

Case Name:  
**LAW SOCIETY OF ALBERTA v. WAYNE LEDREW**

**IN THE MATTER OF A HEARING REGARDING THE CONDUCT OF  
WAYNE LEDREW, A MEMBER OF THE LAW SOCIETY OF ALBERTA**

**LAW SOCIETY HEARING FILE: HE20080054  
HEARING COMMITTEE  
PANEL: JOHN HIGGERTY, Q.C.,-CHAIR, NEENA AHUWALIA, Q.C., AND  
WAYNE JACQUES.**

HEARD: EDMONTON, ALBERTA, APRIL 19, 2010, SEPTEMBER 27, 2010, AND  
JANUARY 10, 2011  
DECISION: JANUARY 10, 2011  
SANCTION: JANUARY 10, 2011

**APPEARANCES:**

L.J. MacLean, for the Law Society.  
S.G. Baker, for the Member.

---

**DECISION**

**INTRODUCTION**

1. On April 19, 2010, and September 27, 2010, and January 10, 2011, a Hearing Committee of the Law Society of Alberta (LSA) convened at the Law Society offices in Edmonton to inquire into the conduct of the Member, Wayne LeDrew. The Member was present throughout the hearing.

**JURISDICTION AND PRELIMINARY MATTERS**

2. Exhibits 1 – 4, consisting of the Letter of Appointment of the Hearing Committee, the Notice to Solicitor with acknowledgements of service, the Notice to Attend with acknowledgement of service and the Certificate of Status of the Member, established the jurisdiction of the Hearing Committee. The Letter of Exercise of Discretion re: Private Hearing Application Notices was entered as Exhibit 5. These exhibits were entered into evidence by consent.
3. There was no objection by the Member's counsel or counsel for the LSA regarding the constitution of the Hearing Committee.
4. The entire Hearing was conducted in public. A client of the Member initially expressed concerns, but they were allayed by Ms. MacLean, who assured the

witness that normal practice was to redact the names of clients from anything to be made public.

## **BACKGROUND**

5. This matter arises from four main problem areas concerning Mr. LeDrew's practise of law, spanning a period from 2006-to-2009. The first involves his alleged failure to follow LSA accounting rules. The second involves allegations that he did not make his GST filings and payments as required. The third concerns Mr. LeDrew's actions in acting for client "N", the vendor of an Edmonton home. The fourth alleges that Mr. LeDrew failed to respond in a proper fashion to the LSA.

## **LSA ACCOUNTING RULES COMPLAINT**

6. Grant Thornton LLP commenced a Rule 130 audit of Mr. LeDrew's practise on August 14, 2007, concluding on August 30 of the same year. Mr. LeDrew was, and is, a sole practitioner.
7. In October of 2007 the LSA directed Mr. LeDrew to answer a number of concerns about his trust accounts and missing documentation. Because of the deficiencies of his accounting procedures he was unable to properly address the concerns of the LSA, so in December 2007 he was directed to cease using his trust bank accounts until they were reconciled to October 31, 2007. At this time, Mr. LeDrew's books showed \$8,457.46 as "Balance to allocate", meaning his reconciliations were not in balance.
8. On January 14, 2008 Mr. LeDrew submitted his client trust reconciliation for October 2007. Because of his previous failure to follow LSA accounting procedures, it showed a shortage of \$1,489.21. For the same reason, his client trust reconciliation for November 2007 showed a \$929.21 shortfall.
9. The LSA auditors, in their report of June 17, 2008, were unable to determine whether reconciliations were completed on a monthly basis as Mr. LeDrew did not sign or date the trust reconciliations as the LSA accounting rules required him to do. Their report also noted that Mr. LeDrew was not filing his reconciliations, nor his Form S and Form T, within the time constraints set out by the LSA in its accounting rules. These alleged violations are the subject of Citation 1 of Exhibit 25.
10. LSA Auditors submitted a Follow-up Rule 130 Audit report on November 29, 2009. The report noted further violations of LSA accounting rules. Despite Mr. LeDrew's knowledge of the previous Auditors' report, he had not kept his GST account current, nor were Form T filings done on time. He also conducted a real estate transaction in July of 2008 where he received \$33,000.00 in cash, in

violation of the \$7,500.00 maximum set out in Rule 125.1. Further, he did not keep a general bank account or general journal. These alleged violations are the subject of Citation contained in Exhibits 26.

## **GST COMPLAINT**

- 11.** The Auditors' report of June 17, 2008 (Exhibit 6) revealed that as of that date Mr. LeDrew was almost two years in arrears for GST filings and payments. This alleged violation is the subject of Citation 3 of Exhibit 25.

