

**LAW SOCIETY OF ALBERTA**  
**IN THE MATTER OF THE *LEGAL PROFESSION ACT*;**  
  
**AND**  
  
**IN THE MATTER OF A HEARING REGARDING**  
**THE CONDUCT OF SHAWN BEAVER**  
**A MEMBER OF THE LAW SOCIETY OF ALBERTA**

**Hearing Committee:**

Frederick R. Fenwick, Q.C., Chair  
Douglas McGillivray, Q.C.  
Nancy Brook

**Appearances:**

Counsel for the Law Society – Sharon Heine, Shanna Hunka and D. Vaillancourt  
Counsel for Shawn Beaver – Simon Renouf, Q.C.

**Hearing Dates:**

November 14, 15, 17, 18, 25, 2016, and  
January 23, 24, 25, 26, 2017

**Hearing Location:**

Law Society of Alberta at 800 Bell Tower, 10104 – 103 Avenue, Edmonton, Alberta

**HEARING COMMITTEE REPORT**

**Introduction and Summary of Results**

1. On May 25, 2015, Mr. Beaver advised the Law Society of Alberta (LSA) in writing of a deficiency in his law firm trust account in the approximate amount of \$180,000.00. The same day, his associates reported the deficiencies and alleged they were the result of Mr. Beaver improperly removing funds from trust.
2. Subsequent investigation resulted in an almost immediate custodianship of his practice and an interim suspension. The Conduct Committee issued 12 citations against Mr.

Beaver, alleging Mr. Beaver's misappropriation of client's trust and other funds, together with contravention of LSA rules concerning trust accounting and reporting.

3. An Agreed Statement of Facts and Admission of Conduct Deserving of Sanction was put before the Hearing Committee ("Committee") in relation to the citations and the Committee heard eight days of evidence from Mr. Beaver's former associates, employees and clients. Mr. Beaver testified, and comprehensive records from Mr. Beaver's practice management software and banking records were put into evidence.
4. At the conclusion of evidence relating to the culpability phase of the hearing and upon hearing submissions from counsel, the Committee found conduct deserving of sanction (and accepted admissions of guilt) in relation to 7 of the 12 citations. The Committee found that Mr. Beaver had misappropriated funds of his clients entrusted to his care, both within and outside of his trust accounting, and that he had failed to act with integrity. As a disbarment was a possibility arising out of the findings, counsel requested that the hearing continue on a future date or dates to hear evidence and submissions as to sanction.
5. The Committee adjourned the hearing to February 15 and 16, 2017, and directed that counsel produce copies of any expert reports to be relied upon at the sanctioning hearing, plus briefs of their submissions by close of business on February 10, 2017.

### **Jurisdiction, Preliminary Matters and Exhibits**

6. On November 14<sup>th</sup>, 2016, the Committee convened at the office of the LSA to conduct a hearing regarding a number of citations against Shawn Beaver. Counsel for the member and counsel for the LSA were asked whether there were any objections to the constitution of the Committee. There being no objections, the hearing proceeded.
7. The jurisdiction of the Committee was established by Exhibits 1 through 4, consisting of the letter of appointment of the Committee, the Notice to Solicitor pursuant to section 56 of the *Legal Profession Act*, the Notice to Attend to the Member and the Certificate of Status of the Member with the Law Society of Alberta.
8. The Certificate of Exercise of Discretion pursuant to Rule 96(2)(b) of the *Rules of the Law Society of Alberta* ("Rules") pursuant to which the Deputy Executive Director and Director, Regulation of the LSA, determined that there were no persons to be served with a private hearing application, was entered as Exhibit 5. Counsel for the LSA advised that the LSA did not receive a request for a private hearing. Accordingly, the Chair directed that the hearing be held in public. D.I., a former client of Mr. Beaver, requested to be allowed to testify *in camera*. The Committee ruled that D.I. would testify in public, which he did while screened but audible to the public gallery.

9. At the outset of the hearing a comprehensive collection of exhibits contained in an exhibit binder (which had been provided to the Committee in advance) were entered into evidence with the consent of the parties. Further exhibits were entered during the testimony.

## **Citations**

10. Mr. Beaver faced the following citations:

### **CO20151306**

1. It is alleged that you misappropriated or wrongfully converted money entrusted to you and that such conduct is deserving of sanction;
2. It is alleged that you breached the accounting rules of the Law Society of Alberta and that such conduct is deserving of sanction;
3. It is alleged that you failed to be candid with the Law Society of Alberta and that such conduct is deserving of sanction;
4. It is alleged that you failed to meet financial obligations in relation to your practice and that such conduct is deserving of sanction.

### **CO20152043**

5. It is alleged that you misappropriated or wrongfully converted money from your trust account and that such conduct is deserving of sanction;
6. It is alleged that you breached the accounting rules of the Law Society of Alberta and that such conduct is deserving of sanction;
7. It is alleged that you failed to attend to a sale of real property by yourself in the manner expected of a careful and prudent solicitor and that such conduct is deserving of sanction;
8. It is alleged that, in relation to the sale of real property by yourself, you failed to act with integrity and that such conduct is deserving of sanction.

### **CO20151351**

9. It is alleged that you misappropriated or wrongfully converted money entrusted to you by your client D.B., and that such conduct is deserving of sanction;
10. It is alleged that you breached the accounting rules of the Law Society of Alberta and that such conduct is deserving of sanction.

## **CO20151423**

11. It is alleged that you misappropriated or wrongfully converted money entrusted to you by your client E.S., and that such conduct is deserving of sanction; and
12. It is alleged that you breached the accounting rules of the Law Society of Alberta and that such conduct is deserving of sanction.

### **Agreed Statement of Facts and Admissions of Conduct Deserving of Sanction**

11. The Agreed Statement of Facts and Admissions of Conduct Deserving of Sanction (“Agreed Statement”), Exhibit 6 in the exhibits entered by agreement, is attached as Appendix “A” to this decision.

### **The Evidence**

12. The Committee heard eight days of evidence, including *viva voce* testimony from Mr. Beaver’s former associates and some of Mr. Beaver’s clients. The Committee also received comprehensive accounting and financial evidence from the law firm’s PC Law Practice Management software and banking records. Mr. Beaver testified and was cross-examined by LSA counsel.
13. Generally speaking, there was very little disagreement as to the facts underlying the citations. For example, the firm’s PC Law Software and bank records clearly showed the flow of and use of trust funds.

