

**IN THE MATTER OF PART 3 OF THE  
LEGAL PROFESSION ACT, RSA 2000, c. L-8**

**AND**

**IN THE MATTER OF A SECTION 32 RESIGNATION APPLICATION  
REGARDING CHRISTINA LAUGHLIN  
A MEMBER OF THE LAW SOCIETY OF ALBERTA**

**Resignation Committee**

Bud Melnyk, KC – Chair (Bencher)  
Stephanie Dobson – Committee Member (Bencher)  
David Tupper – Committee Member (Bencher)

**Appearances**

Will Cascadden, KC – Counsel for the Law Society of Alberta  
Christina Laughlin – Self-represented

**Hearing Date**

August 28, 2024

**Hearing Location**

Virtual Hearing

**RESIGNATION COMMITTEE REPORT**

**Overview**

1. Christina Laughlin applied for resignation from the Law Society of Alberta (LSA), pursuant to section 32 of the *Legal Profession Act*, R.S.A. 2000, c.L-8 (*Act*). Because Ms. Laughlin's conduct was the subject of citations issued pursuant to the *Act*, this Resignation Committee (Committee) was constituted to hear this application. Ms. Laughlin made this application to avoid a lengthy hearing, to prevent inconvenience to witnesses and panel members, and to bring these complaints to a conclusion.
2. Ms. Laughlin was admitted as a member of the LSA on December 6, 2007. At the time of the application, she was a suspended member due to non-payment of her lawyer deductible. Prior to her suspension Ms. Laughlin's practice was subject to a custodianship Order granted May 16, 2022, and her files, trust funds and trust accounts and being managed and disbursed pursuant to that custodianship. At the time of this hearing, Ms. Laughlin had a disciplinary record with the LSA.

3. After reviewing all of the evidence and exhibits and hearing the testimony and arguments of the LSA and Ms. Laughlin, the Committee allowed the resignation application pursuant to section 32 of the *Act* with oral reasons and advised that a written decision would follow. This is that written decision.

### **Preliminary Matters**

4. There were no objections to the constitution of the Committee or its jurisdiction, and a private hearing was not, so a public hearing into Ms. Laughlin's resignation application proceeded.

### **Citations**

5. Ms. Laughlin faced the following citations at the time of the hearing:

#### Complaint #1

- 1) It is alleged that Christina Laughlin failed to comply with Rule 119.24(7) by failing to report a theft of money from her general account.
- 2) It is alleged that Christina Laughlin failed to comply with Rule 119.24(7) by failing to report a theft of money from her trust account,
- 3) It is alleged that Christina Laughlin failed to comply with Rule 119.34(1)(e) by failing to notify Trust Safety of the issuance of one or more writs of enforcement against her.
- 4) It is alleged that Christina Laughlin failed to comply with Rule 119.33(4) by failing to produce all records and supporting documentation required for a compliance audit.

#### Complaint #2

- 5) It is alleged that Christina Laughlin failed to act honourably or with integrity by accepting a client's vehicle as partial payment for legal fees but failing to transfer the registration and insurance, thereby using the vehicle registration and insurance of her client for an extended time to the detriment and expense of her client.
- 6) It is alleged that Christina Laughlin failed to respond to communications from the Law Society.

#### Complaint #3

- 7) It is alleged that Christina Laughlin failed to serve her clients, C.M. and C.M., in a competent, timely, diligent and efficient manner.
- 8) It is alleged that Christina Laughlin failed to comply with Rule 119.21 by withdrawing money from her trust account for fees and disbursements prior to delivering a Statement of Account to her clients.
- 9) It is alleged that Christina Laughlin failed to respond to communications from the Law Society.

#### Complaint #4

- 10) It is alleged that Christina Laughlin failed to comply with Rule 119.36(4)(d) by failing to properly conduct and maintain monthly reconciliations of her trust account.
- 11) It is alleged that Christina Laughlin failed to comply with Rule 119.40 by failing to properly conduct monthly reconciliations of her general account.
- 12) It is alleged that Christina Laughlin failed to comply with Rule 119.21(1) and 119.25 by transferring trust money between trust ledgers without preparing or signing a transfer document.
- 13) It is alleged that Christina Laughlin failed to comply with Rule 118.6 by not properly verifying the identity of her clients.
- 14) It is alleged that Christina Laughlin failed to comply with Rules pertaining to trust account withdrawals.
- 15) It is alleged that Christina Laughlin failed to comply with Rule 119.36(4)(f) and (g) by failing to maintain a billing journal and a fees and disbursements receivable ledger.
- 16) It is alleged that Christina Laughlin failed to comply with Rule 119.17(1) by depositing money into her trust account that was not directly related to the provision of legal services.
- 17) It is alleged that Christina Laughlin failed to comply with Rule 119.16(3) by failing to remit the interest earned on her trust account to the Alberta Law Foundation.
- 18) It is alleged that Christina Laughlin failed to comply with Rules pertaining to the receipt of trust funds.

19) It is alleged that Christina Laughlin failed to comply with Rule 119.36(4)(e) and (h) by failing to maintain the requisite general records.

20) It is alleged that Christina Laughlin failed to respond to communications from the Law Society.

### **Statement of Admitted Facts**

6. Ms. Laughlin submitted a signed Statement of Admitted Facts and Exhibit and Admission of Guilt (Statement) on August 15, 2024. The Statement is attached to these reasons [Appendix A] pursuant to Rule 92(4) of the Rules of the LSA and details evidence of the current citations and the investigations relating to same.
7. The Committee finds that the Statement to be in an acceptable form.

### **The Submissions of the Parties**

8. Counsel for the LSA directed this Committee to the following decisions:
  - *Law Society of Alberta v. Dear*, 2014 ABLs 54
  - *Law Society of Alberta v. Lintz*, 2024 ABLs 9
  - *Law Society of Alberta v. Johnston*, 2020 ABLs 18
9. The *Dear* matter was a sanction decision where the member was found guilty of misappropriating trust funds, failing to serve clients, failing to be candid with the LSA and failing to be candid with another lawyer. That hearing committee found that not all thefts of trust funds will result in disbarment, and they suspended the member for 18 months.
10. In the *Lintz* decision the member sought resignation under section 32 of the *Act*. In this case the member had collaborated with a disbarred lawyer over a period of four to five years such that the member referred clients to the disbarred lawyer. This was done by the member knowing that the referral was to a suspended lawyer. *Lintz* was allowed to resign pursuant to section 32 of the *Act* rather than section 61, which would have been a deemed disbarment.
11. In the *Johnston* case the member faced nine citations, including acting in a conflict of interest, failing to advise a client about criminal charges against a third party, failing to respond to clients in a timely manner and inappropriately disclosing client information. In that instance the section 32 resignation application was granted.
12. Ms. Laughlin provided the following Undertakings, which were accepted by the Committee:

- 1) All trust money and client property for which she was responsible has been accounted for and paid over or delivered to the persons entitled thereto, or that responsibility for client matters has been transferred to an active member, being the LSA/Court appointed custodian.
- 2) All trust accounts over which she had responsibility or signing authority have been closed or she is no longer signing authority.
- 3) All clients' matters have been completed and disposed of or been returned to the clients or turned over to a solicitor, being the LSA/Court appointed custodian.
- 4) She is not aware of any claim against her in her professional capacity or in respect of her practice except one ALIA matter.
- 5) She will cooperate with the LSA in the future with respect to any claim made against her or against the Assurance Fund or Part B of the group policy.
- 6) She will pay any deductible with respect to any claim paid by the LSA Insurer and she will pay the LSA any claim paid from the Assurance Fund or the indemnity program fund.
- 7) She will not apply for reinstatement of my membership for a period of one year from the date upon which her resignation becomes effective.
- 8) Prior to applying for reinstatement of her membership to the LSA, she will pay:
  - a. all costs ordered by the Resignation Panel of the Benchers;
  - b. all fees and other monies owed to the LSA and to ALIA.
- 9) Upon application for reinstatement of her membership to the LSA she will provide, along with a reinstatement application, medical certification that states that she is mentally and physically capable of practicing safely and effectively, and that actions, omissions and failures of any kind that gave rise to the present conduct proceedings are unlikely to reoccur. The LSA will determine whether the medical documentation is acceptable.

## Analysis

13. Section 32 of the *Act* states:

32(1) No Member may resign from the Society unless the member's resignation is submitted to and approved by the Benchers or a committee of the Benchers.

(2) If the resignation is approved, the member's name shall be struck off the roll.

14. Where a member is seeking to resign in the face of conduct proceedings Rule 92(8) states:

The Benchers shall review all of the material and shall take into consideration the best interests of the members of the public and the members of the Society. If the Benchers determine that it is appropriate in the circumstances to allow the member to resign, they may accept the resignation of the member.

