

# Introduction and Overview



<b>Paralegal Licensing and Governance by the Law Society of Ontario</b> . . . . .	2
<b>Paralegal Employment and Gender</b> . . . . .	4
<b>Entrepreneurial Self-Assessment</b> . . . . .	7
Initiative . . . . .	8
Interpersonal Skills . . . . .	8
Calculated Risk-Taking . . . . .	10
Decisiveness . . . . .	10
Planning and Skills . . . . .	11
Flexibility . . . . .	12
Resourcefulness . . . . .	12
Investment . . . . .	13
Support Network . . . . .	14
Perseverance . . . . .	14
<b>Purpose and Overview</b> . . . . .	15
<b>Key Terms</b> . . . . .	16
<b>Useful URLs</b> . . . . .	16
<b>Review Questions</b> . . . . .	17
<b>Discussion Questions</b> . . . . .	17
<b>Scenario-Based Question</b> . . . . .	17
<b>Appendix 1.1 Law Society of Ontario's Good Character Amendment Form</b> . . . . .	18

## Learning Outcomes

After completing this chapter, you should be able to:

- Explain the Law Society of Ontario's role in licensing and regulating paralegals in Ontario.
- Consider the ways in which paralegals are employed in Ontario and the impact of gender on paralegal employment.
- Recognize certain traits required to be a successful entrepreneur.
- Describe the factors to consider when deciding whether or not to start your own paralegal business.

# Paralegal Licensing and Governance by the Law Society of Ontario

## Law Society of Ontario (LSO)

a professional organization that governs legal services in Ontario with a mandate to ensure that the people of Ontario are served by lawyers and paralegals who meet standards of education, competence, and conduct

If you are reading this textbook, then you are likely enrolled in a program that has been accredited by the **Law Society of Ontario (LSO)** to provide you with the education you need to write the licensing examination and to become a duly licensed paralegal. Whether you have just embarked upon that education or you are well into that education, it is important for you to understand the role of the LSO in regulating paralegals in Ontario. Key information about the role of the LSO and its expectations of paralegals is provided in legislation, by-laws, rules, and guidelines governing paralegals in Ontario.

## PRACTICE TIP

The Ontario Paralegal Association offers a student-level membership at a deeply discounted rate for those enrolled in LSO-accredited paralegal programs (at about one-third the cost of a regular membership). You can attend one of their events or volunteer for one of their many committees.

## paralegal

an individual who provides legal services and representation in permitted practice areas, and who has a licence to do so issued by the LSO

The LSO defines a **paralegal** as a person who provides legal services. Paralegals are members of the LSO (*Law Society Act*,<sup>1</sup> ss 1(1) and 2(2)(d)) and, as such, are governed by the LSO. The LSO grants P1 licences to individuals who are qualified to work as paralegals and establishes licensee requirements. The LSA specifically refers to licensing requirements established in the *By-Laws*.<sup>2</sup> Sections 8(1) and 13(1) of By-Law 4 establish P1 licensing requirements. For example, as set out in section 27(2) of the LSA, in order to become licensed, applicants must be of good character. As part of the application process, P1 licence applicants are required to disclose to the LSO information about criminal convictions, criminal charges, allegations concerning academic integrity breaches at post-secondary institutions, grounds of termination of employment where that termination was allegedly for cause, and various other circumstances that may give rise to concerns about the applicant's good character. See Appendix 1.1 at the end of this chapter for a copy of the LSO's Good Character Amendment Form. The LSO can impose sanctions on those who do not disclose information in their licensing applications or who, once licensed, do not comply with its rules and regulations—for example, by revoking their licences or fining them.

## legal services

services that involve applying legal principles and legal judgment to the circumstances and objectives of a client

**Legal services** are defined as “conduct that involves the application of legal principles and legal judgment with regard to the circumstances or objectives of a person” (LSA, s 1(5)). The LSO's *Paralegal Rules of Conduct*<sup>3</sup> outline the scope of the services that paralegals are allowed to provide in Ontario, as well as specific rules regarding how they are to provide those services. See Chapter 9 for a further discussion of paralegals' scope of practice. At present, legal services that fall outside of the regulated

1 RSO 1990, c L.8, as amended [LSA].

2 Law Society of Ontario, *By-Laws*, online: <<https://lso.ca/about-lso/legislation-rules/by-laws>>.

3 Law Society of Ontario, *Paralegal Rules of Conduct* (1 October 2014; amendments current to 1 July 2021), online: <<https://lso.ca/about-lso/legislation-rules/paralegal-rules-of-conduct>> [the Rules].

scope of what paralegals are permitted to do can only be performed by lawyers; however, at the time of publication, the LSO was considering the implementation of a separate licensing scheme for family law legal services providers.

As previously stated, the LSO is a professional organization that governs legal services in Ontario. Its mandate is to protect the public by ensuring that the people of Ontario are served by lawyers and paralegals who meet appropriately high standards of education, competence, and conduct. Founded in 1797 (as the Law Society of Upper Canada) to allow lawyers to govern their colleagues' conduct and protect the public, the LSO has regulated lawyers for centuries.

In 2007, the LSO began licensing and regulating paralegals with the aim of providing the people of Ontario with more choice and protection and improved access to justice. The LSO's decision to do so made Ontario the first province to license paralegals and regulate the profession. As yet, although some provinces have considered following suit, no other Canadian province or territory has done so.

Paralegals who practise in Ontario have obligations to their clients, to the general public, and to the administration of justice; prospective licensees must demonstrate to the LSO that they have experience providing legal services, pass a licence examination, pay fees, and meet other requirements relating to good character and training (By-Law 4, ss 8(1) and 13(1)).

Unlike law clerks, who must work under the supervision of a lawyer, paralegals may operate private practices. Regardless of how proficient a paralegal is with respect to legal matters, the success of their practice will depend to a large extent on efficient and effective business management. Effective advertising and marketing, client management, accounting systems, bill collection, insurance, and staff supervision are important factors contributing to success.

Paralegals must always observe the professional obligations imposed on them by the LSO. In addition to handling matters in the above areas effectively, paralegals preparing to start their own business must be aware of limitations on their conduct and the nature of their work, and must keep their professional knowledge current.

