

To whom it may concern – Based upon our review of the Discussion Paper, Cognition LLP is fully in favour of the complete adoption and allowance of ABS as outlined in the proposed Model #4. In our opinion, ABS must be embraced without limitation in order to achieve true innovation in the delivery of legal services. Placing restrictions on either 1) the degree of ownership by individuals and entities who are not licensed or 2) the services being provided, unnecessarily complicates the regulatory framework and will likely discourage the level of interest from potential non-legal owners. The possible repercussion would be to offset the very benefits that ABS is intended to spur.

In order for the Law Society to remain relevant going forward, changes must be made. There is the very real risk that the legal system in Ontario will grow increasingly antiquated to the detriment of clients and that sufficient access to justice will be lessened as a result. Under such circumstances, the Law Society will have failed to uphold its mandate.

There is no evidence to support fear mongering concerns that somehow non-lawyer ownership would compromise integrity around critical ethics and principles such as conflicts. In fact, the irony is that the opposite is true. Unless ABS is adopted and properly regulated, the Law Society faces the prospect that an increasing number of entities will "side step" the rules in order to provide legal services. Since these organizations will not fall under the control of the Law Society, they will be free to provide their services to consumers on the open market without sufficient oversight. The ability of the Law Society to use the "unauthorized practice of law" as a means of controlling and limiting these third parties will continue to wane and will increasingly be seen as protectionist by consumers, businesses and government. A partnership with business, investors and the community to find new and better ways to deliver legal services should be at the heart of this effort and such openness will only serve to keep the lawyer at the heart of this work, provide the protections needed to our clients and provide the profession with greater access to capital to build our practices and legal businesses.

Cognition LLP, like other more recent entrants and innovators in the Canadian legal market, has been entirely bootstrapped by its two co-founders since its formation in 2005. Often heralded as a trailblazer for legal services innovation in the Canadian marketplace, we have been significantly limited in our potential growth due to the constraints placed against the allowance of non-legal investors. We have many future strategy plans that include the further adoption of technology to enhance the speed and efficiency of our service delivery. However, outside investment would allow us to take on a larger number of such projects and build our management knowledge base to ensure their successful rollout. We firmly believe that through ABS, Cognition and other like-minded innovators could reach new levels of success and continue to push the Canadian legal industry forward. It should be evident by now that left to its own devices, and without properly funded competitors to push them, the best resourced legal participants – the traditional law firms – will do little or nothing to innovate and change. Such is the nature of a model that continues to be wedded to time and materials billing, cost plus pricing and minimal if any year over year retained earnings to invest in moving our industry forward.

Multiple trends are inevitable in the global legal industry, among them that (a) ABS in some form will be adopted by legal regulators in other Western jurisdictions and (b) the role of technology will play a larger role in the delivery of legal services. By hamstringing Canadian

legal participants with antiquated and protectionist regulations, the Law Society will be limiting our domestic legal industry from creating innovative new offerings that would allow local service providers to compete in the global sphere. As other jurisdictions liberalize their legal business structures, Canadian legal providers will fall farther and farther behind in their ability to compete to a point where Canadian service offerings in the future will be mere branch offerings of US or UK focused providers. Furthermore, there can be no doubt that investments in technology and new intellectual property will allow legal services to be delivered faster, cheaper, more efficiently and more accurately, for consumers and businesses alike. The Law Society's mandate to provide access to justice can be best fulfilled by encouraging greater adoption of technology that is developed with the local market in mind – current regulations have created a dichotomy between technology companies who don't understand the legal services market and legal service providers who can't access the capital required to develop relevant technology.

We welcome the opportunity to attend future meetings on this topic and request that we are kept apprised of any future developments.

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