15. Under the *Act*, a member may apply to resign under either section 32 or 61. There is a material distinction between these two sections. Resignation pursuant to section 61 of the *Act*, which resignation would constitute a disbarment pursuant to section 1(c) of the *Act*. Alternatively, resignation pursuant to section 32, where such resignation is not a deemed disbarment.
16. Regardless of whether the application for resignation is made under section 32 or section 61, the fundamental issue to be determined is whether it is in the best interests of the public and in the interests of the profession to permit the lawyer to resign prior to resolution of the outstanding conduct matters. The fundamental and overarching consideration is the maintaining of public confidence in the legal profession.
17. In considering whether to accept an application for resignation under section 32 it is appropriate to consider the nature of the lawyer's conduct and whether it would likely result in disbarment if the matter were to proceed to a hearing and the citations proved. In order to determine if a disbarment is likely, it is appropriate for resignation committees to review those factors that would mitigate against disbarment and make it an unlikely outcome if the matter proceeded to a hearing. Those factors are more particularized in the LSA's Pre-Hearing and Hearing Guideline (Guideline).
18. Resignation committees of the LSA have permitted members who faced serious conduct proceedings to resign pursuant to section 32 where the public interest may still be served without requiring either a public hearing into outstanding citations or a deemed disbarment. In those cases, resignation committees were satisfied that the member's conduct had been investigated and that certain mitigating factors existed that offer understanding and even explanation for the member's conduct. Equally importantly, in most instances, the applications for resignation were supported by the member's undertaking never to re-apply for admission to the LSA.

## **Decision**

19. LSA counsel supported Ms. Laughlin's application for resignation, agreeing that Ms. Laughlin's resignation pursuant to section 32 of the *Act* served the public interest. As such, the Committee considered this application to be tantamount to a joint submission and therefore deserving of deference, unless it would bring the administration of justice into disrepute or was otherwise contrary to the public interest.

20. The issue to be determined by this Committee was whether it was in the best interests of the public to permit Ms. Laughlin to resign pursuant to section 32 in the face of serious unresolved conduct matters.
21. The Committee found that the conduct of Ms. Laughlin would not likely result in disbarment if the matter were to proceed to a hearing and the citations proved. In reaching this conclusion the Committee considered a number of factors including: (1) the nature of the alleged conduct; (2) whether such conduct would likely result in disbarment if the matter proceeded to a hearing and the citations were proven; and (3) the existence of other factors that would mitigate against disbarment.
22. On this last point, the existence of factors that would mitigate against disbarment, this Committee considered those elements which are more particularized in the Guideline. The relevant factors in this case mitigating against disbarment are as follows:
  - a) Ms. Laughlin has only a limited disciplinary record where she was found guilty of practicing law while administratively suspended, and for which she received a reprimand and costs.
  - b) The misconduct does not constitute a risk to the public.
  - c) While the conduct does to some degree amount to a risk to the reputation of the profession, that risk is not significant.
  - d) There was no breach of trust involved in the conduct or any integrity issues.
  - e) There was no noticeable harm to the clients.
23. Based on the evidence established by the Statement, the Committee determined that it is in the best interests of the public to accept the application of Ms. Laughlin to resign pursuant to section 32, effective August 28, 2024. The Committee finds that it is not likely that Ms. Laughlin would have been disbarred had the citations been proven. The Committee is of the view that the public interest will still be served without requiring either a public hearing or a deemed disbarment.

### **Concluding Matters**

24. The Committee reviewed the costs of hearing this application, as prepared by the LSA, which sought costs of \$8,460.38. The Committee reduced the costs to \$5,000.00 and directed that these costs be payable prior to any later application for reinstatement.
25. The exhibits, other hearing materials, and this report will be available for public inspection, including the provision of copies of exhibits for a reasonable copy fee, except

that identifying information in relation to persons other than Ms. Laughlin will be redacted and further redactions will be made to preserve client confidentiality and solicitor-client privilege (Rule 98(3)).

26. Pursuant to subsection 32(2) of the *Act*, Ms. Laughlin's name will be struck off the roll. The roll shall reflect that Ms. Laughlin application under section 32 of the *Act* was allowed on August 28, 2024.
27. The Committee ordered a Notice to the Profession and that was issued following the hearing.
28. A Notice to the Attorney General is not required.

Dated February 14, 2025.

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Bud Melnyk, KC

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Stephanie Dobson

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David Tupper



## **Appendix A**

IN THE MATTER OF THE *LEGAL PROFESSION ACT*

- AND -

IN THE MATTER OF A HEARING REGARDING THE CONDUCT OF  
**CHRISTINA MARIE LAUGHLIN**  
A MEMBER OF THE LAW SOCIETY OF ALBERTA

HEARING FILE HE20230086

### **STATEMENT OF ADMITTED FACTS AND EXHIBITS, AND ADMISSIONS OF GUILT**

#### **APPLICATION FOR RESIGNATION**

1. Christina Laughlin is applying for resignation from the Law Society of Alberta (the "LSA").
2. Ms. Laughlin's application arises out of 4 complaints comprising 20 citations as detailed below.
3. Ms. Laughlin is making this application to avoid a lengthy hearing, to prevent inconvenience to witnesses and panel members, and to bring these complaints to a conclusion.

#### **INTRODUCTION**

4. This hearing arises out of 4 complaints [complaint file numbers redacted] (the "Complaints") and relates to the following 20 citations ("Rule" or "Rules" herein refers to "The Rules of the Law Society of Alberta" – the Rules identified in the citations below are included in Part 5 of the Rules, titled "Trust Accounting and Client Identification and Verification"):

##### **[Complaint #1]**

- I. It is alleged that Christina Laughlin failed to comply with Rule 119.24(7) by failing to report a theft of money from her general account and that such conduct is deserving of sanction.
- II. It is alleged that Christina Laughlin failed to comply with Rule 119.24(7) by failing to report a theft of money from her trust account and that such conduct is deserving of sanction.
- III. It is alleged that Christina Laughlin failed to comply with Rule 119.34(1)(e) by failing to notify Trust Safety of the issuance of one or more writs of enforcement against her and that such conduct is deserving of sanction.
- IV. It is alleged that Christina Laughlin failed to comply with Rule 119.33(4) by failing to produce all records and supporting documentation required for a compliance audit and that such conduct is deserving of sanction.

### **[Complaint #2]**

- V. It is alleged that Christina Laughlin failed to act honourably or with integrity by accepting a client's vehicle as partial payment for legal fees but failing to transfer the registration and insurance, thereby using the vehicle registration and insurance of her client for an extended time to the detriment and expense of her client, and that such conduct is deserving of sanction.
- VI. It is alleged that Christina Laughlin failed to respond to communications from the Law Society and that such conduct is deserving of sanction.

### **[Complaint #3]**

- VII. It is alleged that Christina Laughlin failed to serve her clients, C.M. and C.M, in a competent, timely, diligent and efficient manner, and that such conduct is deserving of sanction.
- VIII. It is alleged that Christina Laughlin failed to comply with Rule 119.21 by withdrawing money from her trust account for fees and disbursements prior to delivering a Statement of Account to her clients and that such conduct is deserving of sanction.
- IX. It is alleged that Christina Laughlin failed to respond to communications from the Law Society and that such conduct is deserving of sanction.

### **[Complaint #4]**

- X. It is alleged that Christina Laughlin failed to comply with Rule 119.36(4)(d) by failing to properly conduct and maintain monthly reconciliations of her trust account and that such conduct is deserving of sanction.
- XI. It is alleged that Christina Laughlin failed to comply with Rule 119.40 by failing to properly conduct monthly reconciliations of her general account and that such conduct is deserving of sanction.
- XII. It is alleged that Christina Laughlin failed to comply with Rules 119.21(1) and 119.25 by transferring trust money between trust ledgers without preparing or signing a transfer document, and that such conduct is deserving of sanction.
- XIII. It is alleged that Christina Laughlin failed to comply with Rule 118.6 by not properly verifying the identity of her clients, and that such conduct is deserving of sanction.
- XIV. It is alleged that Christina Laughlin failed to comply with the Rules pertaining to trust account withdrawals and that such conduct is deserving of sanction.
- XV. It is alleged that Christina Laughlin failed to comply with Rule 119.36(4)(f) and (g) by failing to maintain a billing journal and a fees and disbursements receivable ledger and that such conduct is deserving of sanction.

