



Law Society
of Saskatchewan

**The Law Society of Saskatchewan
*Law Society of Saskatchewan v. Eggum, 2021 SKLSS 1***

**IN THE MATTER OF THE *LEGAL PROFESSION ACT, 1990*
AND A REQUEST FOR MEMBER'S APPLICATION
TO RESIGN IN THE FACE OF DISCIPLINE BY KRISTIAN EGGUM, Q.C.
REASONS FOR THE DECISION OF THE CONDUCT INVESTIGATION COMMITTEE
FOR THE LAW SOCIETY OF SASKATCHEWAN**

1. On January 7, 2021, Kristian Eggum applied to the Law Society of Saskatchewan Conduct Investigation Committee (the Committee) to resign his membership in the face of discipline, under Rule 1111 of The Rules of the Law Society of Saskatchewan. Rule 1111 provides:

Resignation in the Face of Discipline

1111 (1) A member may apply to the Conduct Investigation Committee to resign in the face of discipline:

- (a) with consent of Counsel for the Conduct Investigation Committee;
- (b) at any stage of the investigation by a Conduct Investigation Committee prior to service of the Formal Complaint on the member; or
- (c) at any time after the service of the Formal Complaint on the member, prior to the commencement of the hearing.

(2) Resignation in the face of discipline is deemed to be equivalent to disbarment.

(3) In order to make an application to resign, the member must make admissions with respect to the conduct under investigation and enter into an Agreed Statement of Facts.

(4) The Conduct Investigation Committee may hear an application to resign in the face of discipline and may:

- (a) reject the application pending the completion of the discipline process;
- (b) grant the application and accept the member's resignation in the face of discipline, and may impose conditions on the acceptance of same;
- (c) impose conditions including a time period of up to five years during which the member will not apply for reinstatement;
- (d) direct that, upon any application for reinstatement, the Agreed Statement of Facts will be considered;

- (e) prior to any application for reinstatement, require the member to:
 - (i) complete a remedial educational program;
 - (ii) undertake to refrain from practicing in specified areas of law;
 - (iii) obtain one or both of:
 - (A) a psychiatric assessment;
 - (B) a psychological assessment; and
 - (C) an addictions assessment;
 - (iv) obtain one or both of:
 - (A) a medical examination; and
 - (B) a medical opinion respecting the member's capability to practise law;
 - (v) satisfy any other conditions, prior to application for reinstatement, that the Conduct Investigation Committee deems appropriate.
- (5) Any application for reinstatement by a member whose application for resignation in the face of discipline was granted pursuant to this Rule shall be made pursuant to Rule 729 of the Rules.
- (6) If the Conduct Investigation Committee accepts a resignation in the face of discipline pursuant to this Rule, the Agreed Statement of Facts shall be published in the same manner and to the same persons as the Notice required by Rule 1137.
- (7) Nothing in this Rule affects the ability of the Hearing Committee to permit a member to resign as a penalty.

2. For the purposes of this application, the Committee is comprised of Mr. Evert van Olst, Q.C. and Ms. Suzanne Jeanson. Mr. Eggum is represented by Mr. Brian Pfefferle, and the Committee is represented by Mr. Tim Huber. The Rules do not require a formal hearing of the matter, and the parties consented to proceed without one.

3. At all material times, Mr. Eggum was a practicing member of the Law Society of Saskatchewan and was subject to the provisions of *The Legal Profession Act, 1990* and the Rules of the Law Society of Saskatchewan.

4. Mr. Eggum is currently the subject of an outstanding formal complaint alleging that he is guilty of conduct unbecoming a lawyer in that he:

- a. did, by deceit, falsehood, or other fraudulent means defraud the Government of Canada of money in an amount greater than five thousand (\$5,000.00) dollars, contrary to Section 380(1)(a) of the Criminal Code.

5. In addition to this, Mr. Eggum was placed on interim suspension status on May 2, 2012. This was a result of a long-standing investigation relating to complaints by clients over conflicts of interest between himself and his clients, as well as several allegations of misappropriation of client funds.