Improper behaviour by legal professionals can have potentially devastating consequences for both clients and members of the public. Refer to the LSO's *Paralegal Rules of Conduct* and the *Paralegal Professional Conduct Guidelines*,<sup>4</sup> which can be found on the LSO's website at <<https://lso.ca/about-lso/legislation-rules/paralegal-rules-of-conduct>> and <<https://lso.ca/about-lso/legislation-rules/paralegal-professional-conduct-guidelines>>, respectively. It is important to consult both the Rules and any Guidelines interpreting those Rules. It is both of these documents together that set out most of the LSO's expectations of paralegals. Additional information about paralegals' obligations is contained in the *By-Laws*. Improper behaviour by legal professionals can result in complaints to the LSO about a paralegal's conduct and in disciplinary action. These disciplinary decisions are made by the Law Society Tribunal. The Tribunal's decisions are available to the public on the Canadian Legal Information Institute (CanLII), an electronic database maintained through public funding from law societies across Canada.

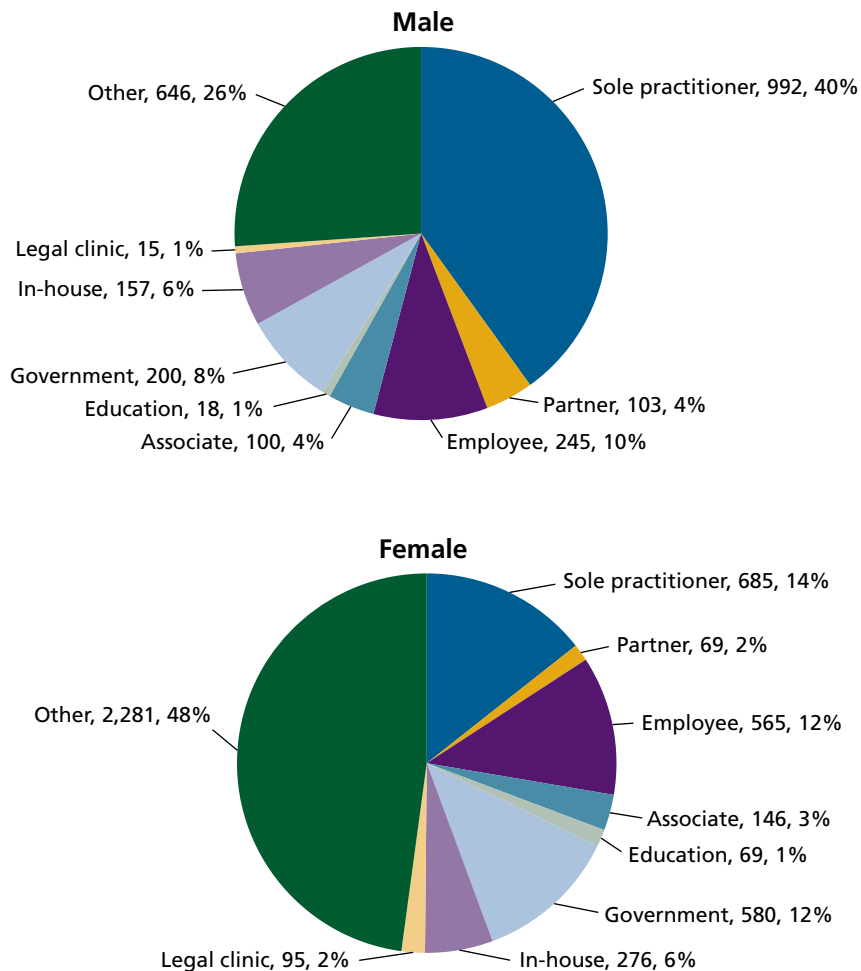
---

4 Law Society of Ontario, *Paralegal Professional Conduct Guidelines* (1 October 2014; amendments current to 22 October 2020), online: <<https://lso.ca/about-lso/legislation-rules/paralegal-professional-conduct-guidelines>> [the Guidelines].

## Paralegal Employment and Gender

As of December 2020, there were 9,607 paralegal members of the LSO with only 3,699 of those members providing legal services.<sup>5</sup> In 2020, 469 paralegals who self-identified as female and 162 who self-identified as male were licensed for a total of 631 newly licensed paralegals.<sup>6</sup> If you are wondering what type of employment you may hold once you are a licensed paralegal, you will find Figure 1.1 of interest. It depicts paralegals by type of employment and gender.

**FIGURE 1.1 Ontario Paralegals by Type of Employment and Gender, 2020**



Source: Data from the Law Society of Ontario, *2020 Annual Report Membership Statistics* (Toronto: LSO, 2021), online (pdf): <<https://lawsocietyontario.azureedge.net/media/lso/media/annualreport/documents/statistics-membership-2020.pdf>>.

<sup>5</sup> "2020 Annual Report" (last visited 9 September 2021), online: *Law Society of Ontario* <<https://www.lso.ca/annualreport/2020/home>>.

<sup>6</sup> Law Society of Ontario, *2020 Annual Report Licensing Statistics* (Toronto: LSO, 2021), online (pdf): <<https://lawsocietyontario.azureedge.net/media/lso/media/annualreport/documents/statistics-licensing-2020.pdf>>.

Although the majority (about 66 percent) of paralegals in Ontario are female, most paralegals employed as sole practitioners are male. In fact, as of December 2020, almost 40 percent of male paralegals were sole practitioners, while only about 14 percent of female paralegals were sole practitioners. In addition, of the 172 paralegals who identified themselves as partners in their firms, 60 percent were male, while only 40 percent were female. Fewer than 1 percent of the total number of licensed female paralegals have achieved partnership status. The reasons for these discrepancies in what has often been referred to as a “feminized” profession are not clear.

There is exactly the opposite gap between males and females in the category of associates, with 40 percent of persons in that role self-identifying as males and 60 percent self-identifying as females. Similarly, the role of in-house paralegal is predominantly held by female paralegals (64 percent). In addition, significantly more female paralegals hold positions in government, in education, and with legal clinics than their male counterparts.