### **Mr. Beaver’s Practice Background**

14. Mr. Beaver graduated from the University of Alberta Law School in 1993 as the gold medalist in his class. He articulated at a leading criminal law firm in Edmonton and then stayed to practice for approximately 10 years. He and some associates from that firm left to form their own firm. They took with them a paralegal, J.B., who figured prominently in the hearing.
15. Mr. Beaver continued to practice mostly criminal law at the highest level in Edmonton. In addition to his practice, he was a sessional lecturer at the University of Alberta Law School.
16. Associate lawyers came and went from Mr. Beaver’s firm and from time to time there were approximately 6 junior and senior associates employed in the practice, plus clerical and paralegal staff. The practice, according to Mr. Beaver and substantiated by accounting records, was financially and professionally successful. There were name changes, but in 2015 it was called Beaver Leebody and Associates. The Committee will refer to Mr.

Beaver's firm as "the firm" or "BLA" throughout this report.

17. BLA was operated as a sole proprietorship run entirely by Mr. Beaver and his trusted paralegal, J.B. He had signing authority on the cheques, and was the responsible lawyer pursuant to the trust accounting rules of the LSA. As the sole proprietor, he participated solely in the profits and losses of the firm, while the associates were paid a percentage of their billings.
18. Associates had no signing authority and had only the most general knowledge of the firm's financial affairs.
19. Mr. Beaver's personal and professional financial life figured prominently in the financial issues which affected the firm. Mr. Beaver was responsible for the financial support of a large extended family. Two of his daughters from a first marriage were working in various capacities at the firm. Mr. Beaver had a common-law spouse, C.F., a former associate at the law firm who had tragically suffered a stroke in 2006 which left her unable to practice law. Mr. Beaver was supporting C.F. and she was living in the (common-law) matrimonial home. This relationship was coming to an end and the matrimonial home was being sold. The circumstances surrounding the sale of the home will be addressed in the findings of the Committee. And finally, Mr. Beaver had formed a new relationship with his present wife during a period of financial difficulty in 2014-15, and they together had a new child during this time.
20. The operation of the BLA practice was not modest in its financial expenditure. The members of the firm would often have meals or drinks together at the firm's expense and there was evidence of a firm-sponsored trip to an all-inclusive holiday resort. While the expenditures could not be described as exorbitant, they certainly contributed to the financial outlays of the BLA practice which, as noted, were completely controlled and monitored by Mr. Beaver.
21. The accounting records of the firm show expenses for some luxury goods being passed through to the firm by way of firm credit cards (for example, trips, airfare, jewelry, personal furniture and other personal expenses). This may not be unusual or improper as long as it was properly accounted for, and credited appropriately to firm expense and personal draws. Most importantly, there must be actual profit from the firm to pay for such expenses, which there was not.
22. Mr. Beaver entered the unaudited financial statements of the firm for 2014 (Exhibit 104), which showed that the practice ought to have been able to generate as much \$400,000.00 in income for him. He was in a financial "hole" and assumed income from the practice would allow him to dig himself out of it.

- 23.** The financial statements were built on the information that Mr. Beaver had provided to his accountants. In actual fact, the practice was subject to considerable financing obligations which were not on the balance sheets but which were confirmed in evidence at the hearing:
- a. Mr. Beaver had borrowed, for the purposes of setting up his practice, approximately \$250,000.00 from his father (R.B.) and used client funds to pay this loan, leading to some of the citations issued against Mr. Beaver.
  - b. Mr. Beaver had obtained control of the trust funds of a client (D.I.) outside of the trust accounts of the firm and had applied those funds to the payment of his father's loan and to the financing of the firm.
  - c. In addition to the firm line of credit, the BLA credit card balance was always at the maximum of the allowed credit limit, usually around \$50,000.00, and subject of course to the highest interest rates.
  - d. Mr. Beaver failed to pay one of his associates, L.R., a sum of approximately \$50,000.00, representing his share of a contingency fee.
- 24.** BLA was a solid criminal practice, but its income could not keep up with Mr. Beaver's spending. This happens from time to time but the LSA's regulatory interests became engaged when Mr. Beaver's client trust funds and associates' salaries were used to sustain Mr. Beaver's lifestyle spending when bank financing ran out.
- 25.** The Committee was not presented with evidence of exactly when the first inappropriate withdrawal from trust accounts occurred, but the evidence showed that in June 2014 the BLA pooled trust account was approximately \$70,000.00 in deficit.
- 26.** Mr. Beaver and J.B. kept track of this running deficit and, generally speaking, their accounting records were sufficient for Mr. Beaver and J.B., and later the LSA, to be able to track most of the money Mr. Beaver had taken from clients. Mr. Beaver maintained that he intended to replenish the trust accounts, in discussions throughout 2014-2015 with J.B. and in discussions with his associates on the day of his confession to them.
- 27.** Monthly trust reconciliations were done as required by the LSA rules but the trust deficiencies were variously explained as "outstanding cheques" or "bank errors", which were fictions.
- 28.** For example, it is theoretically possible that a trust deposit could be made late on a Friday at the end of a month but not show up in bank records until Monday, in the next month. It would be permissible to report this very temporary and technical deficiency as a banking discrepancy. But many such "deposits" were based simply on Mr. Beaver telling J.B. that a client had promised to send a payment, at which point she would receipt it into trust. This allowed the trust account to reconcile on paper, though the cheque would never in fact

come in.

29. Exhibit 100-21 entered at the hearing shows the running total of such trust accounting deficiencies, beginning at approximately \$76,000.00 in June 2014 and reaching a high of \$229,000.00 in May 2015. Very few of the expected payments did come in, or did so months later, but overall the trust account deficiencies grew steadily through 2014 and 2015.
30. The exact amount of the trust deficiencies was not established and a final accounting may be subject to adjustments for legitimate fee calculations and other matters, but the Committee accepts that the trust deficiencies are close to the sum of \$180,000.00 that Mr. Beaver initially reported to the LSA. This amount does not include money taken from client D.I.
31. Money from the pooled trust accounts was taken by Mr. Beaver by various means. For example, advance billings were allegedly issued for work that was not done, and trust funds were paid out to cover personal and firm debts. When Mr. Beaver finally self-reported on May 24, 2015, and the firm broke up, many of the firm's clients who had deposited amounts in trust to cover their upcoming hearings were left without the funds to continue their retainers.

### **The End of the Practice**

32. Mr. Beaver's lifestyle spending throughout 2014 exhausted the credit available to the firm. The line of credit was used up, the credit card balance was at its maximum limit, pooled trust accounts had been drained through various means, and trust monies held by Mr. Beaver as Power of Attorney for D.I. had been taken.
33. Mr. Beaver and J.B., through their monthly trust reconciliations, were aware of this throughout 2014 and matters came to a head in May of 2015:
  - a. There were insufficient general funds coming in to support the payroll payable at the end of May 2015.
  - b. There were no further trust accounts available to finance the payroll.
  - c. Pursuant to LSA rules, BLA had "uploaded" its 2014 trust account data to the LSA at the end of January 2015 and immediately thereafter the LSA had begun corresponding with Mr. Beaver, requesting clarification for the various adjustments in his trust accounting which had been used to justify the taking of trust funds.