- XVI. It is alleged that Christina Laughlin failed to comply with Rule 119.17(1) by depositing money into her trust account that was not directly related to the provision of legal services and that such conduct is deserving of sanction.
- XVII. It is alleged that Christina Laughlin failed to comply with Rule 119.16(3) by failing to remit the interest earned on her trust account to the Alberta Law Foundation and that such conduct is deserving of sanction.
- XVIII. It is alleged that Christina Laughlin failed to comply with the Rules pertaining to the receipt of trust funds and that such conduct is deserving of sanction.
- XIX. It is alleged that Christina Laughlin failed to comply with Rule 119.36(4)(e) and (h) by failing to maintain the requisite general records and that such conduct is deserving of sanction.
- XX. It is alleged that Christina Laughlin failed to respond to communications from the Law Society and that such conduct is deserving of sanction.

### **ADMITTED FACTS**

5. **Christina Laughlin admits the facts set out below and the authenticity of the documents exhibited to this “Statement of Admitted Facts and Exhibits, and Admissions Of Guilt.”**
6. **Christina Laughlin further admits the truth of the content of the documents exhibited to this “Statement of Admitted Facts and Exhibits, and Admissions Of Guilt.”**

### ***Professional Background, Status, and Discipline***

7. Ms. Laughlin was admitted as a member of the LSA on December 6, 2007.
8. Ms. Laughlin’s present status with the LSA is “Suspended for Non-payment of Lawyer Deductible.” Prior to her current suspension, Ms. Laughlin’s LSA status was Inactive.
9. Ms. Laughlin’s practice is the subject of a LSA custodianship, and her files, trust funds and trust accounts are being managed and disbursed pursuant to that custodianship. The Order appointing a custodian over Ms. Laughlin’s practice is attached as EXHIBIT 1.
10. Ms. Laughlin has been the subject of 28 complaints to the LSA since her call to the bar in 2007. Of those 28 complaints, 18 have been opened in the past 3 years, 13 were withdrawn or resolved, 8 were dismissed or closed as unproven, and 2 were closed following completion of early intervention.
11. In May 2020, Ms. Laughlin admitted guilt to one citation for practicing law while administratively suspended. She was sanctioned with a reprimand [EXHIBIT 2].
12. The remaining 4 Complaints give rise to the above citations.

### ***Procedural Background***

13. This matter arises from 4 Complaints, 2 issued of which were made by former clients of Ms. Laughlin, and 2 which arise from LSA Information memoranda.
14. The LSA subsequently investigated, and on the following dates panels of the Conduct Committee directed that the citations set out in paragraph 1, above, be dealt with by Hearing Committee:
  - Complaints [#1] and [#2] on April 18, 2023; and
  - Complaints [#3] and [#4] on December 12, 2023.
15. On December 18, 2023, the Pre-hearing Conference Chair ordered that all the citations set out in paragraph 1 above be consolidated for hearing by a single Hearing Committee as LSA hearing file HE20230086.

### ***Admitted Facts Giving Rise to Complaint [#1] and Resulting Citations***

#### **Citations 1 and 2: It is alleged that Christina Laughlin failed to comply with Rule 119.24(7) by failing to report a theft of money from her general account and that such conduct is deserving of sanction.**

16. Ms. Laughlin's firm, [TL Firm], used the services of courier T.T.T. Enterprises, which was owned and operated by [T.W.].
17. On February 20, 2020, [T.W.] was provided with documents to file at the Calgary Courts Centre, along with a cheque for filing fees in the amount of \$260.00, payable to the Government of Alberta.
18. Ms. Laughlin's assistant, [S.R.], subsequently questioned [T.W.] regarding the whereabouts of the documents as they were not returned to the office. On March 16, 2020, [T.W.] returned copies of the documents with a hand-written court action number and a filing stamp dated February 20, 2020.
19. At the end of March 2020, [S.R.] sent a Consent Order to the Court for a Justice's signature. The Consent Order had the same action number as was written on the documents apparently filed by [T.W.]. On April 9, 2020, [S.R.] was notified by a Court Clerk that she could not find the action number in the system. [S.R.] sent her copies of the "filed" documents from the courier bearing that action number, at which time she was informed by the Clerk that they did not have copies of those documents and that the action number was not in sequence with other documents filed on that date. The firm subsequently compared the deposit numbers on the cashed cheque for court filing fees with a cheque payable to T.T.T. Enterprises and discovered they were the same. In other words, [T.W.] deposited the cheque for the filing fees to his own account.
20. On April 17, 2020, [S.R.] spoke to a supervisor at the Court who informed her that [T.W.] had previously been charged with a similar offense.
21. Ms. Laughlin, another lawyer at her firm, and [S.R.] confronted [T.W.] regarding the cheque. [T.W.] admitted to depositing the cheque into his own account. [T.W.] provided

the firm with \$74.00 to make up for the difference between the money he was owed from the firm for courier services and the amount he had stolen.

22. [S.R.] subsequently reported the theft to the police. In addition, she advised the Court supervisor that she had previously spoken to at the Court about [T.W.]’s confession.
23. Neither Ms. Laughlin nor her assistant reported the theft to the LSA.
24. Any theft of money from a trust or general account must be immediately reported to the LSA pursuant to Rule 119.24(7) of the Rules.
25. Ms. Laughlin did not report the theft to the LSA.
26. On December 18, 2019, Ms. Laughlin’s office provided [T.W.] of T.T.T. Enterprises with a trust cheque in the amount of \$199.00, payable to the City of Calgary (the “City”), along with documents to be delivered to the City to obtain a Certificate of Compliance.
27. In early June [S.R.] reviewed the file and noticed the documents had not been returned to their office. She spoke to a customer service representative at the City, who advised that the documents had not been received. She then reviewed the bank statement and saw that the cheque had been cashed. She obtained a copy of the cheque and discovered that the deposit numbers on the back of the cheque were the same as those they had previously confirmed belonged to [T.W.]’s account. Again, [T.W.] had deposited [TL Firm]’s cheque to his personal bank account.
28. Ms. Laughlin’s assistant reported the incident to the police on June 26, 2020. The theft was not reported to the LSA by Ms. Laughlin or anyone else at [TL Firm].
29. Ms. Laughlin has acknowledged she did not report the theft to Trust Safety. The file was handled by another lawyer at her firm, [H.K.], and Ms. Laughlin believed that the theft had come from the general account.
30. While Ms. Laughlin may not have been handling the file in question, she was the LSA Responsible Lawyer for the firm’s trust account from which the theft occurred. Accordingly, it was Ms. Laughlin’s responsibility to ensure the theft was reported to the LSA, as required by Rule 119.24(7), which she did not do.

**Citation 3: It is alleged that Christina Laughlin failed to comply with Rule 119.34(1)(e) by failing to notify Trust Safety of the issuance of one or more writs of enforcement against her and that such conduct is deserving of sanction.**

31. During its investigation of Ms. Laughlin, the LSA discovered that Ms. Laughlin had several writs of enforcement registered against her personal property described below.
32. On May 9, 2018, the Canada Revenue Agency (“CRA”) obtained a Writ of Seizure and Sale in the amount of \$41,051.30 against Ms. Laughlin pursuant to a matter concerning the Income Tax Act. The writ was registered against title to her personal home on September 21, 2018.

33. On January 21, 2019, the Bank of Nova Scotia filed a Writ of Enforcement against Ms. Laughlin in the amount of \$45,960.89 pursuant to a judgment dated December 13, 2018. The writ was registered against title to her home on February 20, 2019.
34. On August 13, 2019, the CRA obtained a Writ of Seizure and Sale against Ms. Laughlin in the amount of \$45,215.08 pursuant to a matter concerning the Excise Tax Act. The writ was registered against title to her home on October 10, 2019.
35. On October 4, 2019, the CRA obtained a Writ of Seizure and Sale against Ms. Laughlin in the amount of \$61,732.72 pursuant to a matter concerning the Income Tax Act. The writ was registered against title to her home on March 4, 2020.
36. Also on October 4, 2019, the CRA obtained a Writ of Seizure and Sale against Ms. Laughlin in the amount of \$21,613.48 pursuant to a matter concerning the Income Tax Act. The writ was registered against title to her home on March 4, 2020.
37. These writs were also listed on a Personal Property Registry Search Report for Ms. Laughlin.
38. As stated by Rule 119.34, "A lawyer ... shall immediately notify the law firm's responsible lawyer and the Manager, Trust Safety...in writing, of ... the issuance of a writ of enforcement against the lawyer or law firm."
39. Ms. Laughlin did not report any of the above-described writs to the LSA.
40. Ms. Laughlin only become aware of the writs of enforcement obtained by the CRA shortly before the LSA's investigation. The CRA writs are related to Ms. Laughlin's personal and professional taxes.
41. Ms. Laughlin was aware of the Bank of Nova Scotia writ, as she consented to it, but she was not aware that she had to report writs to the LSA.
42. Ms. Laughlin believes she became aware of the CRA writs against her between May and the fall of 2020. As stated, Ms. Laughlin was not aware that she was required to report the writs to the LSA and erroneously believed that she was only required to report bankruptcies.
43. Ms. Laughlin did not report the above-described writs in contravention of Rule 119.34.

