

**THE LAW SOCIETY OF BRITISH COLUMBIA**

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

AND

**LIAM P. KEARNS**

(a member of the Law Society of British Columbia)

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**RULE 3-7.1 CONSENT AGREEMENT**

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1. On May 17, 2023, the Chair of the Discipline Committee approved a proposal submitted by Liam P. Kearns (the “Lawyer”) under Rule 3-7.1 of the Law Society Rules (“Rules”).
2. Under the proposal, the Lawyer admitted that he committed the following professional misconduct:

Between September 2020 and March 2022, the Lawyer gave a non-lawyer at least 17 pre-signed blank trust cheques, contrary to rules 3.5-2 and 6.1-3 of the *Code of Professional Conduct for British Columbia*.
3. The Lawyer has consented to a fine of \$15,000, and an undertaking to review the Law Society’s Trust Accounting Handbook and Trust Accounting Basics webinar, and review the applicable principles and practices with his accounting and legal staff in two mandatory lunchtime workshops by December 31, 2023.
4. In making its decision, the Chair of the Discipline Committee considered an Agreed Statement of Facts dated May 15, 2023, and a letter to the Chair of the Discipline Committee. The Chair of the Discipline Committee also considered that the Lawyer’s prior professional conduct record includes two conduct reviews. The Lawyer attended one conduct review in September 2020 to discuss various trust accounting issues and another in 2003 related to an unintentional breach of an undertaking.
5. This consent agreement will now also form part of the Lawyer’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 of British Columbia (the “Law Society”) is bound by an effective consent agreement, and no further action may be taken on the complaint that gave rise to the agreement.
7. The admitted facts, set out in the Agreed Statement of Facts, have been anonymized and summarized below.

## **I. Summary of Facts**

8. The Lawyer was called to the bar on August 28, 1992. Following his call to the bar, he worked at several small and medium-sized law firms in the Lower Mainland of British Columbia. Since February 16, 2001, he has worked at his own firm, Kearns & Company (the “Firm”), which has offices in Surrey and Langley, British Columbia.
9. The Lawyer currently practises primarily in the areas of residential real estate and wills and estates law.
10. In October 2022, the Law Society conducted a compliance audit of the Firm’s accounting records. The compliance audit revealed that between September 2020 and March 2022, the Lawyer left pre-signed blank trust cheques with his legal assistant.
11. Starting in September 2020, the Lawyer began leaving approximately three to four pre-signed blank trust cheques at a time. The cheques were kept in a cheque cabinet, together with a stock of unsigned trust cheques. The cabinet was only accessible to the Lawyer, another lawyer at the Firm, and during regular business hours, to the Lawyer’s legal assistant.
12. The Lawyer explained that he started leaving pre-signed blank trust cheques in response to changes at the office related to the Covid-19 pandemic that resulted in lawyers being away from the office for greater periods of time. Occasionally a typo or error would be discovered, requiring a trust cheque to be re-issued. If the error was discovered when lawyers were not present at the office then the inability to re-issue a trust cheque could jeopardize the completion of a real estate transaction. To prevent this, the Lawyer left pre-signed blank trust cheques at one location of the Firm. The practice was limited to periods during the pandemic as opposed to it being a routine practice.

13. In the course of investigating other possible misconduct, currently unproven, that did not involve the Lawyer, the Law Society identified 17 trust cheques that the Lawyer pre-signed between January 2021 and March 2022. Prior to the compliance audit, the Lawyer did not have any knowledge of or reason to suspect other possible misconduct with respect to the cheques.
14. The Lawyer now acknowledges that his conduct was wrong and that pre-signing blank trust cheques greatly increases the risk to client trust funds as it places the Firm's trust account at risk of a shortage through lack of supervision and oversight, error, and/or misappropriation. The Lawyer no longer pre-signs blank trust cheques.
15. With respect to mitigating factors, the Lawyer has acknowledged his misconduct and is remorseful. At an early stage in the investigation, he sought to resolve his matter through the consent agreement process. The Lawyer contributes to several community charities in the Lower Mainland. He also supports the arts sector through financial donations and his personal involvement since 2013 with an acting group that raises funds for local theatres. He has volunteered many times as an adjudicator for a moot program at a law school.