,000	-	9,852,727	4,273,926	118,846	35,043,396
Excess (deficiency) of revenue over expenses, and grants for the year	553,989	(180,000)	(486,500)	(971,817)	(2,979,139)	(22,500)	12,268,262	2,178,074	200	10,360,569
Net allocations	-	-	-	3,488,984	-	3,000,000	(6,488,984)	-	-	-
Fund balances, end of year	12,239,154	745,000	727,500	6,495,899	15,861	2,977,500	15,632,005	6,452,000	119,046	45,403,965

Statement of Cash Flows

Year Ended December 31, 2008	2008 \$	2007 \$
Operating activities		
Excess of revenue over expenses and grants for the year	3,826,659	10,360,569
Item not affecting cash-amortization	77,079	54,025
	3,903,738	10,414,594
Changes in non-cash operating items		
Interest receivable	128,776	(71,664)
Due to Legal Aid Ontario	(419,501)	(114,314)
Accounts payable and accrued liabilities	54,278	64,924
Interest payable to Legal Aid Ontario	-	(8,715)
Grants authorized	2,043,629	3,218,277
	5,710,920	13,503,102
Investing activities		
Increase in short-term investments	(5,949,244)	(10,507,853)
Decrease (increase) in marketable securities	21,430	(312,967)
Decrease in externally restricted cash for Pro Bono Law Ontario Fund	-	136,659
Increase in current portion of externally restricted cash and Short-term investments for Class Proceedings Fund	(211,291)	(165,171)
Increase in externally restricted cash and short-term investments for Class Proceedings Fund	(104,951)	(2,195,538)
Decrease (increase) in externally restricted cash and investment for Roy & Ria McMurtry Endowment Fund	79	(5,081)
Purchase of capital assets	(160,920)	(57,583)
	(6,404,897)	(13,107,534)
Net (decrease) increase in cash	(693,977)	395,568
Cash, beginning of year	1,207,400	811,832
Cash, end of year	513,423	1,207,400

Notes to the Financial Statements

December 31, 2008

1 PURPOSE OF THE ORGANIZATION

The Law Foundation of Ontario (the "Foundation") was established in 1973, 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 Reserve Fund, Future Commitment Fund, Public Interest Articling Fellowships Fund, the Strategic Initiative Fund, Debt Repayment Fund and Rejuvenation Fund are internally restricted funds (Notes 10-15). The Class Proceedings Fund and the Roy & Ria McMurtry Endowment Fund are externally restricted funds (Notes 16 and 17).

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.

Grants

Grants for legal education, legal aid, legal research and law libraries are recorded in the period in which they are authorized.

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.

Financial instruments

While financial assets and financial liabilities are initially recognized at fair value, they are subsequently revalued based on their classification and readjusted to account for any changes in their value. The classification of the financial assets and liabilities depends on the purpose for which the financial instruments were acquired and their characteristics.

Held-for-trading

Financial assets and financial liabilities in this classification are acquired with the intention of generating profits. The Foundation may also designate as held-for-trading, upon initial recognition, any financial instrument whose fair value can be reliably measured. These instruments are accounted for at fair value with the change in the fair value from short-term fluctuation in price recognized immediately in excess (deficiency) of revenue over expenses and grants.

Notes to the Financial Statements

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 immediately in excess (deficiency) of revenue over expenses and grants.

Loans and receivables and other liabilities

This category includes all loans and receivables, except debt securities, and other liabilities that are not classified as held-for-trading. They are measured at amortized cost using the effective interest method and the gain or loss is recognized immediately in excess (deficiency) of revenue over 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. For available-for-sale investments in equity securities for which there is no quote in active markets, they are measured at cost. The gain or loss originating from subsequent measurement is recognized in the change in fund balances and is transferred to excess (deficiency) of revenue over expenses and grants when the asset is derecognized. Any unrealized gain or loss of foreign exchange related to available-for-sale financial instruments is also recognized in change in fund balances and transferred to net income or loss when the asset is derecognized. Impairment write-downs relating to available-for-sale financial instruments are immediately recognized in excess (deficiency) of revenue over expenses and grants.