**Citation 4: It is alleged that Christina Laughlin failed to comply with Rule 119.33(4) by failing to produce all records and supporting documentation required for a compliance audit and that such conduct is deserving of sanction.**

44. On September 15, 2020, the LSA Manager of Trust Safety contacted Ms. Laughlin to inform her that her law firm had been selected for a Compliance Audit. The scope of the audit was to examine her firm's compliance with Part 5, Divisions 1-6 of the Rules. The following day, an LSA Senior Auditor, sent Ms. Laughlin a list of preliminary documents and requested that she provide them by September 28, 2020.
45. On September 16, 2020, the LSA Senior Auditor emailed Ms. Laughlin and asked if she would be available for a phone call the following day to discuss the audit methodology and

timelines. Ms. Laughlin responded by email the following day, apologizing for missing her phone call that day and indicating she would make best efforts to call her the next day.

46. After not receiving a phone call from Ms. Laughlin, the LSA Senior Auditor followed up by email on September 21 and again on September 24, 2020. She also reminded Ms. Laughlin that the preliminary information requested was due to be provided by September 28, 2020.
47. Ms. Laughlin did not provide the requested documentation by September 28, 2020. The LSA Senior Auditor followed up with her by phone and email on September 29, 30 and October 6, 2020. Ms. Laughlin did not respond to those calls and email.
48. On October 14, 2020, the LSA Senior Auditor sent Ms. Laughlin a final reminder to provide the requested documentation, noting that the delay in providing the documentation had significantly delayed the anticipated timeline of the audit. The LSA Senior Auditor directed Ms. Laughlin to provide the documentation by October 20, 2020. Ms. Laughlin responded by email, indicating she would provide the documentation by the new deadline.
49. On October 20, 2020, Ms. Laughlin provided some of the documentation and indicated she would provide the rest under separate cover. She emailed the LSA Senior Auditor on October 23 asking for instructions as to how to upload the remaining documents. The LSA Senior Auditor responded the same day, indicating that she had already provided Ms. Laughlin with a link to the FTP site. The LSA Senior Auditor asked Ms. Laughlin if she required the link to be sent again, and Ms. Laughlin advised that she did.
50. On October 26, 2020, the LSA Senior Auditor emailed Ms. Laughlin confirming she had sent her the link to upload the documents on October 23 and asked whether she had any issues accessing it. She asked that Ms. Laughlin provide the outstanding documents by October 30, 2020.
51. On October 30, 2020, Ms. Laughlin uploaded some, but not all, of the remaining documents to the LSA FTP site. On November 9, 2020, the LSA Senior Auditor emailed Ms. Laughlin with an updated list of documents still required and provided a deadline of November 13, 2020, for delivery of those documents.
52. Ms. Laughlin did not provide the outstanding documents or otherwise respond to the LSA. On November 24, 2020, the LSA Senior Auditor emailed Ms. Laughlin to advise that she had failed to comply with the request for information to complete the audit. She attached a letter from the LSA Manager of Trust Safety, revoking Ms. Laughlin's Responsible Lawyer status effective December 8, 2020. The LSA Manager of Trust Safety directed Ms. Laughlin to respond by November 25, 2020. Ms. Laughlin did not respond.
53. On November 26, 2020, the LSA Senior Auditor asked an LSA Investigator to deliver to Ms. Laughlin the letter revoking her Responsible Lawyer status. The Investigator attended Ms. Laughlin's office on the same day to deliver the letter, but Ms. Laughlin was not in her office and her staff could not reach her. The Investigator left the documents with the receptionist and asked her to tell Ms. Laughlin that she needed to contact the LSA Trust Safety Department.

54. On November 27, 2020, Ms. Laughlin signed an undertaking to the LSA revoking her Responsible Lawyer designation for the firm, effective December 8, 2020. In the same document, Ms. Laughlin further undertook to provide her firm's month-end reconciliations and final reporting to the LSA. By signing the said undertaking letter, Ms. Laughlin acknowledged that she had failed to respond to the LSA auditors in accordance with Rule 119.33(4) and that she had not provided accounting records for her trust account as requested by the LSA.
55. On November 29, 2020, another lawyer at Ms. Laughlin's firm, [H.K.], agreed to assume responsibility of the trust account, and he signed the necessary forms to become the Responsible Lawyer.
56. In her written response to the Investigation Reports, Ms. Laughlin acknowledged that she failed to respond to the LSA Senior Auditor's November 9, 2020, updated request for documents. Ms. Laughlin stated that she did not realize the LSA Senior Auditor had emailed her and therefore had not provided the requested items by the due date. Ms. Laughlin did not become aware of the request until November 25, 2020, when she was informed that her Responsible Lawyer status had been revoked.
57. Ms. Laughlin outlined a series of extenuating personal circumstances that occurred during this time. [Personal circumstances redacted] Ms. Laughlin indicated that because she was overwhelmed by the aggregate effects of these circumstances, her response times to the LSA were longer than expected, and at times she missed important communications from the LSA. Ms. Laughlin acknowledged that she failed to respond to the LSA in a timely manner and apologized for the delays.
58. Ms. Laughlin failed to comply with Rule 119.33(4) by failing to produce all records and supporting documentation required for a compliance audit.

### ***Admitted Facts Giving Rise to Complaint [#2] and Resulting Citations***

**Citation 5: It is alleged that Christina Laughlin failed to act honourably or with integrity by accepting a client's vehicle as partial payment for legal fees but failing to transfer the registration and insurance, thereby using the vehicle registration and insurance of her client for an extended time to the detriment and expense of her client, and that such conduct is deserving of sanction.**

59. Ms. Laughlin was aware that [C.S.] and her husband refurbished vehicles and sold them. In or around December of 2018, Ms. Laughlin spoke to [C.S.] (the complainant in [Complaint #2] who was then Ms. Laughlin's client) regarding the possibility of obtaining a vehicle from [C.S.] as [C.S.] had indicated to Ms. Laughlin that she was struggling financially at that time. As a result, Ms. Laughlin and [C.S.] reached an agreement whereby [C.S.] would transfer a vehicle to Ms. Laughlin as partial payment for legal services.
60. A bill of sale was prepared and the vehicle, a Hyundai Santa Fe (the "Vehicle"), was provided to Ms. Laughlin in December 2018. Ms. Laughlin asked [C.S.] to leave her insurance on the Vehicle so that Ms. Laughlin had time to place her own insurance on the Vehicle. [C.S.] indicated to Ms. Laughlin that [C.S.] had less expensive fleet insurance on a number of vehicles, so Ms. Laughlin could take her time transferring her own insurance to the Vehicle.



61. On April 30, 2019, [C.S.] received a parking ticket for the Vehicle, which was still registered in her name. [C.S.] texted a picture of the ticket to Ms. Laughlin on May 18, 2019.
62. On June 17, 2019, Ms. Laughlin sent the following email to [C.S.]:

Hi [C.S.],

Further to the below email, please note that I have not transferred the car yet and will do so as soon as we get payment (as I was hoping to use some of the funds received for payment to pay for transfer and insurance). Please note that I deducted \$500 off of the landlord/tenant invoice and reduced the other invoices for the files that we wrote off for the car. I did this to compensate you for the fact that we were using your insurance and all of the hassles the arrangement caused you. Please also note that the radio did not work when we took possession of the car, the air conditioning does not work (which I just discovered the first time I tried to use the air conditioning) and the ignition switch has been hit and miss since we got the car (at first I thought it was just because of the cold but I am still having issues now so..). I did not bother mentioning most of this to you because all things considered it seemed like a wash. I am hoping that you feel the same way. Please let me know. Either way, our office is in desperate need of some funds so I would greatly appreciate some payment today. I can send our courier to pick up a personal cheque today or we can accept e-transfer to [email address]. Please do not send e-transfer to the [TS] emails as they aren't being received for some reason. Thanks [C.S.]!

On an unrelated note, when I went to the courthouse with the pink slip to prove that there was insurance on the car when [C.L.] got pulled over the clerk said I needed to get a letter from the Insurance agent. May I please have your consent to write a letter to the insurance company stating that I act as your solicitor and request that they provide a proof of insurance letter to me??

Thanks [C.S].

