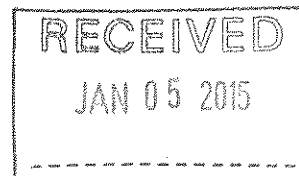




Royal Bank Plaza, North Tower 416-307-3300
200 Bay Street, Suite 2600 888-667-5151
Toronto, ON M5J 2J2 416-307-3305 fax
stewart.ca



December 23, 2014

ABS Discussion
Policy Secretariat
Law Society of Upper Canada
Osgoode Hall
130 Queen Street West
Toronto, ON M5H 2N6

To Whom It May Concern:

Re: Alternative Business Structures ("ABS")

On behalf of Stewart Title, I am writing in response to the request for comments contained in the Law Society's discussion paper entitled *Alternative Business Structures and the Legal Profession in Ontario: A Discussion Paper (the "Paper")*.

We understand that some of the stated benefits of ABS may be greater access to legal services, practice flexibility and innovation. We wish to address each of these stated benefits as they relate to residential real estate practice and the potential impact of ABS on the consumer.

While "access to legal service" may be an issue for some areas of law, it does not tend to be an issue with respect to residential real estate conveyancing. Real estate lawyers are accessible in most areas of the Province and charge fees that are affordable in the context of the purchase or refinance of property. Despite what some may perceive as a mere document processing role, real estate lawyers provide valuable legal advice to consumers who are often embarking on the largest financial transaction of their life.

In many cases, the first contact a consumer has with the legal profession is in the context of a residential real estate transaction. For the many sole and small practices that service the individual consumer, real estate transactions provide much needed cash flow that enables them to handle more complex time consuming files, such as family and criminal law where fee payment may be delayed. Thus, access to legal services may well be adversely impacted if the sole or small practitioner were no longer able to include real estate transactions in the services provided.

If ABS were to lead to large corporations establishing "closing center" type operations, the result would be the diminished involvement of lawyers in residential real estate transaction work. Ultimately, the consumer would be in jeopardy of losing access to not only valuable legal advice, but also access to sole or small practitioners for the other services those lawyers currently provide that they may no longer be able to afford to offer in order to continue servicing vulnerable consumers.

With respect to innovation, real estate lawyers have demonstrated the willingness and ability to accept innovation by adopting electronic registration/searching; utilizing conveyancing software; and including the product of title insurance into day-to-day practice. This is indicative of the fact that innovation can occur without the need to introduce the uncertainty that ABS may bring to the residential real estate bar.

The public is best served by the individual attention of a real estate lawyer. As such, any decision with respect to ABS must necessarily ensure that lawyers continue their essential role in real estate transactions. We would strongly recommend that in the event Alternative Business Structures are



Royal Bank Plaza, North Tower
200 Bay Street, Suite 2600
Toronto, ON M5J 2J2

416-307-3300
888-667-5151
416-307-3305 fax
stewart.ca

permitted in some form, insurance companies, banks and other financial institutions (and their subs or related parties) should be specifically prohibited from maintaining any ownership interest in law firms. In our view, ownership of law firms by these entities in the area of real estate practice could have a profound impact on the commoditization of these services which is clearly a conflict of interest and not in the public interest.

We welcome the opportunity from The Law Society of Upper Canada to participate in future discussion on this issue.

Yours truly,

A handwritten signature in black ink, appearing to read "Karen Decker", with a long horizontal flourish extending to the right.

Karen Decker, LL.B.
Senior Counsel
V.P. Underwriting & Legal
Stewart Title Guaranty Company