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

Financial assets

	Classification	Measurement
Cash	Held for trading	Fair value
Interest receivable	Loans and receivables	Amortized cost
Cash and short term investment for Class-Proceeding Fund	Held-to-Maturity	Amortized cost
Short term investment	Held-to-Maturity	Amortized cost
Marketable securities	Held-to-Maturity	Amortized cost
Cash and investments for Roy & Ria McMurtry Endowment fund	Available for sale	Fair value
Accrued liabilities	Loans and receivables	Amortized cost
Due to legal aid Ontario	Loans and receivables	Amortized cost
Grants authorized	Loans and receivables	Amortized cost

Future accounting changes

Section 4400 - Financial Statements by Not-For-Profit Organizations

In September 2008, the CICA issued amendments to several of the existing sections in the 4400 series – Financial Statements by Not-For-Profit Organizations. Changes apply to annual financial statements relating to fiscal years beginning on or after January 1, 2009. The changes will have a minimal impact on the Foundation's financial statements.

Notes to the Financial Statements

3 CHANGES IN ACCOUNTING POLICIES

Adoption of accounting policies

Section 1535 – Capital disclosures

In December 2007, the CICA issued Section 1535 “Capital Disclosures”. On January 1, 2008, the Organization adopted the requirements of this section. The adoption of this new standard has not resulted in any change in how the Foundation accounts for its transactions, but has resulted in an additional note (Note 23).

Section 3855 – Financial Instruments – Recognition and Measurement

On April 23, 2008 the Canadian Institute of Chartered Accountants (“CICA”) amended Section 3855, “Financial Instruments – Recognition and Measurement” of the CICA Handbook. The amended section allows not-for-profit organizations to elect not to account for certain non-financial contracts as derivatives and also not to account for certain derivative features embedded in non-financial contracts, leases and insurance contracts as embedded derivatives. If the Foundation did not elect this option it would be required to account for derivative financial instruments and embedded derivative financial instruments in accordance with the guidance in section 3855.

The Foundation has elected to adopt these amendments to Section 3855 effective for its fiscal year beginning on January 1, 2008 and 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.

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 is \$709,084 (2007 – \$497,793) which has been authorized as grants to be paid in the 2009 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. Grant payments are based on income earned in the prior year. The fixed income securities are comprised of bonds and deposit notes which mature between May 19, 2009 and March 8, 2016 and the coupon rates range from 4% to 4.69% (2007 - 4% to 4.69%).

	2008 \$	2007 \$
Restricted cash	11,187	11,599
Fixed income investment	67,741	69,965
Equities	44,188	41,631
	123,116	123,195

6 SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES

The Foundation’s short-term investments comprise cash and bankers’ acceptances of \$47,690,287 (2007 - \$41,741,583). The effective yields on the bankers’ acceptances of \$38,012,357 range from 3.55% to 5.5% (2007 - 4.53% to 4.82%).

The Foundation’s marketable securities include bonds of \$9,643,774 (2007 - \$9,668,604), which mature between February 9, 2009 and March 8, 2017 and can be liquidated at any time. The coupon rates range from 2.7% to 6.4% (2007 - 3.55% to 6.65%).

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.

Notes to the Financial Statements

7. CAPITAL ASSETS

	Cost \$	Accumulated amortization \$	2008 Net book value \$	2007 Net book value \$
Furniture and fixtures	214,531	109,611	104,920	115,579
Computer hardware	125,419	47,487	77,932	22,730
Computer software	140,283	85,443	54,840	3,563
Leasehold improvements	275,349	75,733	199,616	211,595
	755,582	318,274	437,308	353,467

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.

	2008 \$	2007 \$
Interest on lawyers' mixed trust accounts (net of service charges \$2,863,525; 2007 - \$2,863,350)	53,811,791	76,895,797
Expenses	(2,040,969)	(1,378,974)
Interest after expenses	51,770,822	75,516,823
Due to Legal Aid Ontario, beginning of year	447,617	561,931
75% allocation to Legal Aid Ontario	38,828,116	56,637,617
Paid to Legal Aid Ontario, during the year	(39,247,617)	(56,769,494)
Due to Legal Aid Ontario	28,116	430,054
Cancellation of unexpended grants in PBLO Fund	-	17,563
Due to Legal Aid Ontario, end of year	28,116	447,617