63. As indicated by the above, Ms. Laughlin continued using [C.S.]'s registration and insurance for 6 months after the Vehicle was delivered to Ms. Laughlin. Ms. Laughlin did not forget to transfer the registration and obtain insurance on the Vehicle, but rather continued to use [C.S.]'s registration and insurance, for which she compensated [C.S.] with a reduction in legal fees.
64. Ms. Laughlin also asked if she could write a letter to [C.S.]'s insurance company, as her solicitor, to obtain proof of insurance to use in court. While Ms. Laughlin said that she was writing the letter as [C.S.]'s lawyer, Ms. Laughlin wrote the letter for the benefit her spouse, who was facing charges for operating the Vehicle without insurance. The Vehicle was insured.
65. On or about August 7, 2019, [C.S.] texted Ms. Laughlin and asked whether she had transferred the Vehicle registration. [C.S.] also stated that she would remove the insurance the following Friday. She further indicated that the cost of insurance on the Vehicle had been \$148.16 per month.
66. On August 14, 2019, [C.S.] texted Ms. Laughlin a picture of two additional parking tickets she had received in respect of the Vehicle. Ms. Laughlin responded on the same date,

explaining the tickets and indicating that she would attend the courthouse that Friday to pay all tickets. Ms. Laughlin then texted [C.S.] again, requesting that she pay the net between the outstanding amount owing on her accounts and the insurance.

67. On August 31, 2019, [C.S.] texted Ms. Laughlin a picture of a photo-radar speeding ticket that [C.S.] had received in the mail in respect of the Vehicle.
68. On December 16, 2019, [C.S.] texted Ms. Laughlin regarding an accident that Ms. Laughlin's spouse, [C.L.], had been involved in with the Vehicle. [C.S.] indicated that the other party to the accident was attempting to claim the damages through [C.S.]'s insurance, which she had cancelled. She told Ms. Laughlin to "fix this or I will seek legal action and contact the bar association." Ms. Laughlin responded that day, stating "I will fix this" and indicating that her spouse had told the other party to the accident that he would pay for all damages.
69. On February 20, 2020, [C.S.] texted Ms. Laughlin to inform her that [C.S.] had attended the police station to provide her side of the story as to why Ms. Laughlin had [C.S.]'s license plate. She indicated that Ms. Laughlin should bring the license plate into a police station to avoid any problems.
70. [C.S.] subsequently received a call from the police indicating the Vehicle had been impounded. [C.S.] was told she owed \$2,000 in impound fees and that if she did not pay, the Vehicle would be sold for \$400, and she would have to pay the difference. [C.S.] paid the fees and retook possession of the Vehicle. [C.S.] never advised Ms. Laughlin of the impound fee costs.
71. As indicated above, [C.S.] was repeatedly alerted to Ms. Laughlin's spouse's driving infractions as [C.S.] remained the registered owner of the Vehicle. [C.S.] received multiple parking and/or speeding tickets in the mail, addressed to her, that were attributable to Ms. Laughlin's spouse. Ms. Laughlin compensated [C.S.] for the cost of all tickets by way of a reduction of legal fees.
72. In addition, as also indicated above, [C.S.] was contacted by the police regarding incidents involving the Vehicle.
73. Ms. Laughlin acted in a conflict of interest in this matter by using her client's insurance and registration. The result was various negative consequences for [C.S.]. [C.S.] received multiple parking and/or speeding tickets in her name for infractions she did not commit as well as calls from the police regarding accidents involving the Vehicle. [C.S.] also suffered financial consequences, including having to pay \$2,000 to retrieve the Vehicle from the impound lot.

**Citation 6: It is alleged that Christina Laughlin failed to respond to communications from the Law Society and that such conduct is deserving of sanction.**

74. On September 28, 2021, LSA Conduct Counsel sent a copy of the [C.S.]'s complaint, along with the LSA Investigation Reporting Memo regarding same, to Ms. Laughlin and requested her response within 14 days of receipt. Ms. Laughlin did not respond.
75. On October 22, 2021, LSA Conduct Counsel sent a reminder letter to Ms. Laughlin, informing her of her obligation to respond promptly and completely to communication from

the Law Society. Her response was requested by November 15, 2021. Ms. Laughlin did not respond.

76. On November 16, 2021, LSA Conduct Counsel sent a further reminder letter to Ms. Laughlin, again informing her of her obligation to respond to the LSA. Her response was requested by December 8, 2021, and the letter stated that no further extensions would be granted. Ms. Laughlin did not respond.
77. LSA investigation personnel were then asked to contact Ms. Laughlin to obtain information regarding this complaint. On November 19, 2022, an LSA Investigator attempted to contact Ms. Laughlin via email and her last known phone number, as well as her mother's phone number (which she provided to us as an alternate contact). Ms. Laughlin did not respond to the LSA Investigator's email or voicemails.
78. On December 5, 2022, an LSA Investigator tried to call Ms. Laughlin and her mother repeatedly at different times of day and left multiple messages but did not receive a response.
79. Ms. Laughlin has not provided any response to Complaint [#2], despite the LSA's numerous attempts to contact her by email and telephone.

### ***Admitted Facts Giving Rise to Complaint [#3] and Resulting Citations***

**Citation 7: It is alleged that Christina Laughlin failed to serve her clients, C.M. and [D.M.], in a competent, timely, diligent and efficient manner, and that such conduct is deserving of sanction.**

80. [C.M.] (the complainant in Complaint [#3]) and his brother, [D.M.], retained Ms. Laughlin to assist with an estate matter after their father, [B.M.], passed away in 2015. The retainer letter in respect of this matter is dated April 29, 2015.
81. Ms. Laughlin determined that the estate was insolvent as there were few assets, consisting of several vehicles and a LIRA of approximately \$35,400, and considerable debt, including \$103,270 in income tax arrears and \$14,949 in GST arrears.
82. The initial steps taken by Ms. Laughlin on the file, included but are not limited to, the following:
  - a. She prepared the Application for Grant of Administration and sent it for filing July 22, 2015. The Application was granted on September 4, 2015.
  - b. On January 28, 2016, she sent a letter to Service Canada requesting the CPP death benefit.
  - c. On March 3, 2016, she prepared a letter to the CRA detailing the estate assets and their proposed disposition. She sent the draft letter to [C.M.] on that date, and he approved the letter on March 7, 2016. She then sent the letter to CRA along with a copy of the Grant of Administration.
  - d. On July 4-5, 2016, she sent trust cheques to each of the accounts of [C.M.] and [D.M.] in the amounts of \$12,391.06 as beneficiaries of the LIRA. She had

previously received a cheque for the proceeds of the LIRA in the amount of \$35,403.03 from Assante Wealth Management on January 28, 2016. The remainder of the funds, \$10,620.91, were held back in Ms. Laughlin's trust account to satisfy any resulting tax obligations from the dissolution of the LIRA.

83. [C.M.] stated that he developed concerns with Ms. Laughlin's conduct within the first two and a half years of the retainer. Ms. Laughlin became difficult to reach and often did not return [C.M.]'s calls or emails.

84. The following are email examples demonstrating [C.M.]'s attempts to contact Ms. Laughlin. On October 6, 2017, he emailed:

Hi Christina I have called several times and also emailed you. It [sic] have not received an answer we have re done my fathers taxes and will be sending them to you shortly we would like to know what our next step is so we can finally be done with this?

85. On October 11, 2017, [C.M.] emailed:

Hi Christina I called again today to speak about my fathers [sic] estate. I received a letter from CRA stating that they could not process the amendment to his taxes due to no legal representative being on file. I spoke with someone from your office who is going to look into it. I am just curious why this is the case considering we have been dealing with CRA over the past 3 years frequently? Can you please email me or call me back?

86. Ms. Laughlin's file contains two Requirements to Pay from the Prairies Regional Collections/Compliance Centre of the CRA, dated August 30, 2017, and May 9, 2018, notifying her of the requirement to remit any money payable to [B.M.] to the CRA forthwith. Ms. Laughlin did not reply to those notices. Ms. Laughlin was waiting to receive confirmation of the tax consequences of liquidating the LIRA from the accountant for the estate before remitting any of the funds that were held back to the CRA.

87. [C.M.] became particularly concerned in November 2018, when he was contacted by the CRA indicating they had not been able to reach Ms. Laughlin in 2 years. On November 27, 2018, [C.M.] wrote:

Hi Christina after sending in the revised taxes to CRA for the 3rd time it was finally accepted and not sent back to me. I will be speaking with the accounting company that did the amendment on his taxes and will forward their information on to you so you can discuss the taxable income for [D.M.] and my portion of the Allera [sic]. I also received a call from [F.W.] of CRA about my father's estate. He gave me some disturbing information that I was hoping that you could shed some light on.

