THE LAW SOCIETY OF BRITISH COLUMBIA

IN THE MATTER OF THE *LEGAL PROFESSION ACT,* SBC 1998, c. 9

AND

STEVENSON LUCHIES & LEGH

(A Law Firm in British Columbia)

RULE 3-7.1 CONSENT AGREEMENT SUMMARY

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1. On October 26, 2026, the Chair of the Discipline Committee approved a consent agreement proposal submitted by Stevenson Luchies & Legh (the "Law Firm") under Rule 3-7.1 of Law Society Rules (the "Rules").

2. Under the proposal, the Law Firm admitted that it committed professional misconduct pursuant to s. 38(4) of the *Legal Profession Act* as follows:

   1. The Law Firm admits that between approximately September 8, 2016, and December 2, 2024, approximately 95 cheques, drawn by the Senior Corporate Legal Assistant (the "Corporate Legal Assistant"), were issued from the Law Firm's trust accounts to a numbered company (the "numbered company") totaling $465,513.40, which were not for legal services provided by the Law Firm, contrary to Rule 3-58.1 of the Law Society Rules.

   2. The Law Firm admits that between approximately September 8, 2016, and December 2, 2024, as a result of the actions of the Corporate Legal Assistant, the Law Firm failed to maintain sufficient funds in the Law Firm's trust accounts to meet the Law Firm's obligations with respect to funds held in trust for clients, contrary to Rule 3-63 of the Law Society Rules.

   3. The Law Firm admits that the funds withdrawn by the numbered company from the Law Firm's trust accounts, between approximately September 8, 2016, and December 2, 2024, were withdrawn contrary to Rule 3-64(1) of the Law Society Rules.

4. The Law Firm admits that between approximately September 2016 to December 2024, it failed to properly supervise the Law Firm's Corporate Legal Assistant, contrary to Rule 3-54(3)(b) of the Rules and Rules 6.1-1 of the *Code of Professional Conduct for British Columbia.*

5. The Law Firm admits that between approximately September 2016 and December 2024, it did not maintain proper trust account records in relation to some, or all, of the 95 cheques issued to the numbered company from the Law Firm's trust account, which:

(i) accurately showed each transfer of funds between clients' trust ledgers, including the name and number of both the source file and the destination file,

(ii) contained an accurate explanation of the purpose for which each transfer was made, and

(iii) contained the lawyer's written approval of the transfer,

contrary to Rule 3-68(c) of the Law Society Rules.

3. Under the proposal, the Law Firm agreed to pay a fine of $45,000.

4. In making its decision, the Chair of the Discipline Committee considered an Agreed Statement of Facts dated October 16, 2026, and a letter to the Chair of the Discipline Committee. The Chair also considered that the Law Firm did not have a prior professional conduct record.

5. This consent agreement will now form part of the Law Firm's professional conduct record.

6. Pursuant to Rule 3-7.1(5) of the Rules, and subject to Rule 3-7.2 of the Rules, the Law Society is bound by an effective consent agreement, and no further action may be taken on the report that give rise to the consent agreement.

7. The admitted facts set out in the Agreed Statement of Facts dated October 16, 2026, have been summarized below.

Summary of Facts

Background

8. At all material times, the Law Firm operated on Vancouver Island with offices in Victoria, Nanaimo, and Sooke. Formerly, the Law Firm also had an office in the Westshore. The Law Firm practices in the areas of civil litigation, wills and estates, corporate law, real estate, family law, and criminal law.

9. James Legh and Tyler Luchies were, and are, the partners and directors of the Law Firm (the "Partners") which had approximately 13 associate lawyers. A practising lawyer was the Law Firm office manager. The Law Firm also had an external accountant, internal bookkeeper, and another employee who assisted with bookkeeping.

10. The Law Firm operated general and trust accounts, including trust accounts at CIBC, Scotiabank, and TD Canada Trust.

11. In or around 2016, the Law Firm hired a Corporate Legal Assistant. The Corporate Legal Assistant initially worked at the Law Firm's downtown Victoria location; however, due to space constraints, the Law Firm relocated the Corporate Legal Assistant with the corporate records department to the Westshore office where there were fewer lawyers.

12. The Corporate Legal Assistant worked with most, if not all, of the lawyers at the Law Firm.

13. As part of their position, the Corporate Legal Assistant had access to the Law Firm's trust accounting system, trust ledgers, and trust records.

14. The Law Firm required two signatories on trust cheques. All cheques had to be signed by at least one lawyer and one other authorized signatory. The Law Firm granted the Corporate Legal Assistant signing authority on the Law Firm's trust accounts, as a secondary signatory; however, the Corporate Legal Assistant did not have online access to the trust accounts.

Discovery of misappropriation

15. On December 3, 2024, a lawyer in the Firm was reviewing the trust records for a client and saw that there was less showing in the account than there should have been. The lawyer contacted the assistant bookkeeper who determined there was a cheque drawn on the trust account which the lawyer knew was not relevant to the client file. As the accounting file indicated that the cheque was entered by the Corporate Legal Assistant, the Law Firm staff contacted the Corporate Legal Assistant. The Corporate Legal Assistant said they would look into it.

16. On December 4, 2024, the Law Firm staff reviewed the trust accounting records and noted that trust funds appeared to be missing. Upon further review, Law Firm staff observed that cheques had been issued from the Law Firm's trust accounts to a numbered company.

