



Calgary Office (Main)  
600, 919 - 11th Avenue S.W., Calgary, Alberta T2R 1P3  
Phone: (403) 229-4700 • Toll Free: 1-800-661-9003 • Fax: (403) 228-1728

Edmonton Office  
Scotia Place Tower II, 201, 10060 Jasper Avenue, Edmonton, Alberta T5J 3R8  
Phone: (780) 429-3343 • Toll Free: 1-800-272-8839 • Fax: (780) 424-1620

**Law Society of Alberta**

[www.lawsocietyalberta.com](http://www.lawsocietyalberta.com)

## ***News Release***

### **LAWYER ADVERTISING OF LOANS PROHIBITED AND COMPASSIONATE LOANS MUST BE INTEREST FREE**

(CALGARY, February 11, 2004) — Loans to financially vulnerable clients by Alberta lawyers must only be made on a no interest, no charge basis for compassionate purposes, and advertising of loans or cash advances by lawyers is strictly prohibited, states a decision made by the board of directors of the Law Society of Alberta.

“Alberta lawyers are sometimes asked by clients to make loans while a lawsuit is ongoing,” said Larry Anderson, QC, president of the Law Society of Alberta. “Since the client asking for the loan or cash advance is usually in a dire financial situation, there is an obvious inequality of bargaining positions between the lawyer and the client. Charging interest or some other service fee may make it appear that the lawyer is taking advantage of the client.”

Advertising of loans is now strictly prohibited.

“To ensure the public interest and reputation of the profession are protected, lawyers are also prohibited from advertising the availability of loans or cash advances of any sort,” says Anderson. “Loans should never be used as a marketing tool for obtaining clients.”

The lawyer must resign from the case if the loan compromises the lawyer’s ability to give objective advice to the client.

This decision by the board members, called benchers, comes at a time when Alberta lawyers and the general public have raised concerns about this practice, which until now was not specifically addressed in the legal profession’s Code of Professional Conduct.

The Law Society of Alberta is the regulating body of Alberta’s legal profession. It represents the public interest to ensure that the public has unobstructed access to competent legal services.

-30-

Information:  
Eileen Dooley  
Communications Director  
(403) 229-4744