[F.W.] told me that you have been extremely difficult to get in touch with over this process, while I do understand you are extremely busy and this may be a result of that. However he told me that CRA has not been able to get a hold of you since June 2, 2016. Is this true? Could you please email be back or call me...[D.M.] and I just want my father's estate closed and behind us now thanks.

88. On November 29, 2018, Ms. Laughlin replied:

Hi [C.M.],  
I am so glad you were finally successful in having an accountant file the taxes. Please forward their contact information to me so that I can ask them to determine the taxes

owing by both of you for the liquidation of your share of the LIRA. It is true that [F.W.] and I have not spoken. However, it is not true that I haven't attempted to contact him as well. He has left messages with my life (sic) and I have attempted to reach him to no avail as well and have left messages.

Now that I will be able to get the amount owing by each of you from your accountant, I will be able to have an informative discussion with [F.W.]. Until now, I was not in a position to tell him anything definitive about what portion of the LIRA was payable by each of you to CRA.

Can you send me the accountant's information ASAP?

89. [C.M.] then contacted the accountant to ask that he assist Ms. Laughlin in determining the amount owing in taxes from the LIRA. The accountant responded that he would try to assist, requested some additional information, and asked that [C.M.] forward his email to Ms. Laughlin. [C.M.] did so on December 4, 2018, and he asked her to apprise him of result.
90. On December 18, 2018, [C.M.] followed up with Ms. Laughlin by email, saying:

Hi Christina we were wondering if you were able to get the taxable amount for both [D.M.] and my portion of the lira? Also have you been able to contact CRA to finalize the estate? Hope to hear from you soon thanks and Merry Christmas.
91. On March 7, 2019, [C.M.] emailed Ms. Laughlin as follows:

Hi Christina  
We are wondering what is happening with the remainder of my father's estate? I never received a reply to my last email? Have you spoken with [F.W.] from CRA yet? And if so do we have a timeline on when this estate can be finalized? As you are aware I am sure we would like this completed. If you could please email me back and let me know where we are at with the estate thanks
92. Ms. Laughlin replied on March 11, 2019, by email, as follows:

Hi [C.M.],  
I am preparing for and/or am in court all this week and will not be able to attend to your file again until next week. However, please note that I did reach out to your accountant some time ago to obtain a final answer regarding the amount to be paid to CRA from your share and [D.M.]'s share of the LIRA but do not believe I ever received a response. I will attempt to contact him again next week.
93. Ms. Laughlin emailed [C.M.] a several times requesting that he provide her with the information that she requested regarding the tax consequence of the LIRA but never received the information. Ms. Laughlin does not have full access to the file for the estate or her emails and therefore cannot provide the dates of the emails.
94. [C.M.] stated that his last contact with Ms. Laughlin was in 2019. He filed Complaint CO[3] in May 2021. [C.M.] stated that he was not being able to contact Ms. Laughlin for many months.

95. The LSA administratively suspended Ms. Laughlin several times during the period that she was handling [C.M.] and [D.M.]’s file. Specifically, the LSA administratively suspended on the following dates:
- March 15 – March 23, 2018
  - July 1 – August 14, 2018
  - March 15 – March 18, 2019
  - July 3 – July 14, 2020
  - January 1 – January 13, 2021
  - March 23 – April 14, 2021
  - July 1 – July 7, 2021
96. Ms. Laughlin elected inactive status with the LSA in May 2022, and the LSA appointed a custodian to manage Ms. Laughlin’s practice. At that time, [C.M.] was provided with a copy of his file and was advised that the amounts of \$10,620.91 and \$404.31 remained in trust for the estate matter. \$10,620.91 is the amount Ms. Laughlin held back for tax purposes when she provided [C.M.] and [D.M.] with the proceeds of their father’s LIRA in July 2016. Ms. Laughlin did not take the steps necessary to determine the taxes owing as a result of the cashing out of the LIRA or to remit same to the CRA.

**Citation 8: It is alleged that Christina Laughlin failed to serve comply with Rule 119.21 by withdrawing money from her trust account for fees and disbursements prior to delivering a Statement of Account to her clients and that such conduct is deserving of sanction.**

97. Between July 2015 and May 2019, Ms. Laughlin made multiple withdrawals from her firm’s trust account for payments of account on [C.M.]’s file in amounts ranging from \$1,050 to \$2,835.90. [C.M.] did not receive all of those invoices from Ms. Laughlin.
98. [C.M.]’s client file contains 4 Statements of Account, dated June 3, 2016, March 5, 2018, January 15, 2019 and April 20, 2019. Not all of those accounts were provided to [C.M.] by Ms. Laughlin.
99. While Ms. Laughlin prepared Statements of Account prior to making withdrawals from trust, the file did not contain physical copies of all of them. Further, she did not deliver copies of all of the accounts that she prepared to [D.M.] or [C.M.] before or concurrently with the trust account withdrawals as required by Rule 119.21.

**Citation 9: It is alleged that Christina Laughlin failed to respond to communications from the Law Society and that such conduct is deserving of sanction.**

100. On November 29, 2021, Conduct Counsel sent a copy of Complaint [#3] to Ms. Laughlin and requested her written response and a complete copy of her client file, including accounting records, within 14 days. Ms. Laughlin did not respond.
101. On January 5, 2022, Conduct Counsel sent a reminder letter to Ms. Laughlin, requesting her response by January 28, 2022. She did not respond.

102. On February 8, 2022, Conduct Counsel sent a further reminder letter to Ms. Laughlin, asking for her response by March 2, 2022, and noting that no further extensions would be granted. She did not respond.
103. Ms. Laughlin ultimately did not provide any response to Complaint [#3].

***Admitted Facts Giving Rise to Complaint [#4] and Resulting Citations***

104. Ms. Laughlin was the listed LSA Trust Account “Responsible Lawyer” for her firm [TL Firm]. The firm was selected for a compliance audit in September 2020 (the “LSA Audit”). Ms. Laughlin attempted to cooperate during the audit process, but due to personal circumstances was at times unresponsive to requests for information, which ultimately led to the LSA revoking her Responsible Lawyer status.
105. [TL Firm]’s alternate Responsible Lawyer, [H.K.], then replaced Ms. Laughlin as Responsible Lawyer and the audit proceeded on December 7, 2020. The audit only included records generated during the period that Ms. Laughlin was the Responsible Lawyer.
106. The resulting audit report issued by the LSA and dated June 25, 2021 (the “Audit Report,” which is Exhibit 3 hereto), noted pervasive instances of non-compliance with the Rules as detailed below.

**Citation 10: It is alleged that Christina Laughlin failed to comply with Rule 119.36(4)(d) by failing to properly conduct and maintain monthly reconciliations of her trust account and that such conduct is deserving of sanction.**

107. Rule 119.36(4)(d) requires that a law firm conduct monthly trust account reconciliations within 1 month of the last day of each month.
108. As reported in the Audit Report, the LSA Audit revealed pervasive non-compliance with the above requirements for performing trust account reconciliations. Out of the 15 months of trust account reconciliations reviewed, at least one exception was found in all but four months.
109. Specifically, as reported in the Audit Report, the LSA Audit noted the following breaches of the above Rule:
  - in 4 of the months reviewed, the law firm did not perform reconciliations within the required timeframe;
  - in 3 of the months reviewed, adjustments in the reconciliation were not properly detailed;
  - in 4 of the months reviewed, the same adjustment appeared month after month;
  - in 6 of the months reviewed, there were no images of the negotiated cheques attached to the bank reconciliations.

110. Accordingly, Ms. Laughlin failed to comply with Rule 119.36(4)(d) by failing to properly conduct and maintain monthly trust account reconciliations.

**Citation 11: It is alleged that Christina Laughlin failed to comply with Rule 119.40 by failing to properly conduct monthly reconciliations of her general account and that such conduct is deserving of sanction.**

111. Rule 119.40 requires that a law firm reconcile its general accounts no later than the end of the following month.

112. In the course of the LSA Audit, as reported in the Audit Report, 5 months of general bank account reconciliations were reviewed. The following instances of non-compliance were noted:

- in all five of the months sampled, the law firm did not perform bank reconciliations within the required timeframe;
- in 1 of the months sampled, the ending bank balance per the reconciliation did not match the bank balance per the bank statement;
- in all 5 of the months sampled, adequate detail for adjustments or outstanding items was not provided; and
- in all 5 of the months sampled, the reconciliation package did not include copies of negotiated cheques.

113. The LSA Audit revealed numerous issues of non-compliance with Rule 119.40. As such, Ms. Laughlin failed to comply with Rule 119.40 by failing to complete monthly reconciliations of her general account.