J.B. knew that it was the "end of the road" when they could not meet that month's payroll. In addition, the LSA would soon become aware of the trust fund deficiency.

34. On Sunday, May 24, 2015, J.B. called the senior associates of the firm to her home and confessed both the practical payroll issue and the more serious trust deficiency issue. Although the associates did not have detailed knowledge of BLA's accounting, they had received retainers from clients to cover fees for upcoming hearings and the associates had records of funds paid, or at least had an understanding that there should be tens of thousands of dollars in the pooled trust account to cover the future fees associated with upcoming hearings.
35. The associates called Mr. Beaver, demanded a meeting, and met him at their offices that afternoon, obtaining an acknowledgement of the facts from him. Mr. Beaver's first request was that the associates continue to work, bill their files and replenish the trust accounts. The associates testified that they found their choice to be distressing, but simple. They immediately called the LSA, requesting an appointment to see LSA officials the next day. They informed Mr. Beaver that their LSA appointment was at noon on Monday and that it would be best for him if he spoke to the LSA first.
36. Mr. Beaver sought legal advice. His counsel sent correspondence to the LSA on Monday, May 25, 2015, when the BLA associates were at the LSA offices making their report. Initially, Mr. Beaver proposed to both the LSA and his associates that he surrender the control of the firm trust accounts, and the practice, to other members of his firm. He proposed that they continue to work within what he still considered to be a viable practice, with a view to continuing the representation of clients and paying off the trust deficiencies.
37. The associates demurred, and one of the associates told the Committee that she couldn't go on after Mr. Beaver had "stolen money from our clients". They moved on to their own practices, other criminal firms, and government.
38. The LSA demurred as well and:
  - a. a custodian of his practice was appointed on May 26, 2015 (Exhibit 10;
  - b. Mr. Beaver was suspended by the LSA on May 28, 2015.
39. The interim suspension continued to the time of the hearing. There was a period of time when Mr. Beaver practiced as an agent in Provincial Court. His ability to do so was the subject of formal court applications which ended with the decision of the Alberta Court of Appeal, in *Law Society of Alberta v Beaver, 2016 ABCA 290*. The Court of Appeal found that Mr. Beaver was not permitted to practice as an agent while he was a suspended lawyer.
40. Mr. Beaver has been largely unemployed since then, although this was not addressed except very generally at the hearing. Though he and his counsel have maintained an

intent to apply to lift the interim suspension, this application has not been perfected and was not brought before the Committee.

## Findings of the Committee

### CO20151306 - Citations 1-4

41. The first four citations are related to the alleged misappropriation and conversion of the approximate sum of \$180,000.00 from the pooled trust accounts and the sum of \$115,000.00 taken from the funds of D.I. which Mr. Beaver was managing under a Power of Attorney, outside of the trust accounts.
42. Mr. Beaver admitted in the Agreed Statement that he advised the LSA of a deficiency in the amount of \$180,000.00 and admitted to two violations of trust accounting rules. The admission contained at paragraph 8 of the Agreed Statement speaks to giving notice of the deficiency and states that the deficiency “occurred as a result of his failure to comply with the accounting rules of the Law Society”. There is no specific admission that this \$180,000.00 was used to pay for Mr. Beaver’s practice and personal expenses, or that it amounted to misappropriation or conversion.
43. The Agreed Statement contained no specific admission that Mr. Beaver took money held for the benefit of D.I., nor that this was a misappropriation or conversion.
44. A key task for the Committee was, therefore, a review of the evidence and the law related to what are, arguably, the most serious of the allegations - “misappropriation” and “conversion”.
45. There is no definition of “misappropriation” in the *Legal Profession Act*. Argument often leads to various dictionary and judicial definitions and considers whether misappropriation in the regulatory context requires some level of dishonesty, perhaps approaching a criminal definition of *mens rea*, or whether it is simply an inappropriate disposition of client funds.
46. The Manitoba Court of Appeal considered dictionary, judicial and various disciplinary definitions of “misappropriation” in *Doolan v Law Society of Manitoba* 2016 MBCA 57, and noted two lines of authority:

[68] A review of lawyer discipline cases dealing with what constitutes “misappropriation” highlights two different approaches.

[69] Several cases indicate that misappropriation must involve dishonest intention, as argued by the appellant. See *Reiten*; *Law Society of British Columbia v Burton*, [2001] LSBC 1 (QL); and *Law Society of Alberta v Lutz*, 2015 ABL 12 (CanLII).

[70] In *Reiten*, the Law Society appeal panel wrote (at paras 47-49):

“Misappropriation” refers to a deliberate (i.e., knowing) taking with a dishonest intention, usually theft, or fraud or some other serious wrong. Such allegations are among the most serious that can be brought. The usual consequences – disbarment, or permission to resign, subject to unusual circumstances such as a small amount, the absence of loss, medical or psychological evidence – are commensurate with that specific intent. They do not form a rule, but rather reflect the experience of the Bench year after year, case after case....

...

[73] In contrast, many other cases highlight a growing trend to approach misappropriation on the basis that any unauthorized use of client trust funds by a lawyer amounts to misappropriation, regardless of the lawyer’s subjective intentions. See *Law Society of British Columbia v Andres-Auger*, [1994] LSDD No 127 (QL); *Law Society of Upper Canada v Mikitchook*, [1998] LSDD No 29 (QL); *Law Society of Upper Canada v Kamin*, [1998] LSDD No 166 (QL); and *Law Society of Upper Canada v Simon Van Duffelen*, 2005 ONLSHP 34 (CanLII); *Harder (Re)*, 2005 LSBC 48 (CanLII); *Ali (Re)*, 2007 LSBC 18 (CanLII); *Law Society of Alberta v Dennis McGeachie*, 2007 LSA 21 (CanLII); *Chojnacki; Burns; and Gellert (Re)*, 2013 LSBC 22 (CanLII).

[74] In *Andres-Auger*, the panel concluded that:

There must be some mental element amounting to wrong doing. This need not be the equivalent of criminal conduct such as dishonesty or fraud. Incompetence or some degree of carelessness may be all that is necessary. It will in every case depend upon the circumstances.

[75] In that case, the hearing panel found that:

The member’s pattern of disregard and inattention to her handling of client trust monies, and her prolonged and often repeated negligence in maintaining accounting records, involve[d] a sufficient mental element of wrong-doing to constitute misappropriation.

