2016 LSBC 29
Decision issued: July 25, 2016
Citation issued: May 11, 2015

THE LAW SOCIETY OF BRITISH COLUMBIA

In the matter of the *Legal Profession Act*, SBC 1998, c. 9

and a hearing concerning

PIR INDAR PAUL SINGH SAHOTA

RESPONDENT

DECISION OF THE HEARING PANEL ON FACTS AND DETERMINATION

Hearing dates:	April 25, 26 and 27, 2016
Panel:	Phil Riddell, Chair Ralston S. Alexander, QC, Lawyer Glenys Blackadder, Public representative
Discipline Counsel:	Alison Kirby
Appearing on his own behalf:	Pir Sahota

BACKGROUND

[1] On May 11, 2015, a citation was issued against Pir Indar Paul Singh Sahota (the "Respondent") pursuant to the *Legal Profession Act* and Rule 4-13 of the Law Society Rules by the Chief Legal Officer of the Law Society of British Columba on the direction of the Chair of the Discipline Committee.

[2] The citation is ten pages long and comprises seven separate allegations, some of which include several separate sub-allegations of misconduct. In total there are 52 factual incidents set out in the citation to be considered by the Panel. The citation deals with events that occurred between July 2008 and July 2011. A copy of the citation is appended to this decision.

[3] The Respondent acknowledged that the service of the citation complied with Rule 4-15 of the Law Society Rules.

FACTS

[4] The Law Society demonstrated, with evidence from Kensi Gounden, that the Respondent had successfully completed the Law Society Small Firm Practice Course on September 13, 2008, approximately nine months after the Respondent had commenced practice as a sole practitioner. Mr. Gounden testified that the Respondent took the Small Firm Practice Course a second time and again completed the requirements. The Small Firm Practice Course has a complete module on the proper operation of a trust account for small firms and sole practitioners.

[5] Allegation 1 of the citation alleges 15 incidents of misappropriation or trust fund shortages where cheques were written on the trust account in amounts greater than sums standing to the credit of the related client on the trust sub-ledger.

[6] Allegation 2 alleges five incidents of misappropriation or trust fund shortages where cheques were written on the trust account in amounts greater than funds on deposit, resulting in a trust shortage. In addition, the allegation is that payments were made for accounts to the Respondent's law corporation where the amounts paid were in excess of the amounts disclosed to the clients on the referenced account.

[7] Allegation 3 is improper withdrawal of funds from the trust account where no matching deposit of funds to permit the withdrawal had been made.

[8] Allegation 4 is failure to immediately eliminate some of the trust shortages identified in allegation one of the citation.

[9] Allegation 5 alleges 16 incidents of alleged misconduct where the Respondent failed to deposit funds to his trust account as soon as practicable after they were received.

[10] Allegation 6 alleges that the Respondent maintained more than $300 of his own money in his pooled trust account, contrary to Law Society Rules.

[11] Allegation 7 alleges breaches of 14 different Law Society accounting rules, with multiple breaches of some of the rules particularized.

[12] In its pursuit of this citation the Law Society prepared and served a comprehensive Notice to Admit pursuant to Law Society Rule 4-28. The Notice to Admit comprised 71 pages (without exhibits) and contained 422 paragraphs requiring denial or admission by the Respondent. Exhibits to the Notice to Admit numbered 280 and filled four binders of approximately 400 pages each.

[13] The Respondent replied to the Notice to Admit, essentially admitting all factual allegations but providing explanations and context and denying misappropriation throughout.

[14] The events that form the substance of the citation came to the attention of the Law Society as the result of a trust compliance audit performed on the office of the Respondent. The audit began on February 23, 2011 and was developed over several days. The records available in the Respondent's office were incomplete, and it was necessary to require the Respondent to put his records in proper order so that the trust compliance audit could continue starting on September 26, 2011.