## CAREER PROFILE

### Samantha Francine Glass

*Samantha Francine Glass is the founder of SFG Paralegal Services LLP, which is based in Richmond Hill, Ontario. She is also the founder of the York Region Paralegal Network.*

*Samantha’s passion for law is what drives her. She has contributed to three number one international best-selling books and has won multiple awards for her success in business. She practises in the areas of residential landlord and tenant law, human rights law, and Small Claims Court litigation. She regularly mentors paralegals through her coaching program. “Paralegals, entrepreneurs, and people in general face the same challenges. We are our own biggest cheerleader but we can also be our own biggest critic. Personal development along with professional development is what assists us in leveling up in all areas of our lives.”*

#### **1. How did you become interested in the paralegal profession?**

I became interested in the paralegal profession because I always wanted to help people. I had helped people in my past career; however, I wanted to do more. I wanted to help to a greater degree, and I felt that this profession that I love so much would give me the ability to provide legal education and assistance to those that need it the most.



#### **2. What piece of advice would you give to a newly qualified paralegal?**

Being licensed is only part of the recipe for success, which truly requires much more. A new paralegal needs to be able to adapt to various personality types, have

an entrepreneurial spirit, a never give up kind of attitude, and much more. A paralegal needs to have the confidence to stand up for the rights of their clients, even when it's not of the popular opinion.

**3. How long have you been practising as a paralegal? In what areas do you practise? What is your current position and how did you attain that position?**

I have been licensed for about ten years now and have been practising as a paralegal for all of those years. Over the life of my career thus far, I tried my hand at various areas of law to find what my true passion is. I came into this profession with the mindset of focusing on the *Residential Tenancies Act* and my career took off into the Small Claims Court into areas of defective workmanship, collections, and various other focus areas. My passion truly is that of helping those who have been discriminated against. I assist clientele in the most vulnerable times in their lives through abuse, mental health issues, discrimination based on disability, race, gender, and more. Human rights is an area of law that is near and dear to me. I get the most satisfaction out of representing matters that I feel make the most difference in the lives of those I represent. I am not only making a personal impact on my clients' lives but I am a part of changes that can potentially affect the masses.

I also manage a team of paralegals as a managing partner of SFG Paralegal Services LLP. This position is one which I created for myself. I started as a sole proprietor and grew my team over the years and continue to grow. I felt I wanted to be in a managerial role, as well as a role in which I could speak to each and every client. I inspire, motivate, and collaborate with those in my team. As I grow, my team grows and vice versa.

**4. What piece of advice would you give to a paralegal who is seeking to open a paralegal practice?**

My advice for those seeking to open a paralegal practice is two-fold. One: be prepared. There are those that come into this profession with business, marketing, and other skill sets; they know they can set up an office and start to turn around clientele. Maybe they have a list of contacts from a past career. My second piece of advice is that if you are not one of those individuals as previously mentioned, work with a more senior paralegal or find those business professionals that can assist

you with opening your practice. Being an entrepreneur isn't easy, but if you have the "stick-to-it-iveness," you will reap the rewards. Seek out a mentor that you feel comfortable with, and seek mentors in other areas of business as well.

**5. What is the most challenging aspect of your position?**

The most challenging aspect of being a managing partner is stepping back and taking time for myself. I find that I have such a passion for the law that I live and breathe it, sometimes so much that I don't realize that I may need to step away from it and take time to do something non-legal related. My position is always one that is on the move. Speaking to new people, clients, customer service, management of people, files, mediation, litigation, and the list goes on and on and on. Even though this is challenging, I have such a desire for what I do that I embrace every opportunity to be involved in growth of the profession, myself, and others.

**6. What is the most rewarding aspect of your position?**

Seeing the difference I can make in a person's life. Being there to effect change, right a wrong, or assist someone that feels that they have no hope and being that light for them. You see, being a paralegal, a litigator, a mediator, etc. is so much more. We truly can make a difference in the lives of many.

**7. What, in your opinion, is the biggest challenge currently facing the paralegal profession?**

I find one of the biggest challenges is that most paralegals don't know the extent to which we can assist. We need to ensure we are knowledgeable as to our scope of practice so we can help in areas that are under-represented or not represented at all by paralegals.

**8. Where do you see the profession heading in the next three years?**

I see the profession expanding in the scope of practice and being able to assist others on a greater scale. We are in a position where the public still really doesn't understand what we are capable of and in some cases, we don't even fully understand our scope. I can see with more campaigns focused on public awareness of the paralegal profession, it will lead to more people understanding what we do and why they would want to turn to us for assistance.

### 9. Describe an opportunity that you seized in your professional life.

I created an opportunity for myself by creating a federal not-for-profit called the York Region Paralegal Network (YRPN), which although it serves all of Ontario and now parts of Canada, is small but mighty. Through this not-for-profit organization, I have been able to bring together like-minded paralegals, lawyers, judges, and students to offer public legal education, pop-up legal clinics, workshops, and volunteer opportunities to various communities that need legal assistance but cannot get legal aid. Also, through YRPN, I was able to open the doors for opportunities for mentorship and education, as well as networking. I love this profession so much that I do everything to ensure we have competent, strong professionals well assisting the public. Through opportunities such as being a published author, television show host, sitting on various boards, and teaching the paralegal program, I am spreading awareness everywhere. Our profession will continue to grow and shine as long as we never give up and are persistent.

### 10. How do you market yourself and your professional services?

I don't really think it's about how I market myself that makes me any different from any other legal professional. What I have done is really learn to identify my niche, learn more about the type of client I want to help by analyzing who they are and their needs, then tailoring my materials to them. I can say, as a firm, there is general marketing involved, but to really be different from my competitors, I really dug down deep to learn about the type of person I want to serve.

### 11. What is the most recent networking event in which you participated?

This is a very hard question for me to answer as I participate in networking events almost daily.

### 12. What resource(s) do you find are the most helpful to you and/or your practice?

I find that having a network of paralegals and lawyers that I can turn to with questions or just to bounce ideas off is a must in this profession. Sometimes you believe you have thought of everything and then with a discussion it opens the doors up to so much more.