47. In this case, the Committee was presented with comprehensive evidence of Mr. Beaver's financial circumstances and the financial and trust accounting operations of the firm, as shown by the PC Law Records and banking records. The Committee also heard the testimony of J.B., firm clients, associate lawyers and Mr. Beaver himself. The record is complete enough for the Committee to determine whether the behavior complained of is innocent, inadvertent, negligent, or something more serious, involving a mental element of wrongdoing.
48. Regarding the alleged misappropriation of D.I.'s funds, the Committee made the following findings of fact, none of which were disputed at the hearing in any event:
- a. Mr. Beaver came to represent D.I. as the result of a referral from a Vancouver law firm. D.I. was a claimant in a British Columbia intestate estate. The Vancouver firm represented D.I. on a contingency fee and, as D.I. was resident in Edmonton, Mr. Beaver's firm did the local work and was paid a portion of the total contingency fee.
  - b. D.I. received a net amount of approximately \$252,000.00 which was made available to him locally through Mr. Beaver's firm.
  - c. The complication was that D.I. was, and remains, a mentally disabled, alcoholic, drug addicted, street person without the skills to manage any amount of money.
  - d. An initial plan was made to pay D.I. approximately \$65,000.00 of this money right away, putting the remainder in a GIC for his benefit. Importantly for the purposes of these proceedings, this was made possible by D.I. signing a Power of Attorney on January 13, 2013 (Exhibit 14), which gave Mr. Beaver a Power of Attorney over the funds.
  - e. As a consequence of D.I.'s circumstances, he spent the first \$65,000.00 almost immediately and he was again without support.
  - f. Mr. Beaver then formed another plan to deal with D.I.'s funds. He redeemed a GIC and put it in an account outside of the firm trust accounts, over which Mr. Beaver had sole signing authority.
  - g. The plan was supported by a document entitled "Instructions to Power of Attorney" signed by D.I. on December 12, 2013 (Exhibit 19 – pg. 124), which provided for regular transfers from this account into D.I.'s current or chequing account. Amounts varied as they tried to make a financial plan that would work, and amounts of \$3,000.00 per month, \$4,000.00 per month, and \$1,000.00 per week were transferred.
  - h. For the purposes of the citations, it is important to note that Mr. Beaver was required by the LSA accounting rules to declare funds which he was holding in a representative capacity outside of the pooled trust funds, where those funds were not held in relation to legal work done by the firm. He failed to report these funds.

- i.* Mr. Beaver had sole signing authority over those funds he held as a trustee for D.I. As Mr. Beaver and BLA became unable to meet financial obligations, these funds became a target for Mr. Beaver.
  - j.* Specifically, and admitted by Mr. Beaver in his interviews with the LSA investigators and at the hearing (but not admitted in the Agreed Statement), Mr. Beaver took \$115,000.00 of D.I.'s trust funds in three separate transactions:
    - i.* \$30,000.00 was withdrawn March 3, 2014, and deposited to the Shawn Beaver Professional Corporation Account, which BLA used as its general account (Exhibit 99-8 at pg. 53/379);
    - ii.* \$50,000.00 was withdrawn by Mr. Beaver, when he issued a bank draft payable to Shawn Beaver and deposited it to his personal account on March 15, 2014. He then paid the amount out of his personal account by cheque ( Exhibit 99-11, pg. 103/379) to [●] Financial (Exhibit 99-12, pg. 111/379). [●] Financial had originally advanced a loan of approximately \$250,000.00 to Mr. Beaver to start BLA. It was secured by Mr. Beaver's father on his residence.
    - iii.* \$35,000.00 was withdrawn April 1, 2014, and deposited to the BLA general account (Exhibit 99-8, p. 55/379)
  - k.* D.I.'s evidence at the hearing was difficult. He presents as apparently he is, a drug addict, and a mentally disabled street person. However, there was no mistaking D.I.'s evidence that he had not given Mr. Beaver permission to take any of the trust funds for his personal use, nor was this challenged by Mr. Beaver in cross examination of D.I. or in Mr. Beaver's own testimony.
  - l.* The financial records, the admissions made by Mr. Beaver to the LSA investigators, and Mr. Beaver's admissions during testimony clearly support a finding that Mr. Beaver took \$115,000.00 from D.I.'s trust funds without permission.
  - m.* After the \$115,000.00 was taken, Mr. Beaver continued to pay D.I. weekly amounts for a period of time. In addition, D.I. owed legal fees to one of the BLA associates for miscellaneous legal work. The amounts D.I. received and the cost of legal fees may be offset against the initial \$115,000 Mr. Beaver removed from D.I.'s account. It was not a feature of this hearing to establish the exact amount owing to D.I., but it was admitted that the amount is at least between \$80,000.00 and \$85,000.00.
- 49.** As a result of the all of the above, the Committee found that Mr. Beaver misappropriated \$115,000 of D.I.'s trust funds. There was no consent to the use of the funds; they were used for Mr. Beaver's personal benefit and to D.I.'s risk and detriment. The funds were removed from D.I.'s account a mere 11 weeks from December 12, 2013, the date on which the "Instructions to Power of Attorney" was signed. The first large payment out to Mr. Beaver's general account was made on March 3, 2014.

50. D.I. was a client of Mr. Beaver, to whom he owed a fiduciary duty which Mr. Beaver completely failed to fulfil. This transaction was for the sole benefit of Mr. Beaver and against the interests of D.I.
51. As a further aggravating factor, Mr. Beaver's ability to take D.I.'s money was enhanced by the funds being administered outside of the law firm trust account. Though Mr. Beaver was required to report to the LSA that he held such funds as a trustee, he did not do so. The series of transactions seems to have been structured to enhance Mr. Beaver's access to the funds and to lessen the risk of discovery. As long as the periodic payments were being made, D.I. would have no idea his principal sum was gone. He also took advantage of D.I.'s personal circumstances - if something was to happen to a friendless street person, who would know?
52. It is a sad irony that the funding arrangements put in place by Mr. Beaver, supposedly to protect D.I. from the financial predations of fellow street persons, was the very mechanism that allowed most of his money to be taken by the person whom he trusted most of all.
53. The fact that somewhere between \$80-85,000.00 is said to be left owing to D.I. is largely immaterial to the matters in issue. Mr. Beaver clearly misappropriated and converted to his personal benefit \$115,000.00 of his client's funds without consent.
54. LSA counsel submitted that Citation 1 also encompasses the approximate \$180,000.00 trust account deficit. The Committee finds this trust deficiency to be a misappropriation as well. Mr. Beaver converted trust funds for the benefit of his personal and law firm spending by a variety of intentional and improper means.
55. It is not entirely possible to track all of the specific groups of funds in the various deficits. For example, documentation showed reasonably clearly that, in March 2014, \$50,000.00 of D.I.'s trust money (administered outside of the pooled trust account) went to pay down a joint loan from [●] Financial to Mr. Beaver and his father. In July 2014, Mr. Beaver was the vendor's solicitor on his father's house sale and paid, out of the sale proceeds, the balance of approximately \$48,000.000 owing to [●] Financial. His father understood that this was Mr. Beaver's debt and expected to be paid the sale proceeds without a deduction for [●] Financial. Mr. Beaver paid his father from trust without having funds in trust for this sale and then covered it up through a number of reverse accounting entries (Exhibit 57 – PC Law Trust Ledger for the RB house sale). In any event, it seems that \$50,000.00 of Mr. Beaver's start-up financing for BLA was paid from D.I.'s funds and about \$48,000.00 of it came from an unauthorized payment from the pooled trust account.
56. There is another specific fund within the approximate \$180,000 deficiency that bears mentioning. The brother of Mr. Beaver's law student passed away suddenly in 2014,

