

Misappropriation of trust funds

Jennifer Yiu-Yee Tse

Vancouver, BC

Called to the Bar: May 17, 1991

Voluntarily ceased membership: January 1, 2000

Admission and undertakings to Discipline Committee: December 5, 2002

On January 1, 2000 Ms. Tse ceased membership in the Law Society for non-payment of her practising fees. Despite no longer being a member, Ms. Tse continued to maintain trust and general accounts, hold herself out as a lawyer and perform legal services for fees.

Clients Mr. and Mrs. L

While acting for Mr. and Mrs. L in a real estate transaction in May, 2000, Ms. Tse received sale proceeds of \$746,344.27 on their behalf and deposited these funds to her pooled trust account. She made authorized payments of \$485,344.27 from these funds, leaving her with \$260,765.37 in trust to the credit of Mr. and Mrs. L.

On May 3, 2000 Ms. Tse wrote herself a trust cheque for \$756.37 from trust funds held for Mr. and Mrs. L, in payment of a statement of account.

On three subsequent occasions Ms. Tse wrote herself trust cheques totalling \$70,000 (\$30,000 on May 10, \$20,000 on May 16 and \$20,000 on June 6) on the funds held in trust for Mr. and Mrs. L. She withdrew these funds and deposited them in her general account without the consent of Mr. and Mrs. L. Ms. Tse admitted that her misappropriation of funds in these three instances constituted professional misconduct.

Client B

In mid-June, 2000 Ms. Tse was instructed by Mr. and Mrs. L to transfer \$260,000 of funds held for them in trust to a company they had designated to receive the funds. As a result of Ms. Tse's misappropriations, there was a \$70,000 shortfall in funds she held for these clients. In order to make up the shortfall and repay the money owed to Mr. and Mrs. L, Ms. Tse applied \$70,000 from funds held in trust for another client (B) without his consent. She admitted that her misappropriation of these funds from B constituted professional misconduct.

Clients N and N

On June 22, 2000 Ms. Tse was authorized by client B to pay \$100,000 from funds Ms. Tse held for him in trust. As a result of Ms. Tse's misappropriation of \$70,000 from B, there was a shortfall of money she held in trust for him. To make up this shortfall and replace the trust funds owed to B, Ms. Tse applied \$70,000 of funds she held in trust for

other clients (N and N) without their consent. She applied these funds to the payment she made on behalf of B. Ms. Tse admitted that her misappropriation of funds from N and N constituted professional misconduct.

On June 30 and July 5, Ms. Tse wrote herself two trust cheques for \$10,000 each (a total of \$20,000) from funds held in trust for N and N and deposited these funds to her general account without the consent of these clients. She admitted that her misappropriation of the funds constituted professional misconduct.

Client M

On July 12, 2000 Ms. Tse wrote a trust cheque as part of an authorized payment of trust funds held for N and N. Because of Ms. Tse's misappropriation of funds held for N and N, there was a \$90,000 shortfall in the funds held in trust on their behalf. To make up this shortfall and replace the funds, Ms. Tse used \$90,000 of funds held in trust for another client (M), without M's consent.

On August 3, 2000 Ms. Tse wrote herself a trust cheque for \$10,000 from funds held in trust for M, without M's consent, and deposited this money to her general account.

Ms. Tse admitted that her misappropriation of \$90,000 and \$10,000 of funds held in trust for M constituted professional misconduct.

Through counsel, Ms. Tse paid \$105,894.47 to M to repay the misappropriated funds and to pay interest and legal costs. She further paid \$4,457.34 directly to Revenue Canada on M's behalf to obtain a clearance certificate for real estate.

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On December 5, 2002, pursuant to Law Society Rule 4-21, Ms. Tse admitted to the Discipline Committee that her conduct in misappropriating trust funds constituted professional misconduct. The Committee accepted Ms. Tse's admission and her undertaking:

1. not to apply for reinstatement in the Law Society for five years;
2. not to apply for membership in any other law society without first advising the Law Society in writing;
3. not to permit her name to appear on the letterhead of any lawyer or law firm without the written consent of the Law Society; and
4. to obtain the written consent of the Law Society before working for any other lawyer or law firm in BC.