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### 1. Fraud Epidemic

Manitoba lawyers continue to be the target of fraud attempts in what one commentator refers to as "an epidemic of frauds...across Canada." The Law Society reported on Manitoba's first known fraud scheme in an e-mail [notice](#) from our Audit Department dated October 15, 2008, which was reprinted in the October 2008 Communique. A follow-up to this notice, describing the details of the Manitoba scam and suggesting lawyers report suspicious activities to the Law Society, is posted on the Law Society [website](#). The online version of the notice links to several articles on this subject. For another take on the issue see [Fraud: How to Avoid Being a Victim](#), by Dan Pinnington, posted November 11, 2008 on [Slaw.ca](#).

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### 2. Protect Yourself Against Fraud

Those who missed last month's program concerning the new rules on client identification and verification (in effect December 31, 2008) will have another opportunity to learn about the rules at the repeat program [Know Your Client Rules](#). The program, presented by Barney Christianson, Q.C., takes place at the Law Society on Wednesday, January 7, 2009 from 12:00 noon - 1:30 p.m. Contact the [Law Society](#) to register or for further details.

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### 3. Conflicts of Interest not Black and White

In yet another in a long line of court decisions on conflicts of interest, the Ontario Superior Court of Justice has granted a motion to remove an Ontario law firm as counsel of record on the grounds of a disqualifying conflict of interest created by the transfer of a litigation associate from a firm acting for the moving party: [1964 Bay Inc. \(Budget Car Rentals Toronto Limited\) \(Re\)](#), 2008 CanLII 54295 (ON S.C.). Although the court agreed there was a sufficient explanation for the delay in implementing a protective ethical screen in this case, it found the screening mechanism itself to be deficient. In allowing a member of the firm who was engaged in the retainer to establish the screen and in failing to promptly inform the moving party of the conflict the firm "fell short of satisfying the objective test, that on the basis of clear and convincing evidence, all reasonable measures were taken to ensure that no disclosure would occur by the "tainted" lawyer to members of the firm who are engaged against" the interests of the moving party.

As the court notes, conflicts of interest come in many shades of grey and can be costly for all. The complexities are highlighted in Simon Chester's article *The Conflicts Challenge* published in the December 2008 edition of [Headnotes and Footnotes](#). Another look at the August 2008 [Final Report](#) and [Toolkit](#) published by the Canadian Bar Association [Task Force on Conflicts of Interest](#)

is recommended. The toolkit includes checklists, precedent agreements and model letters that can be adapted for your practice. And on a related topic see the November 14, 2008 Lawyers Weekly article [Handling lawyer exits](#), which highlights the challenges of lawyer mobility and suggests some management techniques to ensure smooth exits.

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#### **4. Successful Lawyering in Tough Times**

If uncertain economic times are getting you down, you're not alone. Instead of worrying about something you cannot control, take a look at the current issue of [Law Practice Today](#), which contains several articles on how to survive tough times, including [What Should You Do Now? A Roundtable Discussion on Law Practice in a Time of Great Economic Turmoil](#), in which practice management experts share their expertise and tips on what you need to do.

The axiom that your clients are your most important resource is especially true these days. For a quick reminder of this fact read the articles [An Increased Focus on Improving Client Satisfaction Is Your Formula for Success](#) by Jim Calloway and [In a Tough Economy, the Importance of Effective Client Screening](#) by Deborah Gillis, or revisit our list of Client Relations Resources in the [April 2008 Practice Management Update](#) available on the Law Society website.

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