



**THE LAW
FOUNDATION
OF NEWFOUNDLAND**

**Annual Report
2001**

Law Foundation of Newfoundland

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*The Law Foundation of Newfoundland is heritage partner for the **History of Law and the Courts**, www.heritage.nf.ca on the Newfoundland and Labrador Heritage Web Site at Memorial University of Newfoundland. This public history project presents the province's rich heritage in a format that combines text, graphics, audio and video. Six major areas, involving heritage partners, are featured: Natural Environment, Aboriginal Peoples, Exploration and Settlement, Government and Politics, Society, Economy and Culture, and the Arts. In addition to this cultural and academic knowledge-base being available on the Internet to university students and the general public, as a further educational resource high school students are able to access high school curriculum specific modules on the law and constitutional issues.*

The Law Foundation, established in February, 1980, provides grants to advance public understanding of the law and access to legal services.

LAW FOUNDATION OF NEWFOUNDLAND

ANNUAL REPORT 2001

The Law Foundation of Newfoundland from 1980 to December 31, 2001 approved funding totalling \$9,036,319. for the following objects:

(a) legal education & legal research	\$1,466,286.
(b) law reform	126,809.
(c) legal aid	4,656,622.
(d) legal referral service	49,069.
(e) law libraries	2,462,533.
(f) law scholarships	275,000.
	<u>\$ 9,036,319.</u>

The Law Foundation in 2001 had revenues of \$679,943., a decrease of \$166,265. from 2000 revenues of \$846,208.

2001 revenues comprised \$636,264. in interest on lawyers' trust accounts (\$787,594. in 2000) and \$43,679. from investments (\$58,614. in 2000).

The Foundation's equity position at December 31, 2001, its fiscal year end, was \$879,917. (\$937,719., December 31, 2000), comprising Reserve Account of \$747,368. (\$752,368., December 31, 2000) and Undistributed Revenue of \$132,549.* - this is net of \$50,000. transfer to Law School Scholarships Trust Fund noted below (\$185,351., December 31, 2000).

With respect to the Reserve Account, it is the policy of the Foundation to maintain a minimum deposit of \$200,000. for administration, \$500,000. for grants stabilization in the event of

revenue reduction, and \$47,368.** for legal education, research and law reform.

The Foundation maintains a separate \$200,000.* (increased from \$150,000. in 2001) Law School Scholarships Trust Fund and awards up to three \$5,000. annual entrance scholarships.

Pursuant to the Law Society Act, the Board must contribute two-thirds (increased by government from one-third effective January 1, 1992) of the net revenues received in each calendar year directly to the Newfoundland Legal Aid Commission. Net revenues are defined as all interest earned, less office, salaries, professional fees and other administrative expenses.

The two-thirds contribution to the Newfoundland Legal Aid Commission was \$392,778. for calendar year 2001, compared to \$504,581. for calendar year 2000.

Law Foundation revenues of \$679,943. in 2001 were down by \$166,265. or 19.65%.

Composite prime in 2001 started at the high of 7.50% at January 1, and steadily declined to 6.25% at June 30 and 4.00% at December 31.

The interest rate applied through 2001, using prime minus 4%, moved from 3.50% to 2.25% to what would have been 0.0% except for banks applying the provisions of a previously negotiated minimum rate approximating 1.15%, or interim rate of prime minus 3% or adjusted tiered rate, with or without service charges depending on the financial institution.

*The Board in 2001 approved a \$50,000. transfer from the \$53,988. fiscal year 2000 excess of revenue over expenses to the capital in the Law Foundation of Newfoundland Law School Scholarships Trust Fund. In future years any excess of revenue over expenses, to an annual maximum of \$50,000., will also be transferred until the capital in the Scholarships Trust Fund reaches a balance of \$300,000.

**The Board in 2001 approved a legal education and research grant for \$5,000. for Project Daisy, the Committee of Law Society of Newfoundland responsible for gathering and preserving the history of the law, legal profession, Law Society, and Courts in Newfoundland and Labrador, to conduct research, production and publication of a booklet entitled *A Flag, An Anthem, A Courthouse* as part of a series of events held in October, 2001 to mark the 100th Anniversary of Laying of the Cornerstone, Duckworth Street Courthouse, St. John's by Prince of Wales, October 24, 1901. These funds were provided from the Reserve, which lowered the balance from \$52,368. at December 31, 2000 to \$47,368 at December 31, 2001.

Composite prime in 2000 increased from the low of 6.50% at January 1, to the high of 7.50% at June 1 where it remained through to December 31.

The interest rate applied through 2000, using prime minus 4% (a negotiated 1% improvement for the past several years from the historic rate of prime minus 5%), increased from 2.50% to 3.50%.