## Entrepreneurial Self-Assessment

As of December 2019, 97.9 percent of businesses in Canada were small businesses, defined as businesses having fewer than 100 paid employees.<sup>7</sup> As leaders of small businesses, **entrepreneurs**—those who organize and manage an enterprise, especially a business—are responsible for a high degree of business innovation, often developing new and better ways of doing things. As sole proprietors, or as principals of closely held corporations, they can make decisions and act without the need to convince others of the validity of their ideas or obtain permission beforehand. On the other hand, entrepreneurs assume a high level of personal stress and financial risk. For paralegals, these challenges are amplified by the added responsibilities and obligations of running a small business within a regulated profession, since entrepreneurial initiative must operate within the parameters of the LSO rules.

Entrepreneurship involves a particular skill set and range of tasks, as well as considerable risk. While estimates vary, a significant number of small businesses fail within the first five years. An Innovation, Science and Economic Development Canada report

### entrepreneur

an individual who starts up a new business

<sup>7</sup> Innovation, Science and Economic Development Canada, Small Business Branch, Research Directorate, *Key Small Business Statistics—2020* (Ottawa: ISEDC, 2020), online (pdf): <[https://www.ic.gc.ca/eic/site/061.nsf/vwapj/KSBS\\_2020-v2-ENG.pdf/\\$FILE/KSBS\\_2020-v2-ENG.pdf](https://www.ic.gc.ca/eic/site/061.nsf/vwapj/KSBS_2020-v2-ENG.pdf/$FILE/KSBS_2020-v2-ENG.pdf)>.

entitled *Canadian New Firms: Birth and Survival Rates over the Period 2002–2014*<sup>8</sup> studied small businesses' start-up and failure rates, finding that 63 percent of new small businesses survived the first five years and 43 percent survived the first ten years. This study found that firms have lower survival rates when they have fewer than four paid employees. According to Innovation, Science and Economic Development Canada's *Key Small Business Statistics—2020* report, this continues to be true. The report also noted that service sector businesses have a higher failure rate than goods sector businesses.<sup>9</sup>

According to that same report, "four industries—construction; retail trade; professional, scientific and technical services; and other services (except public administration)—account for 557,327 businesses on their own, which represents 45.4 percent of Canadian businesses."<sup>10</sup> Legal services businesses obviously fall within the definition of "professional services." The success or failure of a small business that provides human services, such as legal services, depends in part on the trade skills of the entrepreneur, but business acumen is also significant.

Not everyone is suited to running a small business, and assessing whether or not becoming an entrepreneur is a good choice for you can be challenging. The following are some personality traits, as well as other factors, to consider.

## Initiative

*Things may come to those who wait, but only the things left by those who hustle.*

—Abraham Lincoln<sup>11</sup>

Above all others, the trait that is generally acknowledged as the most important for entrepreneurs to possess is a willingness to take initiative and get things moving. As their own bosses, entrepreneurs must be self-starters; no one is watching them to ensure that they perform their work. They must be able to avoid the temptation of procrastination.

Prospective entrepreneurs should enjoy taking on leadership roles and should not need to rely on others to provide them with direction. Motivation, self-discipline, and a positive attitude are important prerequisites for entrepreneurial success. The best entrepreneurs often thrive on challenge.

## Interpersonal Skills

*To be successful, you have to be able to relate to people; they have to be satisfied with your personality to be able to do business with you and to build a relationship with mutual trust.*

—George Ross

8 Innovation, Science and Economic Development Canada, Small Business Branch, by Richard Archambault & May Song (Ottawa: ISEDC, 2018), online (pdf): <[https://www.ic.gc.ca/eic/site/061.nsf/vwapj/CNF\\_BSR-NEC\\_TNS\\_2002-2014\\_May2018\\_eng.pdf/\\$file/CNF\\_BSR-NEC\\_TNS\\_2002-2014\\_May2018\\_eng.pdf](https://www.ic.gc.ca/eic/site/061.nsf/vwapj/CNF_BSR-NEC_TNS_2002-2014_May2018_eng.pdf/$file/CNF_BSR-NEC_TNS_2002-2014_May2018_eng.pdf)>.

9 *Supra* note 7.

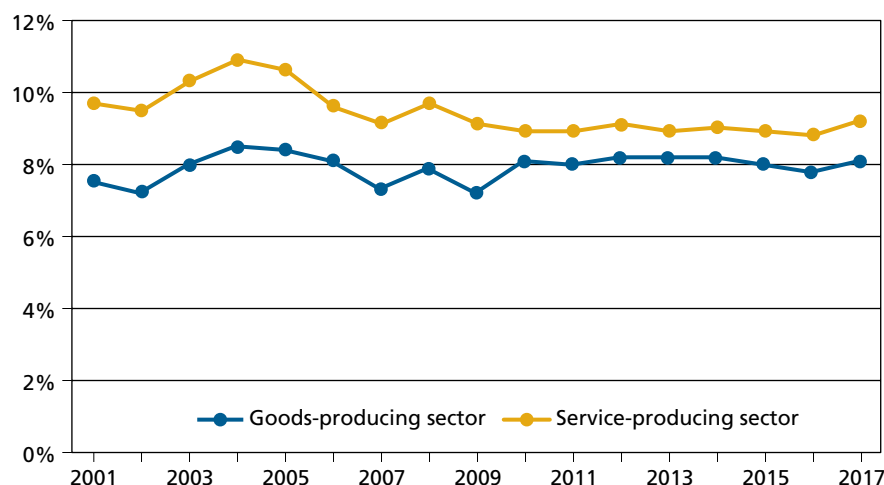
10 *Ibid.*

11 Lincoln was a lawyer before he became President of the United States.



In Canada, from 2001 to 2017, most new small businesses were in the services sector rather than in the goods sector (see Figure 1.2).<sup>12</sup> From 2009 to 2014, 11.5 percent of new small businesses in Canada were professional, scientific, and technical services businesses.<sup>13</sup> Some of these new businesses were likely legal services businesses, such as paralegal firms. The provision of legal services is a particularly people-oriented activity. It is a service industry in which you are selling credibility and trust. The ability to communicate effectively with clients and members of the public face to face, over the telephone, and in writing is an important skill for legal professionals to possess.