leaving 2 young children and a widow. A collection of approximately \$5,070.00 was taken at and after the funeral in May 2014, to start a modest education fund for the children and was accumulated in the BLA trust accounts (Exhibit 50 – PC Law Ledger). Mr. Beaver took the children’s money too.

57. A substantial portion of the deficit was covered up by the deliberate and improper reporting of falsified client trust fund receipts which had the effect of making the pooled trust account seem to balance, when the money had already been taken by Mr. Beaver. This will be further mentioned in the Committee’s findings regarding Citation 2 below, regarding the breach of accounting rules. For the purposes of the first citation and the allegation of misappropriation, the months’ long pattern of falsified entries, made to cover up deficiencies in trust, is clear evidence of long term dishonest intent.
58. The Committee finds Mr. Beaver guilty of conduct deserving of sanction on Citation 1. His actions were intentional and not merely negligent or inadvertent. Mr. Beaver took clients’ money over a long period of time in growing amounts, for his own benefit directly or indirectly, knowing full well that he was doing so. He engaged his loyal assistant to assist him to conceal the deficiencies by manipulating trust records to make it appear they balanced when they did not. Therefore, whatever line of authority we use to define misappropriation, the Committee finds that this behaviour was intentional and dishonest.

#### **Citation 2 - Breach of Accounting Rules**

59. Citation 2 is admitted at paragraph 30 of the Agreed Statement, and is made out by the agreed facts set out in paragraph 13. The Committee accepts the admission and finds Mr. Beaver guilty of conduct deserving of sanction in relation to Citation 2.
60. Based on the evidence presented at the hearing, the Committee finds that the breach of the accounting rules went beyond the admissions. For example, it was a feature of BLA’s accounting practice that Mr. Beaver would instruct J.B. on a regular basis to report the deposit into trust of an imminent payment from a client, on the understanding he would bring it in. Even though money had not yet been received or deposited, Mr. Beaver would then purport to render an account to the client and remove funds from trust which had been deposited by other clients. This would allow the trust account to balance in the short term.
61. Testimony from LSA witnesses set these falsely reported receipts at approximately \$166,000.00. The pattern of the false receipts is shown graphically in charts digested from BLA accounting records at Exhibit 100 – 21 and 21(a) and continued as a pattern from at least June 2014 to May 2015.

### **Citation 3 - Failing to be Candid with the LSA**

62. This citation was factually based on Mr. Beaver's failure to appropriately fill out the 2014 Law Society Annual Self Report (Exhibit 7) and in which he denied, or failed to disclose, that he held D.I.'s money in a trust outside of his practice. He also failed to disclose that he held the children's education fund in his trust account although no legal work was being done, or that there were long outstanding trust deposits.
63. It was submitted that there was an element of dual jeopardy in this regard. He is already obligated to report these matters and has pled guilty to the failure to follow accounting rules. Is it then a duplication of citations to say that he "failed to be candid" by not making the specific disclosure required by the form?
64. The Committee finds that it is not a duplication and finds Mr. Beaver guilty of conduct deserving of sanction in respect of Citation 3. Notwithstanding the overlap between the items on the Annual Self Report and the more specific reporting requirements related to trust fund shortfalls, his failure to report the money he held for D.I. and the children's education fund he held in trust was a failure to be candid. Moreover, the lack of disclosure enhanced the overall scheme to access client funds for personal use.

### **Citation 4 – Failing to Meet Financial Obligations**

65. This citation is admitted to be deserving of sanction in paragraph 31 of the Agreed Statement and supported by the factual admissions in paragraph 15. The Committee accepts the admission and finds Mr. Beaver guilty of conduct deserving of sanction on Citation 4.
66. The Committee notes that in so doing, Mr. Beaver made his creditors financial partners of his practice. Arguably this was part of the business risk which his bank(s) took on in financing his practice, but it does not justify failing to pay a financier in any fashion. His staff, and in particular L.R., who did not have a formal financing arrangement with BLA were also made, unwittingly, into the firm's and Mr. Beaver's lifestyle financiers.

### **CO200152043 – Citations 5 – 8**

67. Citations 5 through 8 relate to Mr. Beaver's handling of the sale of his common-law matrimonial home in Edmonton at a time when he was breaking up with his common-law partner, C.F. who was also a joint owner of the house. The transaction involves the disposition of net sale proceeds potentially owed to Beaver/C.F. and BLA's failure to discharge a bank caveat and to deliver clear title to the new owner.

68. C.F. was Mr. Beaver's former law associate and had also been his common-law partner. She suffered a stroke in 2006 and became unable to practice. C.F. and Mr. Beaver remained together until 2015 and resided in the matrimonial home, which was jointly owned and subject to security given by both Beaver and C.F. (as joint owners) to the bank in relation to financing of BLA.
69. During 2014-2015, the couple's relationship was ending and it was necessary for the parties to move along physically and financially. The matrimonial home had to be sold. Mr. Beaver testified that he had a general arrangement which was variously testified to as an "agreement" or an "arrangement" whereby C.F. would live in the house during the sale process. Mr. Beaver would pay the mortgage and other related repair expenses and expected to be paid back from the proceeds of the sale. There is some evidence that C.F. agreed, early on, and in a general sense to this proposed arrangement. Whatever the state of her consent was, it was certainly never reduced to writing or set out with any particularity, or subject to the independent advice of C.F.'s counsel.
70. Beaver and C.F. made an agreement to sell the house to a third party purchaser in the usual fashion and BLA was retained by Beaver and C.F. to act as the vendor's solicitor. B.L., Mr. Beaver's senior associate, was the signatory on the conveyancing correspondence. However, all of the work was done by J.B., under the direction of Mr. Beaver. B.L. simply lent his signature to the transaction, to his peril.
71. B.L. testified and admitted that throughout the transaction he had only the most cursory knowledge of real estate conveyancing, that he relied entirely on the advice and direction of Mr. Beaver and J.B., and never examined the conveyancing documents or the title documents. These documents included the bank's caveat on title, securing BLA's loan.
72. The transaction occurred at a time when Mr. Beaver was struggling to keep up with all of the financial requirements of him:
- a. He was expecting to transition his banking arrangements to a new bank, at which point in time he hoped to obtain a credit card with a larger limit plus a larger line of credit. He then hoped to repay the first bank plus other associated debts, making him better able to interim finance the firm.
  - b. The first bank's financing of the firm included a loan which had originally been taken to pay out a previously departed partner. Mr. Beaver and J.B. thought that this loan, secured by a caveat on the residence, was a term loan and had been recently paid out. They may have been correct about the original principal of that loan but were wrong about the security provided by the caveat.
  - c. The bank's caveat on the matrimonial home clearly secured all of BLA's indebtedness, which included not only the paid out loan but also any continuing indebtedness, which now included the "maxed out" line of credit and credit card.