[15] With the benefit of the carefully crafted Notice to Admit and the Reply of the Respondent to those documents, it is not necessary for us to describe and analyze each of the 52 separate alleged delicts that make up the citation. The citation is largely self-explanatory as to the particulars of the allegations, most of which are admitted by the Respondent. In these reasons a description of a typical circumstance for each allegation in the citation will be provided as context for readers.

ALLEGATION 1

[16] The events alleged in allegation 1 resulted from the Respondent's practice in conveyancing. He did not have an in-house staff person dealing with these matters, and each conveyancing file was "handled" by a contract conveyancer who prepared documents for client execution based upon documents provided and searches conducted by that conveyancer.

[17] Most of the incidents described in allegation 1 resulted from financial events developing in a file in a manner that was different from that contemplated when the documents were prepared by the contract conveyancer. For example, sale proceeds received from another law firm would be legitimately reduced from those expected, but no consequent adjustment was made by the Respondent. Accordingly, the payments contemplated by the initially prepared documents were made, and trust shortages resulted.

ALLEGATION 2

[18] The events described in allegation 2 involve payments to the Respondent's law firm for legal fees and disbursements. The amounts of fees and disbursements charged and sometimes paid allegedly did not match the amounts shown on statements of account or the orders to pay funds prepared in each conveyance file.

[19] Some of the confusion around these payments arose because the payments were shown in the same amounts but in different documents. In other instances, the charges were aggregated, resulting in the identity of individual components of the charges being lost.

[20] Generally, the circumstances of allegation 2 arose as the result of chronic inadequacies in the books and records of the Respondent. He would make payments to himself on account of fees and disbursements from funds held in trust without regard for the actual funds available in trust. That amount was frequently elusive due to the same shortcomings in the records. Sometimes partial payments on account of disbursements would be made at or near the completion date of the conveyance with the balance of the payments made much later in time.

[21] The allegations are made up of two component parts. First is the recurring allegation of overdrawing the trust account. The second component is the allegation that funds were paid to the law firm for fees and disbursements in excess of the amounts shown to clients on statements of account and statements of adjustment.

[22] There is no argument that the trust account was overdrawn in respect of the allegations in allegation 2. There is nothing to distinguish this aspect of the allegation from the overdrafts in the trust account described in allegation 1. However, except as to sub-allegation 2(a), the facts do not bear out the allegation that funds were paid on fee and disbursement accounts in excess of the amounts shown on the statements provided to clients.

[23] For allegation 2(a), funds were paid to the law firm in the amount of $790 more than shown as payable by the client on the documents provided. This excess payment caused a trust shortage of only $250 because the statements displayed a $500 charge for title insurance that was not incurred. There was also a "file administration" fee of $40 charged that was not paid so that, when the un-spent amounts ($540) are deducted from the amount of the excess payment ($790), the resulting smaller overdraft ($250) is explained. The client has overpaid the law firm the sum of $500. This sub-allegation is established.

[24] In allegation 2(c) there was no client. The payments were made to reimburse the contract conveyancer for disbursements incurred in the belief that the firm had a conveyance to process. The client for whom the searches were undertaken had gone elsewhere for the work and the payment was never recovered. Ironically, $11.20 of the shortage was for a Trust Assurance Fee paid to the Law Society. No TAF was payable on this file since the law firm did not process trust funds.

[25] For allegations 2(b), 2(d) and 2(e), the amounts shown as payable to the law firm on the statements prepared for the client are matched exactly by funds paid to the law firm. As noted above, the amounts were sometimes displayed under different headings and therefore some care was required to discern the allocation of the payments, but no misinformation was present, contrary to the allegation in that component of the citation.

ALLEGATION 3

[26] It is not clear why factual the matter alleged in allegation 3 was separated from those in allegation 1 of the citation as it is not atypical. Simply put, the Respondent, while representing a vendor, paid out a portion of the sale proceeds before making a deposit to his trust account of the funds received from the solicitor for the buyer. The Respondent had the sale proceeds in hand, but the funds had not been deposited. A trust shortage resulted for the 24-hour period between the time that the funds were paid out and the time that the covering deposit was made the next day. The Respondent admitted this allegation without explanation or excuse.