**FIGURE 1.2 Birth Rate for Enterprises with One or More Employees, Canada and Main Sectors, 2001–2017**



Source: Innovation, Science and Economic Development Canada, Small Business Branch, Research Directorate, "Figure 2: Birth Rate for Enterprises with One or More Employees, Canada and Main Sectors, 2001–2017" in *Key Small Business Statistics—2020* (Ottawa: ISEDC, 2020) at 12, online (pdf): <[https://www.ic.gc.ca/eic/site/061.nsf/vwapj/KSBS\\_2020-v2-ENG.pdf/\\$FILE/KSBS\\_2020-v2-ENG.pdf](https://www.ic.gc.ca/eic/site/061.nsf/vwapj/KSBS_2020-v2-ENG.pdf/$FILE/KSBS_2020-v2-ENG.pdf)>.

Social boldness—for example, the ability to strike up conversations with new people—is another important quality, as you must be able to network, foster new business relationships, and ultimately convince others to buy your services. Are you comfortable cold calling businesses to obtain work? This might include, for example, handling Small Claims Court collection and enforcement files. While many times a cold call will result in the sound of a dial tone, if you do not even pick up the phone to make a call, you have already lost that potential client. You will also require social confidence and negotiation skills when dealing with opposing counsel on behalf of your clients. In a 2015 CIBC World Markets article, "Secrets to Small Business Success," attracting and retaining clients was identified as a key factor in the success of small businesses.<sup>14</sup>

<sup>12</sup> *Supra* note 7.

<sup>13</sup> *Ibid.*

<sup>14</sup> (April 2015), online (pdf): <<https://www.cibc.com/ca/pdf/sb-secrets-for-success-en-v1.pdf>>.

## PRACTICE TIP

Networking can be fun! Participate in your college's moots or mock trials. Give others the benefit of your experience. It may be difficult when you are trying to establish a practice, but these are great ways to build a professional network, meet a mentor, and gain valuable experience for your resumé.

The ability to network with colleagues and mentors is also useful. Entrepreneurs who seek out and rely on expert advice from senior colleagues and professionals are much more likely to see their business revenues increase than those who do not. This may also be a source of referrals. Mentors and colleagues are particularly important resources for paralegals who intend to practise alone. Organizations such as the Paralegal Society of Canada, Ontario Paralegal Association, and Women's Paralegal Association of Ontario may offer reduced or free memberships for students. If you intend to open your own paralegal firm one day, remember that it is never too early to begin networking.

Entrepreneurial paralegals must also employ their interpersonal skills in dealing with suppliers, such as document servers and couriers. Those with larger operations may require staff, and management skills will be important.

## Calculated Risk-Taking

*Often the difference between a successful person and a failure is not one has better abilities or ideas, but the courage that one has to bet on one's ideas, to take a calculated risk—and to act.*

—André Malraux

When opening their small businesses, entrepreneurs assume many forms of risk—for example, in deciding who to hire, where to locate, where to advertise, and whether or not to take on particular business partners or clients.

People who are risk-averse—those who prefer to play it safe and stay within the existing frameworks of their jobs—are probably not ready to take on the responsibility of entrepreneurship. On the other hand, those who are too willing to take risks may act recklessly and endanger their businesses.

The best entrepreneurs are those who assess situations carefully and then determine whether or not particular risks are worth taking, basing their decisions on a reasoned assessment of the possible consequences of different courses of action.

## Decisiveness

*If I had to sum up in a word what makes a good manager, I'd say decisiveness. You can use the fanciest computers to gather the numbers, but in the end you have to set a timetable and act.*

—Lee Iacocca

Entrepreneurs are their own bosses. If you like clear structure and directions before and during a task and constructive feedback upon completing it, then you are

probably more suited to working as an employee than running your own business. Similarly, if it is difficult for you to decide on a course of action—whether because you tend to act rashly, without considering alternatives, or because you have trouble making up your mind—you may not be suited to being your own boss. To self-assess, it might be helpful to consider an example of decision-making from your personal life. Picture yourself at a restaurant that you are visiting for the first time. How long does it typically take you to order from the menu? Do you read the whole menu? Do you change your mind several times before ordering? Are you the last person at the table to order? Do you decide too quickly and regret your choice? Are you likely to default to that ordering style when running a business?

People who make good entrepreneurs are confident, enjoy making considered decisions, and like being in charge. They must be sufficiently decisive to make decisions independently and to deal with the consequences of those decisions sensibly.

## Planning and Skills

*Good fortune is what happens when opportunity meets planning.*

—Thomas Alva Edison

Because they are responsible for planning where their businesses should go in the future, entrepreneurs must be able to make both short- and long-term plans. In order to do so, they must be organized and must take responsibility for seeing tasks through to their conclusions. As discussed below, under the heading “Flexibility,” entrepreneurs must also be willing to adapt their plans in order to adjust to changes in circumstances when required. Planning that is too rigid may leave no room for creativity or flexibility.

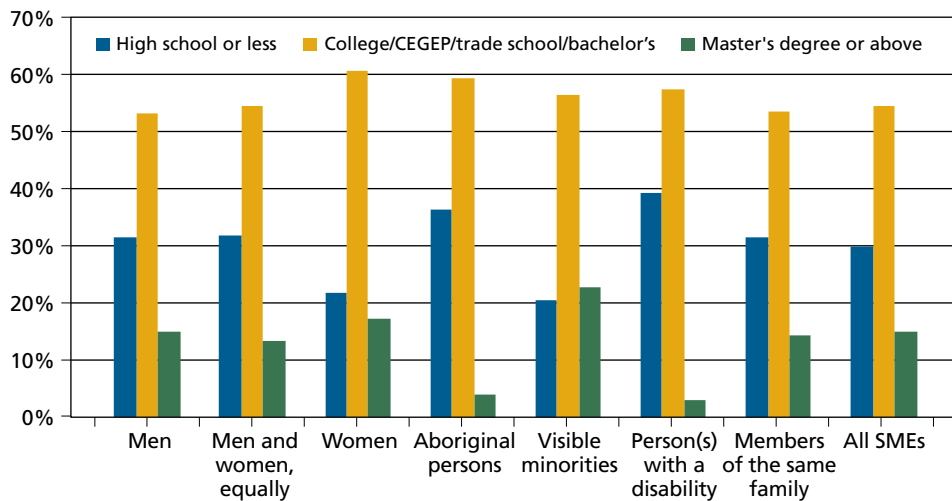
Specialized education and/or training can be important to an entrepreneur’s success. Innovation, Science and Economic Development Canada’s report entitled “SME Profile: Ownership Demographics Statistics,” looked at statistics concerning the educational levels of small and medium-sized business owners and found that the highest concentration (54.8 percent) fell in the college, CEGEP, or trade school diploma category.<sup>15</sup> Interestingly, for small and medium-sized businesses of which women were majority owners, 60.8 percent of those women fell in the college, CEGEP, or trade school diploma category.<sup>16</sup> Figure 1.3 shows the highest level of education attained by small and medium enterprise owners in 2017. Taking the time to acquire business knowledge and skills—in addition to professional knowledge and skills particular to paralegals—through continuing education, self-study, and work experience will increase your chances of success.

