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DELIVERED BY E-MAIL

Dr. Caroline Y. Wang, B.Sc., M.D.
Suite 125 - 8120 Cook Road
Richmond, BC V6Y 1T9

Dear Dr. Wang:

Re: BCMA Board of Directors

Thank you for your May 16th letter to my colleague, Ross Ellison, Q.C. We are now writing to respond to the questions raised in that letter, and the concerns raised by legal advice given to you, as a member of the Board of Directors of the British Columbia Medical Association pertaining to your duties as a director and the limitations that may be imposed upon you in fulfilling those duties.

Background

We understand that, as a BCMA Board member, you have been closely involved in the Board's consideration of a number of BCMA proposals affecting the practice of medicine, and related Provincial government compensation for medical practitioners in British Columbia, as reflected, in August, 2005 in the GPSC Proposal and, more recently, in the BCMA Letter of Agreement proposed to be entered into between the BCMA and the British Columbia Government, that was the subject of a members' referendum, earlier this month.

Both the GPSC Proposal and the BCMA Letter of Agreement had been approved by a majority of the BCMA Board, and recommended by the Board for ratification by the BCMA membership.

In both cases, you went on record with the Board as dissenting from those approvals and recommendations, and you circulated detailed memoranda to affected BCMA members, setting out the bases for your dissent.

We understand your principal concern to be that the proposed agreements would have profound, long term quality-of-practice and financial implications for BCMA members, and that it was, in

your judgement, in the best interests of the Association to assist members to make a fully informed decision by airing all relevant information pertaining to those agreements.

In the Fall of 2005, you made a Motion at a meeting of the BCMA Board of Directors, that "the BCMA Board of Directors are entitled to express dissenting views as individuals to members, as well as representing the position of the BCMA on policy considerations and recommendations." Discussion of that Motion was deferred to a subsequent Board meeting in November, 2005. Prior to the November 25, 2005 Board meeting, all Directors were copied with a written legal opinion which equated a Director's expressions of dissent from a Board-approved position, outside the confines of a Board meeting, with a breach of that Director's fiduciary duty. That opinion was also presented, and reinforced, by the Board's legal counsel at the November 25, 2005 meeting.

A Board meeting has been scheduled for June 9, 2006, at which it is expected that the question of suppressing dissident Board members' views, on pain of censure by the Board, will be raised. In anticipation of that meeting, you have requested our advice on your freedom, both as a BCMA Director, and as a member of the BCMA, in expressing to BCMA members generally, your dissent from Board decisions and recommendations, and in sharing the grounds for your dissent with BCMA members.

Scope of Review

We have, in providing this opinion, reviewed the Constitution and Bylaws of the BCMA (dated August 27, 2004), the Code of Conduct for BCMA Directors, related materials you have provided for our consideration, and the applicable laws of Canada and British Columbia.

Opinion

In our opinion, and subject to the limitations set out below, you have the right, both as a BCMA Director and as an at-large member of the BCMA, to express your dissent from Board-approved decisions, including discussion of the grounds for that dissent, to BCMA members.

In expressing your dissent to the Board's decisions, you are subject to the following constraints:

- You may not divulge confidential information provided to you in your capacity as a BCMA Board member;
- You must act honestly and in good faith, in the best interests of the Association as a whole, free of any personal conflicts of interest;

- You may not purport to be speaking on behalf of the Board.

As you are aware, the BCMA's Constitution provides, in part, that "The Board shall manage or supervise the management of the affairs and business of the Association." What the Constitution does not provide, however, is any authority in the Board to be the arbiter of what actions or activities by individual Board members "are in the best interests of the Association" - with due respect to the contrary opinion, that is for the BCMA's membership to determine. Your (fiduciary) duty of loyalty, and that of all other Board members, is not to the Board, but to the Association.

Far from being precluded from expressing your dissent to BCMA members, it is our opinion that, subject again to the limitations above, it would be incompatible with the proper exercise of your fiduciary duty to the Association, not to speak out on important issues facing the BCMA membership generally and that, indeed, it is your duty to do just that. Moreover, there is no authority granted to the Board under the BCMA's Constitution and Bylaws to prohibit or sanction the expression of dissent by Directors, under the Directors' Code of Conduct, or otherwise. We would expect that to be a principle in which all Directors might take comfort.

I trust this satisfactorily addresses the issues raised in your May 16 letter. Please feel free to call me to discuss these matters further, at your convenience.

Yours truly,

DAVIS & COMPANY LLP

Per:



Stuart Morrow
SBM/mfl