6. Mr. Eggum now expresses his desire to resign his membership in the Law Society of Saskatchewan in the face of discipline in connection with both the pending formal complaint and the pending investigation.

7. In support of his application to resign, Mr. Eggum entered into an Agreed Statement of Facts which includes an acknowledgement of conduct and events which lead us to the current application, and which is reproduced in part as follows:

6. The allegations that gave rise to the Member's interim suspension in 2012 included the following conduct:
 - i. On many occasions, loaning what amounted to thousands of dollars to clients, some of whom were vulnerable, at high rates of interest without independent legal advice;
 - ii. Failing to properly document transactions where money was lent to or received from clients;
 - iii. Effecting withdrawals of trust funds for the payment of fees, disbursements or other expenses and the repayment of loans in a manner contrary to Law Society of Saskatchewan Rule 942(3), as it then was;
 - iv. On many occasions the Member issued multiple trust cheques to clients only to have those clients endorse some of those cheques back to him, for no documented purpose, sometimes multiple times on the same day. On other occasions the Member would attend at the banks with clients (most had no identification and no bank account) while they cashed their cheques and would facilitate repayment of cash to the Member. These practices corrupted the Member's trust record in relation to money received by the client and money received by the Member;
 - v. On several occasions the Member applied CEP settlement funds received by him to pay unrelated outstanding legal accounts of the client or in other instances, made payments to other individuals; and
 - vi. The Member held client settlement funds and charged the clients a fee per withdrawal, essentially acting as a high fee bank account.
7. The investigation into the above noted practices was placed into abeyance when the Law Society became aware of a RCMP investigation relating to the Member's involvement in fraudulent residential school claims.
8. The Member ultimately became the subject of a criminal fraud prosecution. In February of 2019 the Member pled guilty to the following:

That he, between the 30th day of May A.D. 2006 and the 2nd day of May, A.D. 2012, at or near Prince Albert, in the Province of Saskatchewan did:

By deceit, falsehood or other fraudulent means defraud the Government of Canada of money in an amount greater than five thousand (\$5,000.00) dollars, contrary to Section 380(1)(a) of the Criminal Code.

9. The Member was found to have been involved in representing individuals who did not attend residential school and providing them with the means to make fraudulent claims through his office. The member ought to have known the individuals did not attend residential school. He assisted the claimant in proving their claim, upon which the Federal Government acted to pay. The Member then collected a contingency fee on the settlement amount related

to the fraudulent claim. The Member was sentenced to 90 days jail. The following additional orders were made:

- i. The Member was given a 20-year prohibition on working or volunteering in a capacity that requires him to act in a position of authority over the property of another person;
 - ii. The Member was ordered to pay \$35,000.00 in restitution; and
 - iii. The Member became the subject of a 3-year probation order that prohibited him from engaging in the practice of law.
- vii. Unfortunately, Mr. Eggum was diagnosed with serious health concerns in May 2012. He is now 81 years old and has not resumed practice in any capacity since February of 2012.

Decision

8. In the circumstances, the Committee believes that permission should be given to Mr. Eggum to resign in the face of discipline, pursuant to Rule 1111. Such resignation is equivalent to disbarment.

9. The Committee hereby grants Mr. Eggum's application and accepts his resignation in the face of discipline. We decline to impose any conditions to attach to this order.

10. There is no order as to costs.

"Evert Van Olst, Q.C."

"Suzanne Jeanson"

AGREED STATEMENT OF FACTS AND ADMISSIONS BETWEEN KRISTIAN EGGUM AND THE LAW SOCIETY OF SASKATCHEWAN

Jurisdiction

11. KRISTIAN EGGUM (hereinafter "the Member") is, and was at all times material to this proceeding, a practicing Member of the Law Society of Saskatchewan (hereinafter the "Law Society"), and accordingly is subject to the provisions of *The Legal Profession Act*, 1990 (hereinafter the "Act") as well as the *Rules of the Law Society of Saskatchewan* (the "Rules").