---

15 Innovation, Science and Economic Development Canada, “4.2: Education” in *SME Profile: Ownership Demographics Statistics* (Ottawa: ISEDC, 2020), online: <[https://www.ic.gc.ca/eic/site/061.nsf/eng/h\\_03115.html#bookmark4-2](https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03115.html#bookmark4-2)>.

16 *Ibid.*

**FIGURE 1.3 Highest Level of Education Attained by Small and Medium Enterprise Owners, 2017**



Source: Innovation, Science and Economic Development Canada, "Figure 7: Highest Level of Education Attained by Primary Decision Maker by Majority Ownership Type" in *SME Profile: Ownership Demographics Statistics* (Ottawa:ISED, 2020) at 13, online (pdf): [https://www.ic.gc.ca/eic/site/061.nsf/eng/h\\_03115.html#bookmark4-2](https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03115.html#bookmark4-2).

## Flexibility

*Stay committed to your decisions, but stay flexible in your approach.*

—Tom Robbins

Entrepreneurs are commonly viewed as people who are very responsive to change and who have the ability to perceive opportunities that others may not see. Because there is no boss to consult or convince beforehand, entrepreneurs are often in a position to make decisions quickly, which can allow them to benefit from new opportunities as they present themselves. For example, a paralegal who sets up a business with the intention of defending traffic tickets for clients may be wise to reconsider if offered a sizable contract to do debt collection work.

While advance planning is crucial for success, equally crucial is your ability to "keep your ear to the ground" without losing sight of overall goals, and your willingness to modify your business plan as circumstances change.

## Resourcefulness

*The entrepreneurship journey has been hands down the most rewarding and difficult things that I have ever been through. The difficult times will come, and when they do, be resourceful and committed to your dreams.*

*If you do this, you can get through anything that comes at you.*

*Always remember to ask yourself, how else can this happen and who else has done it?*

*When you make the decision to become an entrepreneur, and when you choose to be resourceful, you get to have everything. Become resourceful, because if you do, you can do anything!*<sup>17</sup>

—Sarah Pendrick

At the outset of your career as an entrepreneur, you may be a one-person operation. To reduce your start-up and operating costs, you should consider taking on some basic tasks yourself. This might mean painting your office yourself; setting up your own computer, printer, and fax machine; assembling your own furniture; buying your own office supplies; and so on. You will not have an IT department or assistant to rely on and may have only yourself.

It is also important to determine what you can do yourself and what requires expert assistance. For example, if you intend to do your own bookkeeping, before you purchase accounting software specially designed for legal professionals it may be wise to speak to legal professionals who currently use the software to determine whether it will meet your needs. You may require training in the use of that software. Alternatively, your time might be better spent on marketing initiatives than on painting your office, and you might decide to hire a student to do the painting even if you are capable of doing it yourself. Remember that you are likely to be your highest-paid employee and your time is valuable.

## Investment

*In any investment, you expect to have fun and make money.*

—Michael Jordan

One of the major reasons why it is risky to be an entrepreneur is that, as the saying goes, “it takes money to make money.” Starting a business can be expensive. Entrepreneurs need capital to invest toward office rental, insurance, Internet and phone, advertising, and other office expenses before they can earn any money from their business.

Unfortunately, the payoff from operating a small business is often slow to materialize. Entrepreneurs can probably expect to lose money in the first year—or even the first few years—of operating a business. Cash flow shortages are typical. Nonetheless, taking on excessive debt is often what sinks a business. Planning appropriately for expenditures through credit that can realistically be carried and eventually paid back is a crucial aspect of the planning process.<sup>18</sup>

Some fortunate individuals will have money saved. For others, saving money may be a motivation for working as an employee for a while after graduating. This has at least two benefits: it allows you to save money to invest in your business, and it allows you to gain skills that will make your business a safer investment.

For the majority, who must borrow money, having good credit will help. Checking your credit rating and cleaning up any problems may be essential. In Canada, consumers are entitled to obtain free credit reports from the credit rating agencies Equifax and

17 Ashley Stahl, “5 Top Female Entrepreneurs Show You How to Overcome Failure,” *Forbes* (2 April 2019), online: <<https://www.forbes.com/sites/ashleystahl/2019/04/02/5-top-female-entrepreneurs-show-you-how-to-overcome-failure/?sh=5583bcbe9003>>.

18 See e.g. Susan Ward, “Why Small Businesses Fail and How to Avoid Failure” *The Balance Small Business* (26 January 2019), online: <<https://www.thebalance.com/why-do-small-businesses-fail-2948582>>.

TransUnion Canada. Information on how to order a free credit report is provided by the Financial Consumer Agency of Canada.<sup>19</sup>

A line of credit will supply you with money at a much lower cost than a regular credit card, but it may be difficult to acquire a line of credit without a steady income. If you are employed before you open your own business, you should apply for a line of credit at that time. It may also be necessary to offer security, such as equity in a home. If, like most recent graduates, you do not yet own a home, consider whether you have a relative willing to guarantee your line of credit.