Such a “wrap around” type of security caveat would not be commercially unusual or unexpected.

- d. Mr. Beaver had not taken this into account in his determination that the borrowed funds from the new bank would completely pay out the first bank, support the continued operation of the law practice and allow for clear title on the matrimonial property.
  - e. In addition, although it was not well covered at the hearing, Mr. Beaver owed \$60,000.00 to the CRA and the new bank demanded that this debt be paid out from the advance of their new loan.
  - f. These “new” or perhaps disregarded debts made it impossible to completely pay out the first bank, and to discharge the caveat with the new firm financing and the house sale proceeds.
- 73.** Mr. Beaver and C.F. were under an obligation to provide the purchaser of their residence with clear title, including discharge of the caveat, and there were insufficient funds to do so. The house sale proceeded notwithstanding, and upon accepting the purchaser’s payment B.L. became obliged, as the vendors’ solicitor, to give the purchasers clear title pursuant to the closing protocol obligations. In breach of his obligations, B.L. allowed the property to be transferred to the new owners, subject to the caveat.
- 74.** The bank eventually demanded payment of the loans secured by its caveat from the new purchasers, in the amount of approximately \$125,000. B.L., through his liability insurer, was obliged to make this payment.
- 75.** B.L. testified and accepted that this was his negligence in not looking more carefully at the conveyancing documents and the caveat, and in not doing the math regarding the trust funds. In addition to being called upon to personally pay out the bank, B.L. was cited by the LSA for breach of his undertaking. He admitted guilt and was formally reprimanded. However, it is clear that, notwithstanding B.L.’s admitted negligence, Mr. Beaver actively hid from B.L. that he was not able to pay out the caveat and did not intend to do so.
- 76.** There was some hint in the evidence that Mr. Beaver believed that the caveat was actually for a lesser amount of money and possibly did not relate to the “wrap around” amounts as reflected in the caveat. But it is also clear that this argument was never formally advanced, for example, by an application sponsored by Mr. Beaver to discharge the caveat without payment of the full face value of the security.
- 77.** As a further complication, ignoring for a moment the failure to pay out or otherwise discharge the approximate \$125,000 owing on the caveat, there was approximately \$18,000 available for distribution to Mr. Beaver and C.F. Mr. Beaver instructed J.B. to make these funds payable to him and this is alleged to be another specific misappropriation.

- 78.** It was argued on behalf of Mr. Beaver that this was not a misappropriation as Mr. Beaver had an arguable claim to the money arising out of the “arrangement” that he thought he had with C.F. for repayment of mortgage and repair costs. It was also submitted that a careful review of the conveyancing documents did not place a specific hold or trust condition on this \$18,000 to prevent it from being disbursed.
- 79.** The Committee finds that the evidence supports a finding of misappropriation:
- a. Whatever the arrangement Mr. Beaver thought he had with C.F., it had been overtaken by his growing awareness of the financial reality of the situation:
    - i. Mr. Beaver was now subject to a court order concerning common-law spousal support in respect of which he was in arrears. Any distribution of joint funds would surely have to consider accounting for the arrears.
    - ii. The growing awareness of debts (CRA, the “wrap around” caveat) not taken into account meant that there were insufficient funds to conclude the sale transaction and give clear title to the purchaser.
  - b. Once the real estate sale closed, there were a number of competing claims to the sale proceeds:
    - i. C.F.;
    - ii. the bank;
    - iii. the purchasers.
  - c. Both C.F. and the purchasers of matrimonial property were represented by counsel and Mr. Beaver had a professional obligation to inform them of any misapprehension of facts under which they were operating.
  - d. C.F., as a joint owner/vendor of the property was a client of the firm.
- 80.** The \$18,000 in sale proceeds were not paid to Mr. Beaver as the result of an innocent or negligent mistake, as may occur if funds had been paid to a legitimate claimant or perhaps to a service provider. In these circumstances Mr. Beaver preferred his own interest in getting access to this \$18,000 at a time of his own financial instability and preferred his own interests over the interests of other legitimate and superior claimants.
- 81.** Mr. Beaver is guilty of conduct deserving of sanction in respect of the misappropriation alleged in Citation 5.

### **Citation 6 – Breach of the Accounting Rules**

82. This citation is based on Mr. Beaver's alleged breach of the accounting rules of the LSA by releasing the \$18,000 to himself while the use of the funds was restricted for another purpose.
83. It was argued that there was no specific restriction regarding this \$18,000 set out in the conveyancing documentation and undertakings and that Mr. Beaver ought to be acquitted.
84. Mr. Beaver must have known that the bank, the purchasers and C.F. had superior claims to the funds. Notwithstanding this knowledge, there was no clear restriction established which prevented the release of the funds under the LSA's accounting rules. A finding of conduct deserving of sanction in relation to Citation 6 was not established.

### **Citation 7 – Failure to Attend to the Sale of Real Property in a Prudent Manner**

85. Citation 7 is admitted at paragraph 32 of the Agreed Statement and supported by paragraph 16-28 of the admissions plus the additional testimony. The Committee accepts the admission and finds Mr. Beaver guilty of conduct deserving of sanction in respect of Citation 7.
86. Certainly, keeping B.L. "in the dark" about the caveat, failing to make alternative arrangements to pay out the caveat, and preferring his own interests in the payment of the \$18,000 to himself are all specific examples of lack of prudence. But surely the underlying point is that the transaction should never have been completed under any circumstances. Mr. Beaver had to have known that the transaction had become a financial impossibility and the only reason to proceed with it must have been to obtain temporary access to the sale proceeds to the detriment of C.F., the bank, the purchasers and finally, B.L., who was eventually called upon to clear the title by paying Mr. Beaver's personal debt.