**Citation 12: It is alleged that Christina Laughlin failed to comply with Rule 119.21(1) and 119.25 by transferring trust money between trust ledgers without preparing or signing a transfer document, and that such conduct is deserving of sanction.**

114. Rule 119.21(1) provides that all withdrawals and transfers from a trust account must be signed by a lawyer of the law firm, unless otherwise authorized in writing by the Executive Director of the LSA.

115. Further, Rule 119.25 only permits trust money to be transferred between client file trust accounts pursuant to a transfer document signed by a lawyer showing the date of transfer, source file, destination file and amount.

116. In 12 of the 12 samples reviewed in the course of the LSA Audit relating to trust funds transferred from matter to matter, the supporting documentation was insufficient and inappropriately maintained. Specifically, as reported in the Audit Report:

- there was no supporting transfer document created or maintained;
- a journal showing all transfers of money between trust ledger accounts was not properly maintained; and



- no evidence of a monthly review of matter-to-matter transfers by the lawyer was available.

117. Ms. Laughlin did not prepare the requisite transfer documentation prior to performing the trust transfers, or keep proper records or ledgers, for each of the 12 matters reviewed. Ms. Laughlin therefore failed to comply with Rules 119.21(1) and 119.25.

**Citation 13: It is alleged that Christina Laughlin failed to comply with Rule 118.6 by not properly verifying the identity of her clients, and that such conduct is deserving of sanction.**

118. Rule 118.6(1) requires that when a lawyer is engaged in or gives instructions in respect of receiving, paying or transferring funds, that lawyer must obtain from the client, and record with the applicable date, information about the source of funds, described in Rule 118.4. The lawyer must also verify the identity of the client.

119. Rule 118.6(6) provides that the client's identity must be verified by specific documents or with specific information.

120. During the LSA Audit, 12 samples from individual clients were selected to evaluate whether proper client identification and verifications were performed. As reported in the Audit Report, in 10 of the 12 samples, client verifications were not properly performed.

121. The issues noted include the following:

- the date the client ID verification was performed was 1 year prior to the date of issue of the license used to verify the client's identity;
- the file was opened and the client ID verification form was completed 1 year prior to the date of issue of the client's ID;
- the client ID verification form was not completed and there is no record of client ID verification;
- no client ID verification was found in the file.

122. In addition to the above individual samples, 6 organizational samples were selected for review. In five of those samples, client verification was not performed properly.

123. Specifically, the following issues were identified:

- no client information or ID was obtained or recorded;
- the client ID verification form was not signed or dated and the auditors were unable to determine when the verification was performed.

124. Accordingly, Ms. Laughlin failed to comply with Rule 118.6 by not properly verifying her clients' identity.

**Citation 14: It is alleged that Christina Laughlin failed to comply with the Rules pertaining to trust account withdrawals and that such conduct is deserving of sanction.**

125. As discovered during the LSA Audit, as reported in the Audit Report, Ms. Laughlin made multiple trust account withdrawals in violation of the Rules.
126. In 1 out of 23 samples examined during the LSA Audit, a [TL Firm] trust cheque written to a financial institution did not include a memo field on its face. This failure is in breach of Rule 119.22(1)(d), which requires that at the time a trust cheque is signed by a lawyer, the lawyer shall provide a reason for payment in the memo field of the cheque if the payee is a financial institution.
127. In 9 out of the 23 samples examined during the LSA Audit, cheques were not clearly marked as "Trust." This failure is in breach of Rule 119.22(1)(a), which requires that at the time a trust cheque is signed by a lawyer, the lawyer shall clearly indicate that it is a cheque drawn on a trust account.
128. In addition, in a number of trust withdrawals examined during the LSA Audit, the withdrawal payment could not be confirmed to be reasonable. Specifically, the LSA auditors' observations included:
  - 3 instances in which a payment was made to a third party without proper authorization, contrary to Rules 119.18(2)(c) and 119.21(3)(a)(ii); and
  - 3 instances in which there was no clear reason for the withdrawal of funds provided in the journal or client ledger, contrary to Rule 119.36.

**Citation 15: It is alleged that Christina Laughlin failed to comply with Rule 119.36(4)(f) and (g) by failing to maintain a billing journal and a fees and disbursements receivable ledger and that such conduct is deserving of sanction.**

129. Rule 119.36(4) requires that the financial records for trust money shall consist of at least the following:
  - a separate billing journal showing all fees and charges to clients, the dates of the statements of account for those fees and charges and the names of the clients;
  - a chronological fees and disbursements receivable ledger to record the law firm-client position for each client, showing statements of account rendered, payments on account and a continual running balance owing.
130. As reported in the Audit Report, the LSA Audit found that the billing journal and accounts receivable ledger were not prepared on a monthly basis during the audit period, and were not reviewed by Ms. Laughlin, the Responsible Lawyer. Further, in 2 instances, LSA auditors found the billing journal did not reconcile with the accounts receivable ledger.
131. LSA Auditors discovered multiple instances where statements of account issued by [TL Firm] were inaccurate. In 5 out of 9 sampled statements of account issued by the firm, an invoice number was not included.

132. Accordingly, Ms. Laughlin failed to comply with Rules 119.36(4)(f) and 119.36(4)(g) by failing to maintain a billing journal and a fees and disbursements receivable ledger.

**Citation 16: It is alleged that Christina Laughlin failed to comply with Rule 119.17(1) by depositing money into her trust account that was not directly related to the provision of legal services and that such conduct is deserving of sanction.**

133. Rule 119.17(1) requires that a lawyer only pay into and withdraw from or permit the payment or withdrawal from a trust account, funds that are directly related to legal services that the lawyer or the lawyer's firm is providing.
134. The Audit Report states that Ms. Laughlin did not provide evidence that indicated that legal services were rendered in relation to certain funds that were deposited to her trust account. Ms. Laughlin did provide legal services in respect of those deposited trust funds, but is unable to find the file documentation that supports same as she no longer has full access to file materials that were not previously provided to the LSA.

**Citation 17: It is alleged that Christina Laughlin failed to comply with Rule 119.16(3) by failing to remit the interest earned on her trust account to the Alberta Law Foundation and that such conduct is deserving of sanction.**

135. Rule 119.16(3) requires that every law firm instruct each approved depository with which it maintains a pooled trust account to remit the interest earned on the bank's trust account to the Alberta Law Foundation at least semi-annually.
136. As reported in the Audit Report, there is no evidence that interest earned on [TL Firm]'s pooled trust account during the relevant time was remitted to the Alberta Law Foundation.

**Citation 18: It is alleged that Christina Laughlin failed to comply with the Rules pertaining to the receipt of trust funds and that such conduct is deserving of sanction.**

137. Rule 119.19(1) requires that a law firm deposit any trust money received into the law firm's pooled trust account on or before the next banking day.
138. The Audit Report indicates that in 1 out of 13 sampled trust receipts, the law firm did not deposit the trust funds in a timely manner.
139. Specifically, a cheque addressed to Ms. Laughlin's firm was dated May 21, 2020, but was not deposited into the trust account until May 29, 2020.
140. While it is not clear when the cheque was received, there is no notation to suggest that the cheque was received on a date other than that the date of the cheque.
141. The Audit Report also noted that in 3 of the 13 sampled trust receipts, the source of funds could not be confirmed to be appropriate. This is in breach of Rule 119.36(4)(a)(ii), which requires that a law firm maintain a chronological trust journal of all trust receipts, including the source of the trust money received.
142. Accordingly, Ms. Laughlin failed to comply with the Rules pertaining to the receipt of trust funds, in particular Rules 119.19(1) and 119.36(4)(a)(ii).

**Citation 19: It is alleged that Christina Laughlin failed to comply Rule 119.36(4)(e) and (h) by failing to maintain the requisite general records and that such conduct is deserving of sanction.**

143. Rule 119.36(4) requires that a law firm maintain certain specific financial records.
144. The Audit Report identified multiple instances of non-compliance with general records requirements, including the following:
- in 1 out of 8 sampled general receipts, the deposit per the general bank journal could not be traced to the bank statement [in breach of Rule 119.4(4)(h)];
  - in 8 out of the 20 sampled withdrawals from the general account, transactions were not properly recorded in the general journal, and could not be traced to the bank statement [in breach of Rule 119.36(4)(e) and (h)];
  - in 3 out of the 20 sampled withdrawals, the payee could not be confirmed as inadequate information was provided in the general journal (in breach of Rule 119.36(4)(e)(ii)).
145. Accordingly, Ms. Laughlin failed to comply with Rule 119.36(4)(e) and (h) by failing to maintain required general records.