## Support Network

*Surround yourself with a trusted and loyal team. It makes all the difference.*

—Alison Pincus

A wide support network of family and friends can be instrumental to your success. From such a network, you may be able to obtain a financial investment or support from family members, assistance with the start-up process from friends with particular expertise, and/or advice from mentors and colleagues. Strong relationships and numerous contacts can provide you with the emotional, practical, and professional support you will need through the ups and downs of starting up a business. Once you are licensed, that wide network of family and friends may also lead to word-of-mouth referrals—a key source of clients.

### PRACTICE TIP

You can learn a lot by listening to people who have their own paralegal practices. They have valuable information to share, and most are happy to help. Reach out to those you are already connected with through school or through your placement. Ask for 15 minutes of their time, prepare a list of questions, and you will be better prepared to choose the path that's best for you.

## Perseverance

*It's not that I'm so smart, it's just that I stay with problems longer.*

—Albert Einstein

Although initiative is important for an entrepreneur, people who are only good at starting things—not finishing them—are not cut out to be entrepreneurs. An entrepreneur's business will likely grow slowly, and the ability to follow through despite obstacles is an important key to success. Success as an entrepreneur will be difficult for those who tend to procrastinate or give up when they don't see results quickly.

<sup>19</sup> Financial Consumer Agency of Canada, "Ordering Your Credit Report and Score" (last modified 15 March 2021), online: *Government of Canada* <<https://www.canada.ca/en/financial-consumer-agency/services/credit-reports-score/order-credit-report.html>>.

The responsibility that comes with starting a paralegal business can be overwhelming, and being able to deal productively with the inevitable frustrations—and to find solutions to problems in a calm, level-headed manner—is essential.

For paralegals, sticking with problems until they are solved is not just a wise business practice, but an ethical obligation. A paralegal who enters into a retainer with a client is ethically obligated to continue to represent that client unless withdrawal from representation can be justified in accordance with the Rules (Rule 3.08). Guideline 5, section 1 of the Guidelines states:

One of the most important duties of a paralegal is the duty of service to his or her *client*. This duty includes obligations to be competent, maintain confidentiality, avoid conflicts of interest and continue to represent the client unless the paralegal has good reason for withdrawing.

Guideline 11 describes several relevant factors to be considered prior to withdrawal of representation. Managing client expectations by honestly and fairly discussing the likely risks and costs of clients' matters is important to the business success of paralegal entrepreneurs.

Although some entrepreneurs start their small businesses in part to achieve a better work–life balance—for example, out of a desire to spend more time with their families—many must consistently work long hours to achieve their goals. Seeing tasks through to their conclusions is a process that takes time.

### PRACTICE TIP

Consult this helpful tool to determine whether you are suited to running your own paralegal practice:

Business Development Bank of Canada (BDC) Entrepreneurial Potential Self-Assessment, online: <<https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/business-assessments/pages/entrepreneurial-potential-self-assessment.aspx>>.

## Purpose and Overview

As a student in a legal services program today, you are preparing to begin your career at an exciting moment in the history of the provision of legal services in Ontario. As a licensed paralegal, you will assume and be required to meet significant professional responsibilities and will have the chance to benefit from historically unrivalled opportunities.

Only those paralegals who practise ethically and professionally, and who gain and apply sound business knowledge, will profit from current, and future, opportunities. It is the hope of the author that *you* do. The purpose of this book is to allow you to explore and discuss issues that you should consider if you are thinking about starting your own paralegal practice, and to provide you with the basic tools you will need if you decide to do so.

This chapter dealt with paralegal licensing, governance, employment, and entrepreneurship.

Chapter 2 compares the advantages and challenges of starting a new business from scratch with purchasing an existing business.

Chapter 3 explores regulatory and legal issues related to starting a business. It explains the different forms a business may take (including sole proprietorship, partnership, and professional corporation); the obligations of paralegals with respect to compliance with both Canadian and Ontario business laws and regulations and the relevant LSO rules; and the requirements for registering business names. It also looks at issues regarding taxes, licences, zoning, home offices, and insurance.

Chapter 4 outlines what is involved in developing a business plan for a legal services firm. It considers financial analysis (including analysis of start-up costs and cash flow) and management plans (including their implementation).

Chapter 5 looks at what is involved in promoting a legal services firm. It discusses advertising, marketing, and strategic planning. Relevant rules—such as those relating to business communications and advertising—are explored.

Chapter 6 discusses setting fees in the context of the recent changes to the Rules with respect to contingency fees. The chapter also explores client retention strategies.

Chapter 7 considers hiring and employment practices and responsibilities. Key topics in the chapter include a paralegal's obligation to uphold human rights legislation, preventing workplace violence and harassment, promoting a safe workplace, and developing and setting workplace policies.

Chapter 8 addresses the professional responsibilities of supervision, delegation, finance, and contingency planning.

Chapter 9 focuses on discharging responsibilities to clients with competence, honour, and integrity. It addresses the importance of client verification and identification (through the use of retainer letters, retainer agreements, and non-engagement letters), client intake interviews, advising clients, conflicts of interest, and confidentiality. The chapter also touches on withdrawal from representation, technology and communications, and errors and omissions insurance.

Chapter 10 discusses file management and time management. Confidentiality is again considered within this context, and management tools and the organization of file contents are discussed. Recommendations are made to help you comply with LSO rules regarding management of client property and closing and storage of inactive files. The chapter also deals with appropriate uses of technology to assist with both file management and time management, including file checklists, docketing, and tickler systems.

## KEY TERMS

entrepreneur, 7

legal services, 2

paralegal, 2

Law Society of Ontario (LSO), 2

## USEFUL URLS

The Balance Small Business, "Starting a Business," <<https://www.thebalance.com/starting-a-small-business-4073888>>.

Business Development Bank of Canada, "Entrepreneurial Potential Self-Assessment," <<https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/business-assessments/pages/self-assessment-test-your-entrepreneurial-potential.aspx>>.



Canadian Association of Paralegals, <<https://caplegal.ca/en>>.

Law Society of Ontario, *By-Laws*, <<https://lso.ca/about-lso/legislation-rules/by-laws>>.