17. The numbered company was incorporated on February 5, 2012. On December 13, 2012, the Corporate Legal Assistant was added as a director. They ceased to be a director on January 14, 2018. However, on February 20, 2019, a notice of change of directors was filed which identified the Corporate Legal Assistant as a director dating back to January

1, 2018. The company was dissolved on November 2021 but later restored effective June 22, 2022.

18. When the Law Firm staff discovered that cheques had been issued to the numbered company, they conducted a corporate search which revealed that the Corporate Legal Assistant was the director of the numbered company.

19. On December 4, 2024, Law Firm staff advised Mr. Legh of their concern regarding the missing trust funds. At that time, staff believed approximately $233,000 was inappropriately paid to the numbered company from the Law Firm's trust account although the total amount that was misappropriated was ultimately determined to be $465,513.40.

20. On December 4, 2024, Mr. Legh immediately arranged to terminate the Corporate Legal Assistant's access to the Law Firm's computer systems and to have the locks changed at the Westshore office. Mr. Legh also immediately attended the Westshore office and discovered that the Corporate Legal Assistant had failed to show up for work. With another staff member, Mr. Legh then attended the Corporate Legal Assistant's residence where he found that individual in distress and called for assistance.

Law Firm's report and investigation

21. On December 5, 2024, Mr. Legh filed a report with the Law Society advising that the Corporate Legal Assistant had misappropriated $232,788.46 from the Law Firm by negotiating cheques from the Law Firm's trust account to the numbered company.

22. To cover the trust shortage, the Law Firm transferred $232,788.46 into the Law Firm's trust account on December 10, 2024. Mr. Legh and Mr. Luchies personally covered those funds.

23. The Law Firm also retained external accountants to review and reconstruct its accounting records. Through this process, the Law Firm learned that the Corporate Legal Assistant had drawn and negotiated cheques to the numbered company on two Law Firm trust accounts in relation to approximately 31 client files.

24. On January 9, 2025, the Law Firm made a further deposit from its general account to trust in the amount of $162,108.92 to cover additional trust shortages identified through its investigation. Mr. Legh and Mr. Luchies personally covered those funds.

25. On January 13, 2025, the Law Firm made a further deposit from its general account to trust in the amount of $11,199.28 to cover additional trust shortages identified through its investigation. Mr. Legh and Mr. Luchies personally covered those funds. In total, the Corporate Legal Assistant misappropriated $465,513.40 in trust funds.

26. All of the trust cheques issued to the numbered company were signed by at least one associate lawyer of the Law Firm. None were signed by either Mr. Legh or Mr. Luchies.

27. Following the discovery of the Corporate Legal Assistant's misappropriation of trust funds, Mr. Legh interviewed some of the associate lawyers at the Law Firm who had signed off on trust cheques that were issued to the numbered company, including three associates who had collectively co-signed many of the cheques that were made payable to the numbered company. The three associates indicated that they trusted the Corporate Legal Assistant and acknowledged they may not have reviewed supporting documentation for the trust cheques they had signed.

28. The Law Firm also filed a report regarding the theft with the Victoria Police Department and commenced a civil action against the Corporate Legal Assistant and the numbered company.

29. No client suffered a financial loss because of the theft.

Improper trust withdrawals

30. Between September 8, 2016, and December 2, 2024, the Law Firm issued 95 trust cheques payable to the numbered company for a total amount of $465,513.40.

31. The 95 trust cheques made payable to the numbered company totaling $465,513.40 were not related to legal services provided by the Law Firm.

32. Each of the 95 trust cheques were signed by an associate lawyer of the Law Firm who had authorization to do so.

33. As a result of the Corporate Legal Assistant's misappropriation of $465,513.40, the Law Firm failed to maintain sufficient funds in its trust accounts to meet the Law Firm's obligations with respect to funds held in trust for clients.

34. The 95 trust cheques made payable to the numbered company from the Law Firm's trust accounts were withdrawn contrary to Rule 3-64(1) of the Law Society Rules.

Failure to adequately supervise staff

35. The Corporate Legal Assistant had access to the Law Firm's trust accounting system, trust ledgers, and trust records, and had secondary signing authority with authorized lawyers on the Law Firm's trust accounts.

36. As a result of the relocation from the Victoria office to the Westshore office, the Corporate Legal Assistant was subject to supervision by fewer lawyers in person.

37. Five associate lawyers at the Law Firm signed 95 trust cheques payable to the numbered company without verifying the legitimacy of the payee, the reason for the payment, or the client approval.

38. The Corporate Legal Assistant targeted trust funds that were on client files which were not active and moved trust funds around between files to evade detection. The Corporate Legal Assistant made entries and edits to the trust accounting records which were not caught by the bookkeeper.

39. The Law Firm failed to properly supervise the Corporate Legal Assistant.

Failure to maintain accurate trust account records

40. The Law Firm did not maintain accurate trust account records in accordance with Rule 3-68(c) of the Law Society Rules in relation to some or all of the 95 trust cheques that were made payable to the numbered company from the Law Firm's trust account.

41. Specifically, the Law Firm did not maintain accurate records:

    (i) showing each transfer of funds between clients' trust ledgers, including the name and number of both the source file and the destination file;

    (ii) containing an accurate explanation of the purpose for which each transfer was made; and

    (iii) containing the lawyer's written approval of the transfer.

Mitigating Factors

42. The Law Firm made a self-report and took remedial steps to transfer sufficient funds to cover trust shortages and bring the Law Firm's accounting practices into compliance with the Rules.

43. No client suffered a financial loss as a result of the misappropriation and the Law Firm's inadequate accounting practices and procedures.