**Citation 20: It is alleged that Christina Laughlin failed to respond to communications from the Law Society and that such conduct is deserving of sanction.**

146. On June 2, 2022, LSA Conduct Counsel sent a copy of Complaint [#4] to Ms. Laughlin and requested her written response within 14 days. Ms. Laughlin did not respond.
147. On June 29, 2022, LSA Conduct Counsel sent a reminder letter to Ms. Laughlin, requesting her response by July 22, 2022. She did not respond.
148. On December 5, 2022, an LSA Investigator tried to call Ms. Laughlin and her mother repeatedly at different times of day and left multiple messages in relation to inquiries regarding another complaint but did not receive a response. Ms. Laughlin's voicemail was no longer accepting messages.
149. Section 7.1-1 of the Code directs that a lawyer must reply promptly and completely to any communication from the LSA.
150. Further, Rule 85 states that a member of the LSA who is the subject of a complaint must cooperate fully with the LSA in a review conducted under section 53 of the Act; must respond fully and substantively to any request to answer any inquiries or to furnish any records; and must respond within any timeline or in accordance with any deadline imposed by the LSA.
151. Ms. Laughlin did not provide any response to Complaint [#4].

## **ADMISSIONS OF GUILT**

### ***[Complaint #1]***

- I. *It is alleged that Christina Laughlin failed to comply with Rule 119.24(7) by failing to report a theft of money from her general account and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with Rule 119.24(7) by failing to report a theft of money from her general account.

- II. *It is alleged that Christina Laughlin failed to comply with Rule 119.24(7) by failing to report a theft of money from her trust account and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with Rule 119.24(7) by failing to report a theft of money from her trust account.

- III. *It is alleged that Christina Laughlin failed to comply with Rule 119.34(1)(e) by failing to notify Trust Safety of the issuance of one or more writs of enforcement against her and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with Rule 119.34(1)(e) by failing to notify Trust Safety of the issuance of one or more writs of enforcement against her.

- IV. *It is alleged that Christina Laughlin failed to comply with Rule 119.33(4) by failing to produce all records and supporting documentation required for a compliance audit and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with Rule 119.33(4) by failing to produce all records and supporting documentation required for a compliance audit.

### ***[Complaint #2]***

- V. *It is alleged that Christina Laughlin failed to act honourably or with integrity by accepting a client's vehicle as partial payment for legal fees but failing to transfer the registration and insurance, thereby using the vehicle registration and insurance of her client for an extended time to the detriment and expense of her client, and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to act honourably or with integrity by accepting a client's vehicle as partial payment for legal fees but failing to transfer the registration and insurance, thereby using the vehicle registration and insurance of her client for an extended time to the detriment of her client.

- VI. *It is alleged that Christina Laughlin failed to respond to communications from the Law Society and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to respond to communications from the Law Society.

**[Complaint #3]**

- VII. *It is alleged that Christina Laughlin failed to serve her clients, C.M. and [D.M.], in a competent, timely, diligent and efficient manner, and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to serve her clients, C.M. and [D.M.], in a competent, timely, diligent and efficient manner.

- VIII. *It is alleged that Christina Laughlin failed to comply with Rule 119.21 by withdrawing money from her trust account for fees and disbursements prior to delivering a Statement of Account to her clients and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with Rule 119.21 by withdrawing money from her trust account for fees and disbursements prior to delivering a Statement of Account to her clients.

- IX. *It is alleged that Christina Laughlin failed to respond to communications from the Law Society and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to respond to communications from the Law Society.

**[Complaint #4]**

- X. *It is alleged that Christina Laughlin failed to comply with Rule 119.36(4)(d) by failing to properly conduct and maintain monthly reconciliations of her trust account and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with Rule 119.36(4)(d) by failing to properly conduct and maintain monthly reconciliations of her trust account.

- XI. *It is alleged that Christina Laughlin failed to comply with Rule 119.40 by failing to properly conduct monthly reconciliations of her general account and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with Rule 119.40 by failing to properly conduct monthly reconciliations of her general account.

- XII. *It is alleged that Christina Laughlin failed to comply with Rules 119.21(1) and 119.25 by transferring trust money between trust ledgers without preparing or signing a transfer document, and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with Rules 119.21(1) and 119.25 by transferring trust money between trust ledgers without preparing or signing a transfer document.

- XIII. *It is alleged that Christina Laughlin failed to comply with Rule 118.6 by not properly verifying the identity of her clients, and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with Rule 118.6 by not properly verifying the identity of her clients.

XIV. *It is alleged that Christina Laughlin failed to comply with the Rules pertaining to trust account withdrawals and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with the Rules pertaining to trust account withdrawals.

XV. *It is alleged that Christina Laughlin failed to comply with Rule 119.36(4)(f) and (g) by failing to maintain a billing journal and a fees and disbursements receivable ledger and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with Rule 119.36(4)(f) and (g) by failing to maintain a billing journal and a fees and disbursements receivable ledger.

XVI. *It is alleged that Christina Laughlin failed to comply with Rule 119.17(1) by depositing money into her trust account that was not directly related to the provision of legal services and that such conduct is deserving of sanction.*

Ms. Laughlin does not admit that she failed to comply with Rule 119.17(1).

XVII. *It is alleged that Christina Laughlin failed to comply with Rule 119.16(3) by failing to remit the interest earned on her trust account to the Alberta Law Foundation and that such conduct is deserving of sanction.*

Ms. Laughlin does not admit that she failed to comply with Rule 119.16(3). Ms. Laughlin admits that she did not provide the LSA with proof that she instructed the bank to remit the interest from her trust account to the Alberta Law Foundation.

XVIII. *It is alleged that Christina Laughlin failed to comply with the Rules pertaining to the receipt of trust funds and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with the Rules pertaining to the receipt of trust funds.

XIX. *It is alleged that Christina Laughlin failed to comply with Rule 119.36(4)(e) and (h) by failing to maintain the requisite general records and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to comply with Rule 119.36(4)(e) and (h) by failing to maintain the requisite general records.

XX. *It is alleged that Christina Laughlin failed to respond to communications from the Law Society and that such conduct is deserving of sanction.*

Ms. Laughlin admits that she failed to respond to communications from the Law Society.

### **OTHER MATTER FOR CONSIDERATION**

152. During the period in which the above conduct occurred, Ms. Laughlin was facing a number of significant life challenges, including:

- Ms. Laughlin's spouse was suffering from serious [health issues], which took a tremendous toll on Ms. Laughlin and her family. Ms. Laughlin's spouse was unfortunately directly or indirectly responsible for many of the actions and failures set out above.
  - Ms. Laughlin's spouse [passed away] in May of 2021.
  - Ms. Laughlin was suffering from significant and chronic medical problems,[] and physical/psychological burnout.
  - Ms. Laughlin was under severe stress, which negatively impacted her ability to practice law and to deal with the LSA investigations.
153. Ms. Laughlin acknowledges and admits her misconduct and failures as set out herein. Ms. Laughlin sincerely regrets her misconduct and will do all that she can to ensure that similar conduct and failures will not occur in future.
154. Ms. Laughlin has provided undertakings to the LSA that will ensure that she will not be able to apply for reinstatement of her LSA membership unless and until she is able to practice safely, effectively, and in compliance with her obligations as a lawyer.
155. Ms. Laughlin attended counselling following the death of her spouse, and she intends to resume counselling and to receive medical assistance to address her challenges. She hopes and intends to progress to the point whereby she will be able to apply for reinstatement as a member of the LSA.

### **ACKNOWLEDGEMENTS**

156. Christina Laughlin unequivocally admits the facts set out herein and the truth of the documents exhibited hereto.
157. Christina Laughlin unequivocally admits guilt to the essential elements of 18 of the 20 citations set out herein describing the conduct deserving of sanction.
158. Christina Laughlin has signed this statement freely and voluntarily, without compulsion or duress.
159. Christina Laughlin understands the nature and consequences of these admissions.
160. Christina Laughlin has had the opportunity to consult with legal counsel.
161. Christian Laughlin understands that if there is a joint submission on sanction or any other matters, the Hearing Committee will show deference to it but is not bound by it.
162. Christina Laughlin acknowledges that pursuant to Rule 92(4) of the *Rules of the Law Society of Alberta*, this Statement will be published, and the Application or Hearing for which this Statement has been endorsed will be heard in public before the Benchers or a panel constituted by the Benchers.



**THIS STATEMENT OF ADMITTED FACTS AND ADMISSIONS OF GUILT IS MADE THIS  
\_\_\_\_\_ DAY OF JULY 2024.**

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**CHRISTINA LAUGHLIN**