

**THE LAW  
FOUNDATION  
OF NEWFOUNDLAND  
AND LABRADOR**

**Annual Report  
2003**

# Law Foundation of Newfoundland and Labrador

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*The Law Foundation of Newfoundland and Labrador is heritage partner for the **History of Law and the Courts**, [www.heritage.nf.ca](http://www.heritage.nf.ca) on the Newfoundland and Labrador Heritage Web Site at Memorial University. 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.

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# LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR

## ANNUAL REPORT 2003

The Law Foundation of Newfoundland and Labrador from 1980 to December 31, 2003 approved funding totalling \$9,763,810. for the following objects:

(a) legal education and legal research	\$ 1,579,017.
(b) law reform	126,809.
(c) legal aid	4,963,382.
(d) legal referral service	49,069.
(e) law libraries	2,740,533.
(f) law scholarships	<u>305,000.</u>
	\$ <u>9,763,810.</u>

The Law Foundation in 2003 had revenues of \$406,890., an increase of \$164,031. from 2002 revenues of \$242,859.

2003 revenues comprised \$389,731. in interest on lawyers' trust accounts (\$227,672. in 2002; \$636,264. in 2001) and \$17,159. from investments (\$15,187. in 2002; \$43,679. in 2001).

The Foundation's equity position at December 31, 2003, its fiscal year end, was \$644,025. (\$735,777., December 31, 2002; \$879,917., December 31, 2001), comprising the Reserve Account of \$644,025. with nil Undistributed Revenue (\$735,777., December 31, 2002 with nil Undistributed Revenue; \$747,368., December 31, 2001 and \$132,549. in Undistributed

Revenue, after transfer of \$50,000. to Law School Scholarships Trust Fund).

With respect to the Reserve Account, it is the policy of the Foundation to maintain a minimum deposit of \$200,000. for administration, \$401,657.\* (\$493,409., December 31, 2002; \$500,000., December 31, 2001) for grants stabilization in the event of revenue reduction, and \$42,368. for legal education, research and law reform.

The Foundation maintains a separate Law School Scholarships Trust Fund. The Law School Scholarships Selection Committee awards up to three \$5,000. annual entrance scholarships from the revenue of the Fund.

In 2001 the Board agreed the Foundation will transfer to the Law School Scholarships Trust Fund any excess of revenue over expense, to an annual maximum of \$50,000., until the Fund's capital (\$200,000. at December 31, 2001, 2002 and 2003) reaches a balance of \$300,000. No transfer occurred for 2002 due to \$6,591. excess of grants expense over revenue (\$6,591. reduced Reserve's \$500,000. grants stabilization to \$493,409. at December 31, 2002) and no transfer occurred for 2003 due to \$91,752. excess of grants expense over revenue (\$91,752. reduced Reserve's \$494,409. grants stabilization to \$401,657. at December 31, 2003).

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\* The Board maintained 2002 core grants at 2001 levels (the Board in 2001 approved a deferred grant expense totalling \$190,550. which applied to 2002). In 2002, after applying Undistributed Revenue of \$132,549. at December 31, 2001 towards the Legal Aid Commission contribution of \$100,121. for calendar year 2002 and above deferred grant expense for 2002, core grants expense exceeded 2002 revenue by \$6,591.

Accordingly, the Reserve Account's \$500,000. for grants stabilization in the event of revenue reduction, which occurred in 2002 by 64.28%, was reduced by \$6,591. to \$493,409.

The Board in 2002 approved 2003 core grants at 2002 levels (deferred grants expense for 2003 was \$191,717. - see list of grants at back of Annual Report 2002). Reduction in the Reserve Account in 2003 was dependent on 2003 revenues to the Foundation; in 2003 revenues increased by 67.54% from \$242,859. to \$406,890. After applying these increased revenues towards the Legal Aid contribution of \$206,639. for calendar year 2003 (a 106.39% increase in the Legal Aid Commission contribution of \$100,121. for calendar year 2002) and above deferred grant expense for 2003, core grants expense exceeded 2003 revenue by \$91,752.

The Reserve Account's \$493,409. for grants stabilization in 2003 was therefore reduced by \$91,752. to \$401,657.