12. The Member is currently the subject of an outstanding Formal Complaint alleging that he is guilty of conduct unbecoming a lawyer in that he:

a. did, by deceit, falsehood, or other fraudulent means defraud the Government of Canada of money in an amount greater than five thousand (\$5,000.00) dollars, contrary to section 380(1)(a) of the Criminal Code.

13. The Member is also the subject of a long-standing investigation relating to complaints by clients over conflicts of interest between himself and his clients as well as several allegations of misappropriation of client funds. In relation to these allegations, the Member was placed on interim suspension status on May 2, 2012.

14. Pursuant to Law Society of Saskatchewan Rule 1111, the Member wishes to resign his membership in the Law Society of Saskatchewan in the face of discipline in connection with both the pending Formal Complaint and the pending long-standing investigation. Resignation in the face of discipline pursuant to rule 1111 is deemed to be equivalent to disbarment.

15. This Agreed Statement of Fact is advanced for the purposes of allowing the Member's resignation in the face of discipline equivalent to disbarment, pursuant to Rule 1111.

Particulars of Conduct

16. The allegations that gave rise to the Member's interim suspension in 2012 included the following conduct:

- i. On many occasions, loaning what amounted to thousands of dollars to clients, some of whom were vulnerable, at high rates of interest without independent legal advice;
- ii. Failing to properly document transactions where money was lent to or received from clients;
- iii. Effecting withdrawals of trust funds for the payment of fees, disbursements or other expenses and the repayment of loans in a manner contrary to Law Society of Saskatchewan Rule 942(3), as it then was;
- iv. On many occasions the Member issued multiple trust cheques to clients only to have those clients endorse some of those cheques back to him, for no documented purpose, sometimes multiple times on the same day. On other occasions the Member would attend at the banks with clients (most had no identification and no bank account) while they cashed their cheques and would facilitate repayment of cash to the Member. These practices corrupted the Member's trust record in relation to money received by the client and money received by the Member;
- v. On several occasions the Member applied CEP settlement funds received by him to pay unrelated outstanding legal accounts of the client or in other instances, made payments to other individuals; and
- vi. The Member held client settlement funds and charged the clients a fee per withdrawal, essentially acting as a high fee bank account.

17. The investigation into the above noted practices was placed into abeyance when the Law Society became aware of an RCMP investigation relating to the Member's involvement in fraudulent residential school claims.

18. The Member ultimately became the subject of a criminal fraud prosecution. In February of 2019 the Member pled guilty to the following:

That he, between the 30th day of May A.D. 2006 and the 2nd day of May, A.D. 2012, at or near Prince Albert, in the Province of Saskatchewan did:

By deceit, falsehood or other fraudulent means defraud the Government of Canada of money in an amount greater than five thousand (\$5,000.00), contrary to Section 380(1)(a) of the Criminal Code.

19. The Member was found to have been involved in representing individuals who did not attend residential school and providing them with the means to make fraudulent claims through his office. The member ought to have known the individuals did not attend residential school. He assisted the claimant in proving their claim, upon which the Federal Government acted to pay.

The Member then collected a contingency fee on the settlement amount related to the fraudulent claim. The Member was sentenced to 90 days in jail. The following additional orders were made:

- i. The Member was given a 20-year prohibition on working or volunteering in a capacity that requires him to act in a position of authority over the property of another person;
- ii. The Member was ordered to pay \$35,000.00 in restitution; and
- iii. The Member became the subject of a 3-year probation order that prohibited him from engaging in the practice of law.

20. The Member has completed an Application to Resign in the Face of Discipline (Equivalent to Disbarment) pursuant to Rule 1111. Counsel for the Law Society consents to that Application on the understanding that the Member will comply with the requirements of the rules governing this process.

21. The Member was diagnosed with serious health concerns in May 2012 which affected his ability to make sound judgments. The Member (now 81 years old) has not resumed practice in any capacity since February 2012.

Prior History

22. The Member has no prior findings of conduct unbecoming.