Notes to the Financial Statements

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	2008 Total	2007 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening	11,169,305	155,000	-	22,500	5,000	2,266,164	548,400	497,791	14,664,160	11,445,882
Grants authorized	8,251,898	180,000	2,879,445	74,443	10,000	15,000	530,830	778,004	12,719,620	14,744,582
Payments	(5,757,276)	(50,000)	(2,879,445)	(15,191)	(5,000)	(710,264)	(219,789)	(488,206)	(10,125,171)	(10,130,627)
Grants reversed	(397,130)	-	-	(3,809)	-	(71,376)	-	(78,505)	(550,820)	(1,395,677)
Ending										
Grants authorized	13,266,797	285,000	-	77,943	10,000	1,499,524	859,441	709,084	16,707,789	14,664,160
Less:										
Long-term grants authorized	(330,000)	(60,000)	-	-	-	-	(245,000)	-	(635,000)	(675,084)
Current grants authorized	12,963,797	225,000	-	77,943	10,000	1,499,524	614,441	709,084	16,072,789	13,989,076

10 RESERVE FUND

In 1981, the Trustees of the Foundation established a 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.

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.

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 unrestricted fund to fund the initial four year period.

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.

Notes to the Financial Statements

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.

15 REJUVENATION FUND

In 2008, the Rejuvenation Fund was created for the purpose of providing both human and organizational infrastructure support to eligible grantees for optimum performance and efficiency, and includes such things as professional development, consulting services, technology upgrades and capital acquisitions and improvements. The source of this fund comes from the unrestricted General Fund.

16 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 grant awards 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 2008, the Fund recovered a previous year's disbursement award grant payment of \$13,218 (2007 - \$331,907). The Fund paid cost awards of \$243,526 (2007 - \$27,083) as a result of cost awards made against funded plaintiffs. The Fund received a levy on awards of \$1,088,506 (2007 - \$1,971,192) as a result of settlements to funded plaintiffs.

17 THE ROY & RIA MCMURTRY ENDOWMENT FUND

In 2005, The Law Foundation of Ontario created the Roy & Ria McMurtry Endowment Fund in honour 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 Law Foundation's objects, of an organization chosen by then Chief Justice and Mrs. McMurtry. In addition, an annual \$5,000 scholarship will be available to a student selected from one of The Law Schools on a rotating basis.

18 INTEREST ON LAWYERS' MIXED TRUST ACCOUNTS

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

19 INTERNALLY RESTRICTED FUNDS – GRANTS AUTHORIZED

	2008	2007
	\$	\$
Public Interest Articling Fellowships Fund	530,830	486,500
Strategic Initiatives Fund	(56,376)	2,979,139
Debt Repayment Fund	180,000	180,000
Future Commitment Fund	2,879,445	971,817
Rejuvenation Fund	70,634	22,500
	3,604,533	4,639,956

20 LEASE COMMITMENTS

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

	\$
2009	74,100
2010	74,100
2011	74,100
2012	76,633
2013	81,700

21 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, 2008 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.

Notes to the Financial Statements

22 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.

23 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 15. The Externally Restricted Funds of the Foundation are described in Notes 16 to 17. The Foundation is in compliance with the restrictions imposed by these Funds.

A Note of Appreciation

T*he Law Foundation of Ontario extends its thanks to the following people who have volunteered their time in support of LFO initiatives in 2008. In their roles as LFO representatives, committee members or advisers, they have helped to promote access to justice and carry forward the goals of the LFO.*

Donald R. Fawcett

P. A. Neena Gupta

Peter W. Heisey

The Honourable Frank Iacobucci

The Honourable Susan E. Lang

The Honourable Brian W. Lennox

Sarah McCoubrey

The Honourable R. Roy McMurtry

Dean Patrick J. Monahan

The Honourable Katherine E. Swinton

2008 Guthrie Medal Recipient



The LFO was pleased to select A. Alan Borovoy, former General Counsel of the Canadian Civil Liberties Association (CCLA), as the recipient of its 2008 Guthrie Medal Award. The Guthrie Medal was created in 1996 in honour of former LFO Trustee and Chair, H. Donald Guthrie and is bestowed upon individuals or organizations that demonstrate outstanding public service, make significant contributions to access to justice, and symbolize excellence in the legal profession.

Throughout his illustrious 40-year career with the CCLA, Alan Borovoy has been an advocate for the rights and freedoms of people who might otherwise be denied them and has devoted extraordinary amounts of time and energy to enabling ordinary citizens to engage with justice issues. Thanks to his inspired leadership, Alan Borovoy has helped to make the CCLA the country's foremost advocate for freedom of speech and expression.