The Board in 2003 approved 2004 core grants at 2003 levels (deferred grants expense for 2004 is \$192,364. - see list of grants at back of Annual Report 2003). Reduction in the Reserve Account in 2004 is dependent on 2004 revenues to the Foundation.

The Board has advised some grantees that, if interest rates remain low, future funding may not be able to be maintained at existing levels.

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Law Foundation revenues of \$406,890. in 2003 increased by \$164,031. or 67.54%.

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 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 Legal Aid Commission was \$206,639. for calendar year 2003 (4.69% annual composite prime), compared to \$100,121. for calendar year 2002 (4.19% annual composite prime), \$392,778. for 2001 (6.01% annual composite prime) and \$504,581. (7.23% annual composite prime) for 2000.

Composite prime, for the month, in 2003 started at 4.50% at January 31, and steadily increased after February's 4.50% to 4.72% at March 31, 4.875% at April 30, to a high of 5% at May 31 and June 30, and thereafter continued to decrease to 4.871% at July 31, 4.75% at August 31, 4.525% at September 30, back to 4.50% at October 31, where it remained through to December 31.

Composite prime, for the month, in 2002 started at 3.87% at January 31, and steadily increased through February 3.75%, March 3.75%, April 3.87%. May 4.00%, June 4.22%, July 4.37%, to a high of 4.50% at August 31, where it remained through to December 31.

With composite prime at 4.69% and 4.19% for the twelve months ended December 31, 2003 and 2002 respectively and the calculation based on composite prime minus 4.00%, banks in 2003 and 2002 have calculated revenue to the Law Foundation based on provision of the equivalent of a minimum rate approximating 1.15% on the monthly average credit balance, with or without service charges depending on the financial institution.

Composite prime, for the month, 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.

Composite prime, for the month, 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 used 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.

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.

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## LAW SCHOOL ENTRANCE SCHOLARSHIPS



Pictured at 2003/2004 Law Foundation of Newfoundland and Labrador Law School Entrance Scholarships presentation in St. John's are: standing (l-r) Norman J. Whalen, Q.C., Chair, Selection Committee and Secretary of the Law Foundation, Hon. P. Derek Lewis, Q.C., Chair, Law Foundation, Heidi C. Matthews, and Valerie L. Marshall, LL.B., and W. Wayne Thistle, Q.C., members of Selection Committee.

The Law Foundation of Newfoundland and Labrador in 1984 established funding for up to three annual Law School Entrance Scholarships, in honour of the incorporation of the Law Society 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 this competition's eighteenth year, for the academic year 2003/2004 and the law schools are Heidi C.

Matthews, McGill University, Stephanie Pearce, University of Toronto, and Colin Reid, University of New Brunswick.

The Scholarships Selection Committee for the 2003/2004 Competition comprised Norman J. Whalen, Q.C., Chair, 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.



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



Pictured at luncheon presentation at R. Gushue Hall, Memorial University of 2002/2003 Legal Research Awards are: standing (l-r) Hon. P. Derek Lewis, Q.C., Chair, Law Foundation, Dr. Axel Meisen, President and Vice-Chancellor, Memorial University, The Hon. J. Derek Green, Chief Justice, Supreme Court of Newfoundland and Labrador, Trial Division, The Hon. M. Reginald Reid, Chief Judge, Provincial Court of Newfoundland and Labrador, Christopher P. Curran, LL.B., Chair of Selection Committee and Appointee of Law Foundation; seated (l-r) Award recipients Matthew Gillard, Jennifer Parsons and Andrew Mallam.

The Law Foundation of Newfoundland and Labrador 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.

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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 seventh annual 2002/2003 Competition, covering the three semesters Spring/Summer, Fall, 2002, Winter, 2003, are (in alphabetical order by Department; all five awards have equal standing):

Matthew Gillard, Department of Political Science, International Law, the Bush Doctrine, and Anticipatory Self-Defence, Political Science 3210

Matthew LeRiche, Department of Political Science, The Appropriateness of a Separate Canadian Military Justice System, Political Science 3521

Andrew Mallam, Department of Political Science, The Constitutional Basis for Aboriginal Self-Government, Political Science 3720

Alexander Templeton, Department of Political Science, The Tampa Ordeal and Distress at Sea, Political Science 4200 – International Law of the Sea

Jennifer Parsons, Department of Sociology, Women in Policing: Problems Labouring in a Sex-Segregated Occupation, Sociology 4212

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

The 2002/2003 Competition Selection Committee comprised Christopher P. Curran, LL.B., Chair, appointee of Law Foundation, John A. Scott, Ph.D., Professor, Department of Philosophy, and Morgan Cooper, M.I.R., LL.B., appointees of Memorial University.