The interest paid on lawyers' trust accounts by banks in the province, prior to above interim rates, has been generally calculated on the monthly average prime minus 4.00% on the average monthly credit balance. Several banks alternatively have a tiered interest structure with competitive short-term deposit rates or prime minus various percentages, depending on account balances. A number of the banks, as well, waive basic service charges. The rates may differ between the banks and within the same bank nationally.

In 2000 the Law Foundation approved credit unions as eligible depositories for lawyers' trust funds in this province, provided they are recognized under the Trustee Act as authorized financial institutions for maintaining trust accounts and insured under the Credit Union Deposit Guarantee Corporation (CUDGC).

The Law Society in concurrence amended Rule 5.01(b)(iii) to include, within the definition of "bank", any other depository insured by CUDGC.

The interest earned on lawyers' mixed trust accounts is calculated by financial institutions based on interest rates and terms negotiated by the Foundation with the individual financial institutions. The interest is recorded by the Foundation upon receipt of the funds.

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 earned until such time as it is received from each individual financial institution, upon the lawyers' filed instructions.

The Foundation assumes that lawyers who receive or hold funds in trust for, or on account of, clients comply strictly with Section 69 of the Law Society Act and the Trust Account Rules of the Law Society. This compliance requires that lawyers credited with interest earned on funds held in lawyers' mixed trust accounts shall remit it to the Foundation.

CENTENNIAL LAW SCHOOL SCHOLARSHIPS

In honour of the 100th Anniversary of the Faculty of Law, University of New Brunswick in 1992, the Law Foundation of Newfoundland provided a \$50,000. grant to the Heritage Campaign establishing a Scholarships Fund to award two scholarships, valued at \$1,750. each, for students enrolled in the Faculty of Law who are residents of the Province of Newfoundland and Labrador.

One scholarship is awarded to an upper year student based on a combination of financial need and demonstrated academic ability in the LLB program.

Karin McLay of St. John's, a third year law student, received the award in the second semester 2000/2001.

The other scholarship is awarded on the basis of academic excellence to a student entering first year.

Joseph Twyne of Lewisporte received the award in the first semester 2001/2002.

The scholarships are awarded annually by the Admissions and Scholarships Committee of the Faculty of Law. The Law Foundation of Newfoundland is advised when the awards have been made.

In 1986 the Law Foundation of Newfoundland provided a \$50,000. grant to Dalhousie University, as part of the Campaign for Dalhousie, following the August 16, 1985 fire, for the reestablishment of the Dalhousie law library.

LAW SCHOOL ENTRANCE SCHOLARSHIPS



Pictured at presentation of the 2001/2002 Law Foundation of Newfoundland Law School Entrance Scholarships in St. John's are: standing (l-r) Hon. P. Derek Lewis, Q.C., Chairman, Law Foundation, Norman J. Whalen, Q.C., Secretary, Law Foundation and Chairman of Selection Committee, Valerie L. Marshall, LL.B., and W. Wayne Thistle, Q.C., members of Selection Committee; seated (l-r) Sean W. Keating, Lesley A. Mercer and Derek G. Knoechel.

The Law Foundation of Newfoundland in 1984 established funding for up to three annual Law School Entrance Scholarships, in honour of the incorporation of the Law Society of Newfoundland in 1834. The Scholarships, valued at \$5,000. each, are tenable for first year studies at any Canadian Law School.

The Scholarships are awarded to residents of the Province of Newfoundland and Labrador on the basis of academic excellence.

The successful candidates, in alphabetical order, in this competition's sixteenth year, for the academic year 2001/2002 and law schools they are attend-

ing are Sean W. Keating, University of Toronto, Derek G. Knoechel, University of Victoria, and Lesley A. Mercer, University of Toronto.

The Scholarships Selection Committee for the 2001/02 Competition comprised Norman J. Whalen, Q.C., Chairman, Valerie L. Marshall, LL.B., and W. Wayne Thistle, Q.C.

The Board of Governors of the Law Foundation is advised when the awards have been made.

The Law School Scholarships Trust Fund is separate from and in addition to the above stated equity position of the Foundation.

THE LAW FOUNDATION OF NEWFOUNDLAND LEGAL RESEARCH AWARDS FOR STUDENTS OF MEMORIAL UNIVERSITY



Pictured at presentation of 2000/2001 Legal Research Awards are: Standing (l-r) Christopher P. Curran, LL.B., Chairman of Selection Committee and Appointee of Law Foundation, W. Wayne Thistle, Q.C., Vice-President, Finance, Administration and Legal Counsel, Memorial University of Newfoundland, and Hon. P. Derek Lewis, Q.C., Chairman, Law Foundation of Newfoundland; Seated (l-r) Award recipients Suzanne Orsborn, Tracey Pennell and James Baker. Missing from photo: Laura Brown, Award recipient.