## **THE "N" COMPLAINT**

- 12.** Mr. LeDrew acted for client N, the vendor of an Edmonton home, in 2006-2007. By letter of August 15, 2006, the Member undertook to discharge a mortgage on the property and pay property taxes. A trust cheque was written for the sum of \$25,203.07, but not cashed. Mr. LeDrew wrote another trust cheque on October 23, 2007 and the mortgage was discharged. The client incurred a \$103.00 loss because of Mr. LeDrew's late payment of the property taxes plus approximately 14 extra months of interest payments on the mortgage. These alleged violations are the subject of Citation 2 and 4 of Exhibit 25.

## **FAILING TO RESPOND TO THE LSA COMPLAINT**

- 13.** These alleged violations are the subject of Citations 5, 6, and 7 of Exhibit 25. As a result of the Auditors' report, the LSA wrote to Mr. LeDrew on June 19, 2008. The letter was a Section 53 demand requiring a written response to the issues raised in the Audit report. This letter was sent by registered mail, arriving at the Member's office on June 20, 2008.
- 14.** Mr. LeDrew requested an extension of time to reply to July 11, 2008. This was granted. On July 15, 2008, the LSA wrote again to Mr. LeDrew, reminding him that his response was overdue. He did not answer.
- 15.** On July 30, 2008, the LSA wrote to Mr. LeDrew noting that no response had been received and indicating that Mr. Dumont of the LSA would proceed with a Section 53 report with a recommendation of five citations. The letter further indicated that if Mr. LeDrew provided a response before Section 53 report was sent out, it would be taken into consideration. Mr. LeDrew did not reply.
- 16.** On October 8, 2008 a Conduct Committee Panel of the Law Society of Alberta met to consider the Audit Report and the information which had been received as set out above. The Conduct Committee Panel directed that a hearing be held with respect to the first five citations listed in the Agreed Statement of Facts. The Conduct Committee Panel also directed that the matter be referred to the Practice Review Committee pursuant to Section 58 of the *Legal Profession Act* to carry out a general review and assessment of the Member's conduct. The Conduct

- Committee Panel also directed that the Member be assessed the costs of the audit amount of \$3,391.50 to be paid within 30 days of receipt of the Law Society's invoice. (Exhibit 18)
17. On November 20, 2008 the Law Society wrote to Mr. LeDrew giving him notice of the Conduct Committee Panel's decision. (Exhibit 18)
  18. On December 1, 2008 the Law Society wrote to Mr. LeDrew with respect to the Practice Review Committee referral. In that letter, Mr. Busch asked Mr. LeDrew to provide a "snapshot" of his practice or a written description of a normal day at the office. Mr. Busch asked that the written response be provided to Barbara Cooper of the Practice Review department by December 22, 2008. (Exhibit 20)
  19. No written response was received by the Law Society to that letter.
  20. On January 6, 2009 Mr. LeDrew phoned Merry Rogers of the Practice Review office. In that conversation he indicated that he would send a response. As a follow up to that call, the Law Society wrote to Mr. LeDrew on February 9, 2009. The letter from Mr. Busch repeated the request for a snapshot or written description of Mr. LeDrew's practise as of February 17, 2009. (Exhibit 21)
  21. No response was received.
  22. On March 5, 2009 Merry Rogers of the Practice Review department sent a memo to Maurice Dumont, Q.C., Complaints Manager Edmonton, advising that the Member had not provided his written response.(Exhibit 22)
  23. On March 16, 2009 Mr. Dumont sent a Section 53 Demand to Mr. LeDrew asking for his written response as to why Mr. LeDrew hadn't responded to Practice Review. Mr. Dumont asked for a response within 14 days of the date of the receipt of the letter. The letter was sent registered mail, and was signed for by Mr. LeDrew's office on March 18, 2009. (Exhibit 23)
  24. Mr. LeDrew did not respond to that letter.
  25. On April 4, 2009 Mr. Dumont sent a follow up letter to Mr. LeDrew by registered mail asking for a response to his letter of March 16, 2009.
  26. No response was received to that letter.