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## 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 and Labrador 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.

Jennifer Cantwell of St. John's, a third year law student, received the award in the second semester 2002/2003.

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

Brianna Hookey of Grand Falls-Windsor received the award in the first semester 2003/2004.

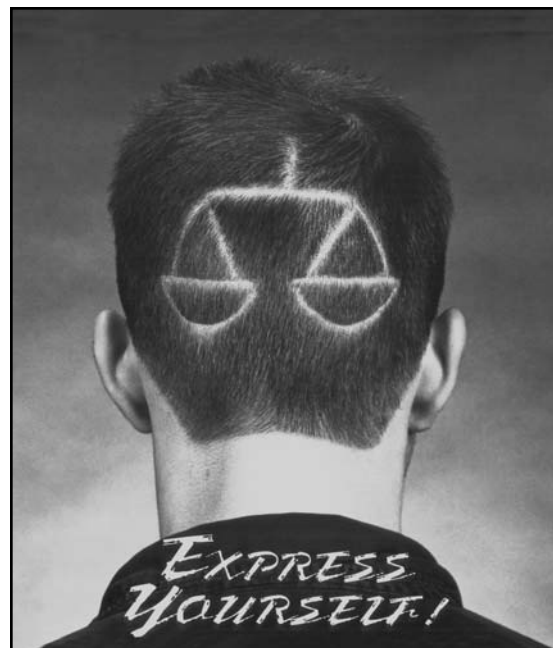
The scholarships are awarded annually by the Admissions and Scholarships Committee of the Faculty of Law. The Law Foundation of Newfoundland and Labrador is advised when the awards have been made.

In 1986 the Law Foundation of Newfoundland and Labrador 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.

# THE LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR

LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR

## 2002 / 2003 HIGH SCHOOL LEGAL ESSAY COMPETITION



### ANNOUNCEMENT OF WINNERS

The Law Foundation of Newfoundland and Labrador in 1984 established a High School Legal Essay Competition for legal research writing on aspects of the law, in honour of the incorporation of the Law Society in 1834.

The winners in the 2002/2003 Twentieth Annual Competition are:

**2002/2003 Provincial, & Eastern Region Winner:** James Roberts, DNA Evidence In Criminal Law, Mount Pearl Senior High School, Mount Pearl.

Mr. Roberts also receives a bonus prize of \$250. awarded for the best legal essay by a Level III student tenable against tuition at Memorial University.

**1st Hon. Mention:** Ashley Thompson, Bill C-36 "The Anti-Terrorism Act", Mount Pearl Senior High School, Mount Pearl

**2nd Hon. Mention:** Bridget Robinson, The Importance Of DNA In The Legal System, Carbonear Collegiate, Carbonear

**Labrador Region Winner:** Katie Edwards, Smoking Laws In Canada, Eric G. Lambert High School, Churchill Falls

**Central Region Winner:** Stephanie Browne, The Mentally Disordered And The Legal System, Exploits Valley High School - Maple, Grand Falls-Windsor

**1st Hon. Mention:** Zachary Eastman, Cancer On The System, Exploits Valley High School - Maple, Grand Falls-Windsor

**2nd Hon. Mention:** Niels Roth, Capital Punishment: Abolishment, Exploits Valley High School - Maple, Grand Falls-Windsor

**Western Region Winner:** Jesse Robson, Youth Criminal Justice Act, Herdman Collegiate, Corner Brook

**1st Hon. Mention:** Elizabeth Moulton, Legalize Or Decriminalize Marijuana?, Herdman Collegiate, Corner Brook

**2nd Hon. Mention:** Mark Dornan, Laws Against Euthanasia - A Violation Against Human Rights?, Herdman Collegiate, Corner Brook

**Awards:** Student Provincial and Regional Winner \$500.; Student Regional Winner \$250.; one "bonus prize" \$250.; Total prizes awarded to students \$2,100.; Total matching cash prizes to schools, for legal materials and resources for school libraries \$1,250.; First and Second Honourable Mentions, each valued at \$100. for students, where merited, were also awarded. Total prizes awarded: \$3,350.