The Law Foundation of Newfoundland annually offers up to five Legal Research Awards valued at \$500. each to undergraduate students for best research term paper on one or more legal issues, or topics treated in a legal context, in a senior level course in any discipline at the undergraduate level. The papers submitted by and with endorsement of course professor or lecturer are judged initially by the Dean, or Director, or Department Head who

makes a recommendation to a Selection Committee for the Awards.

The Selection Committee comprises appointees of Memorial University and the Law Foundation. The Awards are made by the Senate Committee on Undergraduate Scholarships and Financial Aid acting upon the recommendation of the Selection Committee.

An additional \$500. is provided annually by the Law Foundation to Queen Elizabeth II Library for the purchase of research materials and resources. Total Awards \$3,000.

The successful candidates in the fifth annual 2000/2001 Competition, covering the three semesters Spring/Summer, Fall, 2000, Winter, 2001, are (in alphabetical order by Department; all five awards have equal standing):

Suzanne Orsborn,
Faculty of Arts, Department of History,
The Importance of *Murdoch v. Murdoch* and
Becker v. Pettkus to the Development of
Matrimonial Property Law in Canada,
Law and Society 2000

Laura Brown,
Faculty of Arts, Department of History,
The Legal Status and Treatment of Newfoundland
Women, 1945-1949,
Law and Society 4000

Tracey Pennell,
Faculty of Arts, Department of History,
DNA Profiling as Evidence in the Criminal Justice
System,
Law and Society 4000

Suzanne Orsborn,
Department of Political Science,
Copyright and the Internet: Napster, *Tariff 22* and
Future Implications on the Law,
Political Science 3521

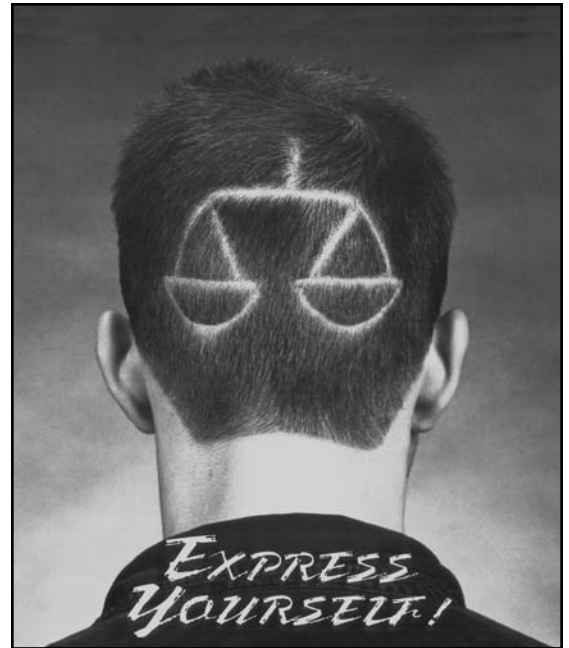
James Baker,
Department of Political Science,
Mary Jane's Last Dance: The Decriminalization
Debate,
Political Science 3720

The Law Foundation of Newfoundland Legal Research Award for the particular course appears on the student's official University transcript.

The 2000/2001 Competition Selection Committee comprised Christopher P. Curran, LL.B., Chairman, appointee of Law Foundation, Morgan Cooper, M.I.R., LL.B., appointee of Memorial University, and Peter Trnka, Ph.D., Professor, Department of Philosophy, appointee of Memorial University.

THE LAW FOUNDATION OF NEWFOUNDLAND

THE LAW FOUNDATION OF NEWFOUNDLAND
**2000 / 2001 HIGH SCHOOL
LEGAL ESSAY COMPETITION**



ANNOUNCEMENT OF WINNERS

The Law Foundation of Newfoundland in 1984 established a High School Legal Essay Competition for legal research writing on aspects of Newfoundland law, in honour of the incorporation of the Law Society of Newfoundland in 1834. The winners in the 2000/2001 Eighteenth Annual Competition are:

2000/2001 Provincial, and Eastern Region Winner: Nicholas Rolfe, The Wisdom Behind The War On Drugs, Mount Pearl Senior High School, Mount Pearl

1st Hon. Mention: Krista Hewlett, Informed Consent: Advance Health Care Directives Act, Holy Spirit High School, Manuels

2nd Hon. Mention: Thomas Pritchard, Boot Camp Vs. Jail, Roncalli Central High School, Avondale

Central Region Winner: Kate Andrews, Euthanasia, Exploits Valley High School - Maple, Grand Falls-Windsor

1st Hon. Mention: Brad Rowsell, Legalization Of Marijuana, Exploits Valley High School - Maple, Grand Falls-Windsor

2nd Hon. Mention: Nicole Denty, Abortion: Is It Right Or Wrong?, Smallwood Academy, Gambo