### **Citation 8 – Failing to Act with Integrity in the Sale of the House**

86. Mr. Beaver's conduct of the sale of the house went far beyond a failure to act prudently:
  - a) He misled B.L. about the caveat and payout issues, knowing that he exposed his associate to personal liability in so doing.
  - b) He failed to give the purchaser's lawyer or C.F.'s lawyer notice of the changing circumstances that were complicating the transaction.
  - c) In causing money to be paid out to himself he preferred his interests over the interests of other legitimate and superior claimants, one of whom was C.F., his client in the house conveyance to whom he owed a fiduciary duty.
  - d) He caused the sale to be completed in circumstances where he had to have known that at least four other parties were put in financial jeopardy,
  - e) All of these things were done purposely and dishonestly for his benefit.

87. The Committee finds that Mr. Beaver failed to act with integrity and that he is guilty of conduct deserving of sanction in respect of Citation 8. The theme of failing to act with integrity in preferring his own interests over the rights of clients, associates, colleagues, creditors and others is ubiquitous in the combined citations.

#### **CO20151351 – Citations 9 and 10**

88. Citations 9 and 10 involve a specific file in which Mr. Beaver was alleged to have issued a fee account and paid himself with trust funds received as a retainer, prior to work being done. Issuing a fee account prior to completion of the work contravenes the LSA accounting rules.
89. D.B. retained BLA to respond to a default judgment. It was necessary to meet with D.B., contact the plaintiff's lawyers, inquire into the nature of service and the defence, prepare an affidavit, prepare draft pleadings, and negotiate with the solicitors for the plaintiff.
90. The evidence (Exhibit 71 – PC Law Ledger for DB Corp.) shows that D.B.'s company paid a retainer in the amount of \$3,150.00 on March 11, 2015. That retainer was billed out by Mr. Beaver on March 13, 2015, while the time records show that work was done after that date.
91. On the face of it, there seems a *prima facie* case. Both D.B. and Mr. Beaver testified at the hearing and, on the basis of that evidence, the Committee finds that:
- a. Initial meetings between D.B. and Mr. Beaver and his staff must have occurred but were not docketed in the firm's time keeping system.
  - b. There were records within the evidence presented to the Committee of draft affidavits and draft pleadings which seemed appropriate work product.
  - c. Taken as a whole, the amount of the work, the nature of the work and the timing of the work seem roughly appropriate for emergent steps necessary to deal with the noting in default.
92. The Committee was not satisfied that these citations had been proven. Even if they had been proven, it is possible that the conduct may not have been subject to sanction as it may have simply been an example of careless billing practice. The Committee does not find Mr. Beaver guilty of conduct deserving of sanction in respect of Citations 9 and 10.

#### **CO20151423 – Citations 11 and 12**

93. Citations 11 and 12 were similar to Citations to 9 and 10, related to advance billing with a different client, E.S. E.S. did not testify at the hearing and the LSA conceded in argument that they would not be pursuing Citations 11 and 12. The Committee found that Mr. Beaver was not guilty of conduct deserving of sanction in respect of Citations 11 and 12.

### **Adjournment to Consider Sanction**

- 94.** Mr. Beaver had been given notice that the LSA intended to advance a case for disbarment if Mr. Beaver was convicted of the citations.
- 95.** Mr. Beaver gave notice that he intended to make an application to the Committee to lift his interim suspension. This application has not been perfected, and the Committee has not heard evidence or argument from either Mr. Beaver or the LSA on this application.
- 96.** Counsel stated that both parties intend to present expert medical evidence in the sanctioning phase.
- 97.** Accordingly, this matter was adjourned to February 15 and 16, 2017, for a further hearing on sanction. The Committee directed that expert reports to be entered at the sanction hearing, together with written submissions of both Mr. Beaver and the LSA, be made available to the Committee before the close of business on February 10, 2017. The order of the exchange of the briefs between counsel shall be determined between them.
- 98.** The Committee directed that it would also hear submissions as to whether or not there shall be a Notice to the Attorney General.
- 99.** The hearing was adjourned to February 15, 2017.

Dated at the City of Calgary in the Province of Alberta, this 8<sup>th</sup> day of February, 2017.

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Frederick R. Fenwick, Q.C.

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Douglas McGillivray, Q.C.

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Nancy Brook

**APPENDIX “A”**

**IN THE MATTER OF THE *LEGAL PROFESSION ACT***

**AND IN THE MATTER OF A HEARING REGARDING  
THE CONDUCT OF SHAWN ALLAN BEAVER  
A MEMBER OF THE LAW SOCIETY OF ALBERTA**

**LAW SOCIETY HEARING FILE HE20160048**

**AGREED STATEMENT OF FACTS  
AND ADMISSIONS OF CONDUCT DESERVING OF SANCTION**

**BACKGROUND**

1. Shawn Allan Beaver (“Mr. Beaver”) was admitted as a member of the Law Society of Alberta (the “Law Society”) on June 30, 1994 and as a member of the Law Society of the Northwest Territories on June 7, 2007.
2. Mr. Beaver practised law in Edmonton, Alberta with Pringle, Renouf and Associates (later, Pringle and Associates) from his call date until May 1, 2004.
3. Since 2004, Mr. Beaver has practised in partnership or association with various lawyers operating under various firm names, most recently as Beaver, Leebody and Associates (“BLA”).
4. Mr. Beaver practised mainly criminal law but also in the areas of civil litigation and aboriginal law.
5. On May 26, 2015, the Court of Queen’s Bench of Alberta issued a Custodianship Order for the property and business of Mr. Beaver and Shawn Beaver Professional Corporation operating as BLA.
6. Mr. Beaver was suspended by the Benchers of the Law Society on May 28, 2015 pursuant to s. 63 of the *Legal Profession Act*.

## **CITATIONS**

7. Mr. Beaver faces 12 citations as follows:

### **CO20151306**

1. It is alleged that you misappropriated or wrongfully converted money entrusted to you and that such conduct is deserving of sanction;
2. It is alleged that you breached the accounting rules of the Law Society of Alberta and that such conduct is deserving of sanction;
3. It is alleged that you failed to be candid with the Law Society of Alberta and that such conduct is deserving of sanction;
4. It is alleged that you failed to meet financial obligations in relation to your practice and that such conduct is deserving of sanction.

### **CO200152043**

5. It is alleged that you misappropriated or wrongfully converted money from your trust account and that such conduct is deserving of sanction;
6. It is alleged that you breached the accounting rules of the Law Society of Alberta and that such conduct is deserving of sanction;
7. It is alleged that you failed to attend to a sale of real property by yourself in the manner expected of a careful and prudent solicitor and that such conduct is deserving of sanction; and
8. It is alleged that, in relation to the sale of real property by yourself, you failed to act with integrity and that such conduct is deserving of sanction.