ALLEGATION 4

[27] Allegation 4 relates to the trust shortages resulting from the events described in allegation 1. The allegations, almost entirely admitted by the Respondent, demonstrate that, in those instances where a trust shortage was caused by negligent record management, there was often a delay before the trust shortage was remedied while the Rules require that trust shortages be eliminated immediately when they occur.

[28] In these instances, it was shown that it was a matter of happenstance whether a particular trust shortage would be covered when discovered. It is also the case that, due to the systemic inadequacies of the Respondent's records, many trust shortages were not discovered for long periods of time after they occurred.

ALLEGATION 5

[29] The events described in allegation 5 are admitted by the Respondent with the explanation below.

[30] This allegation results in part from the Respondent's steadfast refusal to delegate authority to deposit trust funds to the law firm trust account. In most instances, the funds were received by the Respondent and he simply did not attend to deposit the trust monies. His explanation is that he does not attend to banking on a daily basis because he is engaged in court and is not in or near his office during banking hours.

[31] The Respondent does not appear to appreciate the importance of compliance with this Rule, and accordingly, funds that should be deposited forthwith upon receipt simply sat in a file and waited for a time when the Respondent was in the office and available to go to the bank.

ALLEGATION 6

[32] The validity of allegation 6 was acknowledged by the Respondent. It is a further manifestation of the comprehensively inadequate record-keeping system operated by the Respondent at the material times covered by the citation. The Respondent was less than meticulous about transferring his fees and disbursements to his general account from his trust account when the file was completed.

[33] The transfer of fees and disbursements from trust to general is simply another aspect of the accounting regime that the Respondent neglected. Since fees on conveyance matters that have been billed and earned are often part of the money paid by a client to a lawyer's trust account, if the final "clean up" of the file at the end of the conveyance is not attended to, there will inevitably be money accumulating in trust that belongs to the Respondent. A single un-transferred conveyance fee will put the firm books offside the Rule that prohibits personal funds in excess of $300 in a lawyer's trust account.

[34] In the practice of the Respondent at the material times, there were numerous instances where fees were not transferred from the trust account when they should have been. The result is an accumulation of the Respondent's own money to an extent much greater than is permitted by the Law Society Rules.

ALLEGATION 7

[35] Allegation 7, like the other allegations of the citation, was substantially admitted by the Respondent. It is the summary allegation from the accumulation of the array of breaches of Law Society Rules, which rules are in place to protect the public and the public's interest in the integrity of lawyers' trust accounts.

[36] The details of the breaches of the Rules are found in the citation, but illustrative examples include failing to prepare monthly trust account reconciliations, failing to issue receipts for cash deposits, failing to keep copies of bills, failing to maintain a proper trust transfer journal, and failing to record the identity of a client on whose behalf trust funds are received.

[37] Several years after the time period impacted by the events in the citation and while the investigation of the citation events was ongoing, the Law Society commissioned a forensic audit of the books and records of the Respondent. That audit was conducted by D.S. Barbour, CA who prepared and published a report of his findings.

[38] Peculiarly, the report of the forensic audit was produced in evidence, without its many exhibits, by the Respondent, and not by the Law Society. The introduction of the report in evidence was initially objected to by counsel for the Law Society. The report is discussed in more detail later in these reasons.

BURDEN OF PROOF

[39] The burden of proving the allegations in the citation on a balance of probabilities rests with the Law Society. There are virtually no factual matters in dispute, and certainly there are no factual matters of significance in dispute.

[40] The significant admissions provided by the Respondent in response to the Notice to Admit have effectively eliminated the need to consider the extent to which the Law Society has discharged the burden upon it. The Panel is left with the task of determining the legal implications, within the Law Society Rules, of the factual matrix that has been placed before it.