Western Region Winner: Bronwyn Rideout, The Office Of The Child Advocate: What Is It And Why Newfoundland Needs It, Stephenville High School, Stephenville

1st Hon. Mention: Angela Chaisson, Young Offenders And Parent Accountability, Herdman Collegiate, Corner Brook

2nd Hon. Mention: Candice Gaudon, With Literacy Grew Democracy, Assumption High School, Stephenville Crossing

Labrador Region Winner: Jonathan Young, Gun Laws In Canada, Eric G. Lambert High School, Churchill Falls

1st Hon. Mention: Melissa Wells, Sexual Discrimination: Is It Yesterday's Problem?, Eric G. Lambert High School, Churchill Falls

Awards: Student Provincial and Regional Winner \$500. (total prize); **Student Regional Winner \$300.** (for each of the three remaining regions); **Total prizes awarded to students \$2,100.;** **Total matching cash prizes to schools,** for legal materials and resources for school libraries **\$1,400.;** **First and Second Honourable Mentions, each valued at \$100. for students, where merited, were also awarded.**
Total prizes awarded: **\$3,500.**

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HIGH SCHOOL LEGAL ESSAY COMPETITION



Pictured at presentation of 2000/2001 High School Legal Essay Competition Award at Mount Pearl Senior High School, Mount Pearl, are (l-r):

D. Gordon Woodland, B.Ed., LL.B., member, Legal Essay Selection Committee,

David Cooper, M.Ed., Principal, Mount Pearl Senior High School,

Nicholas Rolfe, Provincial, and Eastern Region Award Winner,

John C. Ottenheimer, M.Ed., LL.B., Chairman, High School Legal Essay

Selection Committee of the Law Foundation,

Crystal L. Eagan, B.A.(Ed.), member, Legal Essay Selection Committee and

Board of Governors, Law Foundation, and

Douglas Mercer, B.Sp.Ed., teacher, Law and History, Mount Pearl Senior High School.

Hon. George J. Furey, M.Ed., Q.C. is fourth member of the Legal Essay Selection Committee.

THE LAW FOUNDATION OF NEWFOUNDLAND

In 2001, the Board approved funding totalling \$787,228., comprising \$596,678. in grants for 2001 and \$190,550. in grants for 2002.

The Board in 2001 approved the following grants, totalling \$190,550., which apply to 2002:

Canadian Bar Association, Newfoundland Branch,
Law Day, April 17, 2002
(Funding for 2001 carried forward to 2002
due to savings in 2001 programme of events)

Law Society of Newfoundland,
Law Library, Gander, 2002
(acquisition of books) \$ 9,000.

Law Society of Newfoundland,
Law Library, St. John's, 2002
(acquisition of books, with public access) 110,000.

Law Society of Newfoundland,
Law Library, West Coast, 2002
(acquisition of books) 20,000.

Public Legal Information Association of Newfoundland
Fiscal year April 1, 2002 - March 31, 2003
See Note under PLIAN below 45,000.

19th Annual High School Legal Essay Competition, 2001/2002 3,550.

6th Annual Legal Research Awards Competition
for Students of Memorial University, 2001/2002 3,000.

The grants approved for 2001, totalling \$596,678., are broken down as follows:

Canadian Bar Association
National Working Group on No-fault Compensation \$ 5,000.

Canadian Bar Association, Newfoundland Branch,
Law Day, April 26, 2001 3,400.

Law Society of Newfoundland,
Law Library, Gander, 2001
(acquisition of books) 9,000.

Law Society of Newfoundland, Law Library, St. John's, 2001 (acquisition of books, with public access)	\$ 110,000.
Law Society of Newfoundland, Law Library, West Coast, 2001 (acquisition of books)	20,000.
Newfoundland Legal Aid Commission: two-thirds net revenues contribution	392,778.
Project Daisy, the Committee of Law Society of Newfoundland responsible for gathering and preserving the history of the law, legal profession, Law Society, and Courts in Newfoundland and Labrador, to conduct research, production and publication of a booklet entitled <i>A Flag, An Anthem, A Courthouse</i> as part of a series of events held in October, 2001 to mark the 100th Anniversary of Laying of the Cornerstone, Duckworth Street Courthouse, St. John's by Prince of Wales, October 24, 1901. Funds provided from the legal education and research component of the Reserve Account.	5,000.
Public Legal Information Association of Newfoundland Fiscal year April 1, 2001 - March 31, 2002 (Note: this core funding, recorded under the object of legal education and legal research, also maintains the infrastructure for PLIAN's operation of the Lawyer Referral Service.)	45,000.
18th Annual High School Legal Essay Competition, 2000/2001	3,500.
5th Annual Legal Research Awards Competition for Students of Memorial University, 2000/2001	3,000.

Respectfully submitted,

Hon. P. Derek Lewis, Q.C.
Chairman, Board of Governors


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