### **CO20151351**

9. It is alleged that you misappropriated or wrongfully converted money entrusted to you by your client D.B., and that such conduct is deserving of sanction; and

10. It is alleged that you breached the accounting rules of the Law Society of Alberta and that such conduct is deserving of sanction.

**CO20151423**

11. It is alleged that you misappropriated or wrongfully converted money entrusted to you by your client E.S., and that such conduct is deserving of sanction; and
12. It is alleged that you breached the accounting rules of the Law Society of Alberta and that such conduct is deserving of sanction.

**AGREED FACTS**

**CO20151306 – CITATIONS 1 – 4**

8. On May 25, 2015, Mr. Beaver advised the Law Society in writing of a deficiency in BLA's trust account in the approximate amount of \$180,000.00. He also advised that the trust fund deficiency occurred as a result of his failure to comply with the accounting rules of the Law Society.
9. BLA's trust account was with the [●], Account No. [●], until Mr. Beaver transferred the firm's trust account to [●], Account No. [●] in or about February 2015.
10. BLA's general operating account was with the [●], Account No. [●], until Mr. Beaver transferred BLA's general account to [●], Account No. [●] in or about February 2015.
11. The [●] did not permit electronic transfers directly into the BLA trust account.
12. Mr. Beaver was the only person at BLA who had signing authority for BLA's bank accounts, both trust and general.
13. During the period from January 1, 2014 to May 25, 2015, Mr. Beaver failed to comply with the accounting rules of the Law Society on numerous occasions as follows:
  - a. Mr. Beaver issued Statements of Account and transferred the corresponding funds from BLA's trust account to BLA's general operating account before legal services were performed or funds were due;
  - b. Mr. Beaver accepted electronic transfers of trust funds to a personal account, resulting in the co-mingling of Mr. Beaver's personal funds and BLA's trust funds;

- c. Trust funds received by electronic transfer to Mr. Beaver were on some occasions not deposited to BLA's trust account in a timely manner or in accordance with the accounting rules of the Law Society; and
  - d. Statements of Account were identified as "paid" and transferred from BLA's trust account to BLA's general operating account before the funds were actually received and, in some cases, the funds were never received.
- 14. The overall financial position of BLA, as managed by Mr. Beaver, deteriorated during the relevant period, ultimately resulting in the reported trust shortage and an inability for BLA to meet its financial obligations.
- 15. In particular, upon Mr. Beaver's suspension and the custodianship of his practice in May 2015, BLA was unable to meet its financial obligations to staff, its lawyers and creditors (banks and suppliers), including but not limited to:
  - a. [LR], an associate of BLA, was owed in excess of \$50,000.00 in earnings and commissions;
  - b. BLA's general operating account with the [●] was overdrawn in the amount of approximately \$75,000.00; and
  - c. The firm was unable to meet its employee payroll obligations for the month of May 2015.

#### **CO200152043 – CITATIONS 5 – 8**

- 16. From 2004 to 2014, Mr. Beaver was in a common-law relationship with [CF].
- 17. [CF] was a member of the Law Society and worked as an associate with Mr. Beaver from July 2004 until she became disabled in May 2006. She was paid as an employee until her employment was terminated in September 2014.
- 18. In November 2005, Mr. Beaver and [CF] purchased, as joint tenants, a property at [●] (the "Property").
- 19. The Property was sold on January 1, 2015 for \$620,000.
- 20. An associate with BLA agreed to notionally handle the real estate transaction. In fact, the real estate transaction was handled by Mr. Beaver's legal assistant based on the direction and instructions of Mr. Beaver.
- 21. The Property had two encumbrances on title:

- a. Registration Number [●] registered on title on July 9, 2009 being a mortgage with the [●] with a payout amount of \$569,641.84 on the closing date in March 2015 (the “Mortgage”); and
  - b. Registration Number [●] registered on title on April 8, 2010 being a caveat registered by the [●] securing the amount of \$200,000 (the “Caveat”).
22. The cash to close the transaction was provided in trust from the purchaser’s lawyer to BLA conditional on an undertaking to discharge the Mortgage and the Caveat.
  23. The Mortgage was paid out on March 16, 2015 and discharged from the title to the Property.
  24. There were insufficient remaining proceeds from the sale of the Property to pay out and discharge the Caveat.
  25. Mr. Beaver disputes the validity of the Caveat but at no time did he take steps to challenge the validity of the Caveat or have it discharged.
  26. A BLA letter dated March 16, 2015 shows that upon receipt of the cash to close and payment of the real estate commission, a BLA Statement of Account and payout of the Mortgage, the total amount remaining in trust was \$18,653.16.
  27. On or about April 9, 2015, Mr. Beaver instructed his assistant to release the remaining trust funds from the sale of the Property to him.
  28. A trust account cheque in the amount of \$18,653.16 payable to “Shawn Beaver” was deposited into Mr. Beaver’s personal account on April 9, 2015.

### **ADMISSION OF FACTS**

29. I, Shawn Beaver, admit as facts the statements contained in this Agreed Statement of Facts for the purposes of these proceedings.

### **ADMISSIONS OF CONDUCT DESERVING OF SANCTION**

**Citation 2: It is alleged that you breached the accounting rules of the Law Society of Alberta and that such conduct is deserving of sanction;**

30. For the purposes of s. 60 of the *Legal Profession Act*, I, Shawn Beaver, admit that I breached the accounting rules of the Law Society of Alberta and that such conduct is deserving of sanction.

**Citation 4: It is alleged that you failed to meet financial obligations in relation to your practice and that such conduct is deserving of sanction.**

31. For the purposes of s. 60 of the *Legal Profession Act*, I, Shawn Beaver, admit that I failed to meet financial obligations in relation to my practice and that such conduct is deserving of sanction.

**Citation 7: It is alleged that you failed to attend to a sale of real property by yourself in the manner expected of a careful and prudent solicitor and that such conduct is deserving of sanction.**

32. For the purposes of s. 60 of the *Legal Profession Act*, I, Shawn Beaver, admit that I failed to attend to a sale of real property by myself in the manner expected of a careful and prudent solicitor and that such conduct is deserving of sanction.

**Both parties retain the right to adduce additional evidence and to make submissions as to the effect of and weight to be given to these agreed facts in the context of all the evidence.**

This Agreed Statement of Facts and Admissions of Conduct Deserving of Sanction is dated the 14<sup>th</sup> day of November, 2016.

“Witness”  
\_\_\_\_\_  
Witness

“Shawn Beaver”  
\_\_\_\_\_  
Shawn Beaver