ISSUES AND ANALYSIS

[41] The Panel begins with an appreciation that the state of the financial records of the Respondent at all material times was beyond description. The English language has insufficient adjectives to pay proper respect to the mess that was the financial

records of the Respondent for the period of time from the commencement of the private practice to the date of the completion of the Law Society visits to gather records and information.

[42] The record of these proceedings establishes that the Respondent successfully completed the Small Firm Course on two occasions. In this result, two possibilities emerge for consideration. Either the Course is ineffective and easily passed without comprehension or the Respondent had assistance with the testing sections of the course to establish a passing status. The anecdotal evidence available to the Panel disproves the first option.

[43] What is manifestly clear to the Panel is that the substantive information intended to be communicated in the Course to prospective or actual small firm practitioners did not make it from the Course to the knowledge of the Respondent. During the material time covered by the citation, there are simply far too many specific examples of a blatant misunderstanding by the Respondent of the foundations of elementary trust accounting practices to accept the premise that the Respondent understood his trust accounting obligations. He did not.

[44] For example, after many months of engagement with the Law Society on these trust accounting issues, all the while being chastised for financial misbehaviour, the Respondent provided a trust cheque to a client when he had no money in trust to cover it. This approach was adopted by the Respondent on the basis that the client had apparently agreed to await advice from the Respondent as to when the trust cheque could be cashed.

[45] This substantially unconventional approach to trust account management was adopted by the Respondent because the client was a single mother without convenient transportation to the Respondent's office and the Respondent expected the covering funds would be provided by an Alberta lawyer in the near future. Contrary to arrangements made with the client, the trust cheque was cashed before the covering deposit was made. The trust account was overdrawn.

[46] There are many such examples of similar mistakes made leading to trust shortages. There are equally numerous examples of continuing breaches of Law Society accounting rules. It is clear to the Panel that the Respondent was challenged to find appropriate financial record-keeping assistance in the early years of his practice. Resources were scarce and the skill level of bookkeeping staff did not meet minimum expectations. Many, many mistakes were made.

[47] We are satisfied the Respondent did not appreciate at the material times that, each time he wrote a trust cheque without sufficient funds on deposit, he was using other

client's funds to meet his trust obligations. Trust accounting is a zero sum game. Each sub-ledger is unique and distinct from all others. The "pooled" trust account concept is true in name only. The client trust funds are in a single account but are not in any other way "pooled," and meticulous, separate accounting is required for each separate client component of the pool. The Respondent did not understand this concept.

[48] During the time of the Law Society investigation, it was necessary for the Respondent's accounting staff, with direction from the Law Society auditors, to re-enter every financial transaction for the affected period. This data re-entry process was done not once, but twice.

THE FORENSIC AUDIT

[49] The Law Society objected to the admission into evidence of the report of the forensic audit. The Panel determined that the objection was based upon a conclusion advanced by the forensic auditor where he noted that "There was no evidence that the Member was misappropriating funds for his personal use." It was the position of the Law Society that it was not open to the auditor to make a determination on the question of whether the Respondent was guilty of misappropriation. That determination, according to the Law Society argument, was reserved for the Panel.

[50] We do not necessarily agree that a forensic auditor is not entitled to form an opinion on the question of whether a particular course of conduct amounts to a misappropriation of client funds. There is no particular mystery about the concept. However, it is not necessary for that question to be resolved by us in these reasons. The report of the forensic audit was entered in evidence on the basis that the Panel was not bound by any opinion offered by the auditor on the question of whether the actions of the Respondent amounted to misappropriation. We will have more to say on this question later in these reasons.

[51] There is much useful information in the report on the forensic audit, particularly in the summary of findings. We highlight some of the significant determinations made by the auditor:

1. The QuickBooks accounting program used in part by the Respondent is internally flawed such that a reconciliation of the trust obligations is not possible without a manual adjustment that is beyond the skill of most, even those with formal training.