## **CITATIONS**

27. As a result of the above matters, Mr. LeDrew faced the following Citations:

### **The Exhibits 25 Citations**

**Citation 1: IT IS ALLEGED that you failed to follow the accounting Rules of the Law Society of Alberta, and that such conduct is conduct deserving of sanction.**

**Citation 2: IT IS ALLEGED that you breached an undertaking to discharge a mortgage, and that such conduct is conduct deserving of sanction.**

**Citation 3: IT IS ALLEGED that you collected GST and then failed to file returns to pay remittances, and that such conduct is conduct deserving of sanction.**

**Citation 4: IT IS ALLEGED that you failed to serve your client in a conscientious, diligent and efficient manner, and that such conduct is conduct deserving of sanction.**

**Citation 5: IT IS ALLEGED that you failed to respond to the Law Society of Alberta on a timely basis, and in a complete and appropriate manner, and that such conduct is conduct deserving of sanction.**

**Citation 6: IT IS ALLEGED that you failed to respond to communications from the Practice Review Committee, and that such conduct is conduct deserving of sanction.**

**Citation 7: IT IS ALLEGED that you failed to respond to the Law Society of Alberta, and that such conduct is conduct deserving of sanction.**

#### **The Exhibit 26 Citation**

**Citation 1: IT IS ALLEGED that you breached the accounting Rules of the Law Society of Alberta, and that such conduct is conduct deserving of sanction.**

#### **SUMMARY OF RESULT**

- 28.** On April 19, 2010, the Member entered guilty pleas to all the Citations, and an agreed statement of facts, Exhibit 25. The Hearing Committee accepted that all of the pleas were appropriate and revealed conduct deserving of sanction.
- 29.** The Hearing was adjourned until September 27, 2010 after representations by both counsel. Mr. LeDrew agreed to comply with five conditions designed to bring his practise into line with LSA accounting procedures.
- 30.** On September 27, 2010 Mr. LeDrew entered a guilty plea to the single Citation in Exhibit 26. The Hearing Committee accepted the plea based on the agreed facts submitted. The Hearing was further adjourned to January 10, 2011 for

submissions as to sanctions. The Hearing Committee imposed seven conditions upon Mr. LeDrew to ensure his compliance with proper accounting procedures.

31. On January 10, 2011 the Hearing Committee imposed a fine and a reprimand upon Mr. LeDrew, plus actual costs of the Hearing and audit costs.

## **SANCTIONS**

32. Mr. LeDrew is sixty years old. He worked as a tradesman prior to attending law school, and was admitted to the Bar in Alberta in 1985. He is a sole practitioner in Sherwood Park. His practise focuses primarily on real estate, with significant work on matrimonial/family and wills/estates files.
33. The Member has three previous entries on his discipline record. The first is from February 20, 1996, and involved a fine, a reprimand, and costs. The second entry is a count of breach of trust conditions, and the third concerns failing to properly respond to Law Society communications. Both are dated January 26, 2006, and here he also received a fine, reprimand, and costs.
34. Counsel for the LSA agreed that, in all the circumstances, a fine, reprimand and costs would adequately address the public interest. The Panel received evidence that Mr. LeDrew suffered from depression, and was now receiving help from his family physician. He had simply lost control of his practise, and “froze” when confronted by the LSA. There was no hint of any dishonesty in the citations before the Hearing Committee. Mr. LeDrew personally gave a full and frank account of his efforts to conform to proper accounting processes, as well as a description of his current support network.
35. The Hearing Committee agrees that a fine and reprimand is appropriate. It imposes a global fine of \$5,000.00, plus costs of the Hearing set at \$4,706.83. Further, Mr. LeDrew is directed to abide by the five conditions set out at Exhibits 35, and to pay audit costs of \$6,759.39. He is granted 18 months time to pay.
36. Lastly, Mr. LeDrew is directed to take such counselling and treatment as his physician may advise, bearing in mind the previous diagnosis of depression.

## **CONCLUDING MATTERS**

37. There will be no notice issued to the Attorney General.

**38.** The exhibits in this matter will be available to the public, subject to redaction to protect solicitor and client privilege.

Dated this 1<sup>st</sup> day of November, 2011

---

N. Ahluwalia, Q.C., Bencher

---

W. Jacques, Bencher

---

John Higgerty, Q.C., Bencher

THE LAW SOCIETY OF ALBERTA  
HEARING COMMITTEE REPORT

IN THE MATTER OF THE *Legal Profession Act*, and  
in the matter of a Hearing regarding  
the conduct of Wayne Ledrew  
a Member of The Law Society of Alberta

**ERRATUM**

1. This is an erratum to the Hearing Committee Report issued in this matter on November 1, 2011. Paragraph 38 should state, “Exhibits in this matter will be available to the public subject to redaction to protect solicitor and client privilege, excluding Exhibit 36, which shall remain private.”

Dated this 9<sup>th</sup> day of January, 2012

---

Neena Ahluwalia Q.C.  
Bencher

---

Amal Umar  
Bencher