NOTE: 1. If writing by hand, candidates must fill in correctly the front of each booklet provided. Failure to do so may result in the answers not being read. Please indicate the total number of booklets used on each booklet. DOUBLE SPACE YOUR ANSWER. WRITE IN INK.

2. This is an open book exam. Candidates may take any non-electronic reference materials into the examination.

AT THE END OF THE EXAMINATION, PLEASE RETURN THIS QUESTION PAPER TO THE INVIGILATOR.
A1 You are at a family reunion, where your second cousin discovers you are a lawyer. She mentions that she is about to sign a lease for her new clothing store in Gastown, which will specialize in luxury athletic and leisure wear. You tell her she should be careful to avoid certain penalty clauses, which you remember from law school can make it difficult for a tenant to break a lease. A few months later, your law firm asks you to assist on a new file. The client is a national yoga clothing company that your law firm is helping to list publicly on the Toronto Stock Exchange. Do any ethical issues arise from these facts? If so, what are your options for resolving any ethical conflicts?

A2 Karin is an associate at your firm, representing a marijuana-rights organization in a court action challenging a municipal bylaw for marijuana dispensaries. The municipality’s lawyer has responded to Karin’s recent letter asking for an adjournment, as follows: “No way! What are you smoking?” During the first day of the hearing before the judge, the municipality’s lawyer repeatedly comments that he will hurry with his submissions so that Karin can take her “smoke break.” He also remarks that Karin looks very “relaxed” and asks what her “secret” is. Karin is so upset by these comments that she has drafted a letter to the municipality’s lawyer, stating that if he persists in his comments and doesn’t agree to adjourn the rest of the hearing she will report him to the Law Society of BC. Karin asks you to read her draft letter, and advise her on the situation. What do you tell her?

A3 In law school, Li struggled to make her credit card payments. During the summer after first year, the credit card company started a lawsuit against her for $1248, which is ongoing. In October, Li got an articling position, and applied for admission to the Law Society of BC. Embarrassed, Li checked, “no” to the question on the admission form; “Is there, at the present time, a civil action or a civil judgment outstanding against you?” After several weeks of guilt and anxiety, Li contacted the Law Society of BC in late October and told them about the lawsuit, but said it was just a “misunderstanding” that would be sorted out soon. By November, after searching court records, the Law Society of BC discovered the truth, and contacted Li to get more information. Li told herself she would wait until after December exams to return their calls. Li is a good student,
and an active community volunteer with great character references. In January, having heard nothing further from Li, the Law Society of BC issued a citation against her. You are a senior lawyer who has agreed to represent Li pro bono. What would you tell her about her situation?

A4 Your client, Relentless Holdings Inc., retains you to assist with preparing its regulatory filings. During your review of the documents, you discover that Relentless has been dumping toxic sludge into a river near your parents' house. You also review an expert's report which found that Relentless has been violating provincial environmental laws. The expert report also links the dumping to contaminated drinking water and increased cancer rates in the area. Relentless' in-house legal counsel instructs you not to disclose the expert report to anyone, as it could create significant liability for the company. What, if anything, can you do in this situation?

A5 Jeremy is a lawyer who sets up his own business, after working at a big firm for several years. His new business is not a law firm, but involves collecting information about a client's problem and then negotiating with various firms to get the best billable rate for the client. He advertises on TV that he will "slash your legal bill" and "get you the legal services you deserve." In exchange for referring a client, law firms give Jeremy 11.5% of their billings for that client. Has anyone done anything wrong on these facts?

Part B. (Reflective Essay) Answer the one Question in Part B. Your answer is worth 30 marks and the recommended time for completion of Part B is 30 minutes.

30 MARKS (30 minutes) In your textbook, Brent Cotter writes, "...the ethical duty of confidentiality and the legal principle of solicitor-client privilege are among the forms of communication most highly protected in law." Do you agree with the rules and caselaw on confidentiality and privilege? Would you make any changes in this area? Why or why not? Be specific.

END OF EXAMINATION