Law Society of Ontario, "Good Character Requirement," <<https://lso.ca/becoming-licensed/paralegal-licensing-process/good-character-requirement>>.

Law Society of Ontario, *Paralegal Professional Conduct Guidelines*, <<https://lso.ca/about-lso/legislation-rules/paralegal-professional-conduct-guidelines>>.

Law Society of Ontario, *Paralegal Rules of Conduct*, <<https://lso.ca/about-lso/legislation-rules/paralegal-rules-of-conduct>>.

Law Society of Ontario, "Practice Supports and Resources," <<https://lso.ca/paralegals/practice-supports-and-resources>>.

Law Society Tribunal Disciplinary Decisions, <<http://www.canlii.org/en/on/onlst>>.

Ontario Paralegal Association, <<https://opaonline.ca>>.

Women's Paralegal Association of Ontario, <<https://www.facebook.com/groups/194337567419437>>.

## REVIEW QUESTIONS

1. What is the definition of a paralegal in Ontario?
2. What is the LSO, and what is its role with respect to the paralegal profession?
3. To whom do paralegals have obligations and where are these obligations described?
4. Where can you find the *Paralegal Rules of Conduct*?
5. Why is it important to read the *Paralegal Professional Conduct Guidelines* when reading the Rules?
6. What by-law establishes requirements for P1 licensees?
7. What percentage of small businesses in Canada survive the first ten years?
8. How many provinces and/or territories in Canada require paralegals to be licensed?
9. If an applicant for a P1 licence was terminated from a sales position because of a business reorganization, does the applicant have to disclose this to the LSO in their licensing application?

## DISCUSSION QUESTIONS

1. What are some traits of entrepreneurs? What other factors should would-be entrepreneurs consider?
2. Why do you think that although there are more female paralegals than male paralegals licensed in Ontario, there are more male sole practitioners than female sole practitioners?
3. What do you think might be some of the benefits of working for the government?
4. What do you think might be some of the benefits of owning and operating your own paralegal practice?

## SCENARIO-BASED QUESTION

### 1. Maya's Dilemma

Maya Jamal, a newly licensed paralegal, has some great connections in property management and is thinking of starting her own practice emphasizing residential landlord and tenant law. Maya worked in an accountant's office for 20 hours a week the entire time that she was pursuing her paralegal diploma, but she has never run a business. What is a tool that will enable Maya to evaluate her skills before she takes the first steps to create her practice?

# APPENDIX 1.1 LAW SOCIETY OF ONTARIO'S GOOD CHARACTER AMENDMENT FORM



Law Society of Ontario  
Licensing and Accreditation  
130 Queen Street West, Toronto, ON M5H 2N6 T:  
416-947-3315 or 1-800-668-7380 ext. 3315  
[licensingprocess@lso.ca](mailto:licensingprocess@lso.ca)

## LAWYER LICENSING PROCESS Good Character Amendment Form

Candidate Legal Name: [REDACTED]

Candidate ID#: [REDACTED]

I have made amendments to the answers on the following question(s) in my original Licensing Process application:

1. Have you ever been found guilty of, or convicted of, any offence under any statute?  Yes  No

Please exclude:

- i) speeding and parking tickets;
- ii) offences for which more than one year has passed since you were discharged absolutely or more than three years have passed since you were discharged on conditions prescribed in a prohibition order; and
- iii) convictions or findings of guilt under the *Controlled Drugs and Substances Act* for possession of cannabis not exceeding 30 grams or cannabis resin not exceeding 1 gram that did not include a term of incarceration.

(If you have been found guilty or convicted of an offence under the *Young Offenders Act* or the *Youth Criminal Justice Act*, or if you have received a pardon or record suspension with respect to any offence, please refer to the Good Character section of the "Completing the Lawyer Licensing Process Application" online guide for further details.)

2. Are you currently the subject of criminal proceedings? If yes, please provide details.  Yes  No

[REDACTED]

3. Has judgment ever been entered against you in an action involving fraud? If yes, please provide details.

Yes  No

[REDACTED]

4. Are there any outstanding civil judgments against you? If yes, attach a copy of the judgments to this application.

Yes  No

5. Have you ever disobeyed any order of any court requiring you to do any act or to abstain from doing any act? If yes, please provide details.  Yes  No

[REDACTED]

6. Have you ever been discharged from any employment where the employer alleged there was cause? If yes, please provide details.

Yes  No

[REDACTED]

7. Have you ever been suspended, disqualified, censured or otherwise disciplined as a member of any professional organization? If yes, attach a letter or certificate of good standing to this application.
- Yes       No
8. Have you ever been denied a licence or permit, or had any licence or permit revoked for failure to meet good character requirements? If yes, please provide details.  Yes       No
- Yes       No
9. Have you ever been refused admission as an applicant or member of any professional body? If yes, please provide details.
- Yes       No
10. While attending a post-secondary institution, have allegations of misconduct ever been made against you, or, have you ever been suspended, expelled or penalized by a post-secondary institution for misconduct? If yes, attach written details of the allegation and suspension, expulsion and penalty imposed on you to this application.
- Yes       No
11. Are you currently subject to a petition or assignment in bankruptcy or a proposal to creditors under the *Bankruptcy and Insolvency Act*, or have you ever been bankrupt or insolvent, under any statute? If you have been discharged, please attach proof of the discharge to this application.
- (Candidates wishing to obtain a discharge may review information on the web site of the Office of Superintendent of Bankruptcy of Canada: <http://www.ic.gc.ca/eic/site/bsf-osb.nsf/eng/home>)
- Yes       No

12. Have you ever been disciplined by an employer, or been a respondent in proceedings in relation to a violation of any human rights legislation? If yes, please provide details.  Yes  No
13. Have you ever been sanctioned or had a penalty imposed upon you by a court, an administrative tribunal or a regulatory body? If yes, please provide details.  Yes  No

- Attached is a written explanation of the indicated question/change
- I will submit a notarized/commissioned copy of this form and all supporting documents pertaining to the amended responses.

Candidate Signature:

Date:

**By typing your name into the signature field, you agree that you are signing this document electronically and that your electronic signature is the legal equivalent of your manual signature on this document.**

