

Admission to Discipline Committee

Steven Olaf Youngman

AGREED STATEMENT OF FACTS

Member Background

1. Steven Olaf Youngman (the " Respondent") was admitted to the bar of the Province of British Columbia on May 12, 1981.
2. From September 1, 1996, the Respondent has practised as Steven O. Youngman under the name Youngman Tax Law in Vancouver, B.C.
3. From April 10, 1990 to September 1, 1996, the Respondent was a partner of the accounting firm Wolrige Mahon.
4. Prior to April 10, 1990, the Respondent was an associate at the firm Richards Buell Sutton (" RBS"). He was initially seconded by RBS to Wolrige Mahon on January 1, 1983. After approximately one year, the Respondent began to be paid directly by and became a *de facto* employee of Wolrige Mahon, though he maintained his registration status with the Law Society as an associate lawyer at RBS until April 10, 1990.

Citation

5. The Citation in this matter was authorized by the Discipline Committee on May 3, 2007. The Citation was issued September 12, 2007 and amended on June 11, 2008 (the " Amended Citation").
6. The Respondent admits that he was properly served through his counsel with the citation and waives the requirements of Rule 4-15 of the *Law Society Rules*.

Background to the Complaint

7. While working at Wolrige Mahon, commencing in or about 1983, the Respondent provided legal services to RE (the " Client") and to a number of companies under RE's control (the " Companies") engaged in the business of multi-level marketing.
8. The Respondent's services to the Client included, in 1988, participation in the drafting and implementation of a " royalty agreement" by means of which Companies situated in North American, the U.K and Australia paid royalties to a Company located in Anguilla (a tax haven) for the use of " intellectual property" ostensibly owned by that Company. As a result, the Companies filed tax returns to reduce taxable income, augmenting the Client's personal income.
9. The Client was charged with tax fraud by the U.S. Department of Justice (" D.O.J.") and the D.O.J. subsequently initiated discussions with the Respondent. The Respondent retained legal counsel in the U.S. He did not seek to assert in his discussions with D.O.J. officials, on the Client's behalf, any claim that the services he provided and his communications with the Client were subject to confidentiality. The Respondent was later served by the D.O.J. with a subpoena to give evidence.

10. The Client subsequently pleaded guilty to tax evasion and served a prison sentence of one year in the U.S.

Admission

11. The Respondent admits that in his dealings with United States federal prosecutors he failed to take any or adequate steps to protect confidential client information in respect of professional services provided to the Client and Companies, contrary to Chapter 5 of the *Professional Conduct Handbook*. The Respondent further admits that his failure to take such steps constitutes professional misconduct.