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# HIGH SCHOOL LEGAL ESSAY COMPETITION

**Mount Pearl Senior High School Provincial and Eastern Region Award Winner**



Pictured at 2002/2003 High School Legal Essay Competition Award presentation at Mount Pearl Senior High School, Mount Pearl, are (l-r): John Murrin, M.Ed., Principal, Mount Pearl Senior High School, James Roberts, Provincial and Eastern Region Award Winner, John C. Ottenheimer, M.Ed., LL.B., Chair, Selection Committee, Ashley Thompson, 1<sup>st</sup> Hon. Mention, Eastern Region, D. Gordon Woodland, B.Ed., LL.B., member, Selection Committee and Douglas Mercer, B.Sp.Ed., teacher, Law and History.

Crystal L. Eagan, B.A. (Ed.), a Governor of the Law Foundation, and Hon. George J. Furey, M.Ed., Q.C., are the other members of the Selection Committee.

James Roberts commenced university studies in September, 2003, and as the winner of the bonus prize of \$250. awarded for the best legal essay by a Levell III student tenable against tuition at Memorial University he also attended with the High School Legal Essay Selection Committee, Governors of the Law Foundation and other guests the luncheon for the 2002/2003 Legal Research Awards recipients at R. Gushue Hall hosted by Dr. Axel Meisen, President and Vice-Chancellor, Memorial University.

## THE LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR

In 2002, the Board approved funding totalling \$486,038., comprising \$294,321. in grants for 2002 and \$191,717. in grants for 2003.

In 2003, the Board approved funding totalling \$593,520., comprising \$401,156. in grants for 2003 and \$192,364. in grants for 2004.

The Board in 2003 approved the following grants, totalling \$192,364., which apply to 2004:

Canadian Bar Association, Newfoundland and Labrador, Law Day, April 15, 2004	\$ 1,814.
Law Society of Newfoundland and Labrador, Law Library, Gander, St. John's and West Coast, 2004 (acquisition of books)	139,000.
Public Legal Information Association, Newfoundland and Labrador Fiscal year April 1, 2004 – March 31, 2005 <i>See Note under Public Legal Information Association below</i>	45,000.
21st Annual High School Legal Essay Competition, 2003/2004	3,550.
8th Annual Legal Research Awards Competition for Students of Memorial University, 2003/2004	3,000.

The grants approved for 2003, totalling \$401,156., are broken down as follows:

Canadian Bar Association, Newfoundland and Labrador, Law Day, April 15, 2003	1,167.
Law Society of Newfoundland and Labrador, Law Library, Gander, 2003 (acquisition of books)	9,000.
Law Society of Newfoundland and Labrador, Law Library, St. John's, 2003 (acquisition of books, with public access)	110,000.
Law Society of Newfoundland and Labrador, Law Library, West Coast, 2003 (acquisition of books)	20,000.

Legal Aid Commission: 206,639.  
two-thirds net revenues contribution

Newfoundland and Labrador Speech and Debate Union (SDU) 3,000.  
*(Note: The grant is for SDU's programmes from September, 2003 to June, 2004 with 50% of the funds to be specifically applied to speech and debate activities for high school students, involving the Newfoundland and Labrador Federated League of Debaters (NFLD), and 50% for Youth Parliament activities, which closely follow the rules and forms of the House of Assembly, involving the Newfoundland and Labrador Youth Parliament (NLYP).)*

Public Legal Information Association, Newfoundland and Labrador  
Fiscal year April 1, 2003 – March 31, 2004 45,000.  
*(Note: this core funding, recorded under the object of legal education and legal research, also maintains the infrastructure for the Association's operation of the Lawyer Referral Service.)*

20th Annual High School Legal Essay Competition, 2002/2003 3,350.

7th Annual Legal Research Awards Competition  
for Students of Memorial University, 2002/2003 3,000.

The first meeting of the Board of Governors was held on February 26, 1979, when the work began to allow for the proclamation of Part IV of the Law Society Act on February 1, 1980.

The 25<sup>th</sup> Anniversary of the Law Foundation of Newfoundland and Labrador will be celebrated on February 1, 2005.

Respectfully submitted,



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

  
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