



By Fax (519) 432-8626

May 9, 1997

Stephen Taran
Taran Virtual Associates
100 Fullarton Street
London, Ontario
N6A 1K1

Osgoode Hall
130 Queen Street West
Toronto, Ontario
M5H 2N6

tel (416) 947-3300

Dear Mr. Taran:

Re: Taran Virtual Associates

This letter is further to your letter of the 9th concerning Taran Virtual Associates which provides lawyers and law students on a part-time basis to other lawyers, law firms, corporate law departments and government law departments. The Law Society has had occasion in the past to comment on such type of agencies. It is our opinion that the agencies are performing a very useful service to the members of the legal profession and those clients they service. Accordingly, there is no unauthorized practice as proscribed in section 50 of the *Law Society Act*. The delegation to part-time people brings in the application of the overall duty of confidentiality; hence no problem with Rule 4. There is also no problem with respect to the division of fees because the prohibition against the division of fees is designed to deal with the problem not to deal with the type of agency relationship that you will be running.

You are free to show this letter to any lawyer who questions what the Law Society's position is. Any lawyer is free to call me at (416) 947-3349 and also confirm this opinion.

There is only one question I have that is outstanding and that is the discussion of students. If the students are simply students who are at law school or have completed law school, there is no problem. I would assume that none of the students would be articulated students at law. Were you contemplating the use of such students (articled students) then you would have to obtain the permission of the Director of Education, Mr. Alan Treleaven.

I forgot to address the issue of grossing-up the fee the agency charges. That is the agency will charge the law firm or lawyer for another lawyer or student service at \$75 an hour. That lawyer or law firm will then gross-up that fee. The Professional Conduct Committee has in the past commented on such a practice. The Committee said it was in order as long as it was revealed to the client and the client consented. The justification for the gross-up is the fact that the lawyer or law firm is taking responsibility for the work done by that contract lawyer or law student.

I trust this will be of some assistance to you in your very important endeavour.

Yours very truly,

Stephen E. Traviss
Senior Counsel
Professional Conduct

SET/em