2. The Respondent did not ever reconcile his trust account during the relevant time frame, and he did not know how to do so; this problem was exacerbated by the errors in the QuickBooks program.

3. The part-time bookkeeper retained by the Respondent at the material times was not formally trained.

4. The professional bookkeeping assistance retained by the Respondent (CGA) and the report generated by that professional "contains several material errors."

5. The auditor noted the following that is significant to this citation:

> There was no evidence during the course of my investigation that the debit balances in the trust liability ledger were caused by anything other than poor management practices by the Member, including the disbursement of funds when there were insufficient funds on hand, i.e. timing of disbursements and receipt of deposits.
>
> There was no evidence during the course of my investigation that the retention of inactive client funds for long periods of time or the lack of resolving uncleared cheques were caused by anything other than poor management practices by the Member.
>
> ...
>
> The poor management practices by the Member will continue to put the Member at risk to breach the Rules in the future.

"PAPER" TRUST SHORTAGES

[52] There were numerous trust shortages referenced in the citation that were described by both the Law Society and the Respondent as "paper shortages." These shortages occurred when the Respondent delivered a trust cheque without sufficient funds on deposit at the time of issue, but by the time that the cheque was presented for payment, or cleared the trust account of the Respondent, the trust shortage had been rectified with a deposit of funds. In the course of the hearing there were references by both the Law Society and the Respondent to the fact that these trust shortages were "only paper shortages" since, by virtue of the fortuitous timing, no actual trust default occurred.

[53] We wish to make it abundantly clear that there is no distinction to be drawn between a so called "paper shortage" and one where a cheque is cashed in circumstances where the client sub-ledger is overdrawn. Both circumstances create a trust overdraft and an unequivocal and identical breach of the Rules. That one transaction is "saved" by a timing happenstance does not render the trust breach less troubling or more favourable.

[54] A trust account cheque is an undertaking to pay. When a trust account cheque is issued, it is the rule of the Law Society, based upon the "undertaking to pay" concept, that the trust cheque is capable of being presented for immediate payment.

PROFESSIONAL MISCONDUCT

[55] Given the overwhelming evidence of trust account abuse and mismanagement demonstrated and admitted in the circumstances of this case, we find that the case for professional misconduct is compelling. The test is whether the facts as made out disclose a marked departure from that conduct the Law Society expects of lawyers; if so, it is professional misconduct. See *Law Society of BC v. Martin*, 2005 LSBC 16 and *Re: Lawyer 12*, 2011 LSBC 35.

[56] We have determined that there are abundant examples of circumstances that meet the test of a "marked departure" alleged in the citation and made out in the evidence and admissions. Virtually every incident described in the citation is itself a marked departure. The exacerbating circumstance is that the demonstrated trust defaults are so numerous and so incapable of any rational explanation.

[57] The trust account behaviour evidenced by the Respondent over the time period described in the citation is nothing short of deplorable. The events describe a horrific time period in the practice of the Respondent where, with respect to the trust account, almost nothing was done properly.

[58] We find that, taken as whole, the conduct of the Respondent represents a manifestly marked departure from conduct the Law Society expects of lawyers. Accordingly, we confirm that the behaviour of the Respondent, in the circumstances described in the Notice to Admit and as acknowledged by the Respondent with his admissions, constitutes professional misconduct.

[59] That is however, not the end of the analysis. The Law Society seeks a finding of "misappropriation," and the Respondent categorically disputes that allegation. It is important to determine if the behaviour of the Respondent amounts to "misappropriation," as that determination will impact upon the nature and extent of any penalties to be imposed upon the Respondent. This will be the final

determination of significance, since virtually all other components of the multi-count citation were admitted.

MISAPPROPRIATION

[60] We begin with an attempt to understand the nature of misappropriation. In the decision of a hearing panel on facts and verdict in the matter of *Law Society of BC v. Ali*, 2007 LSBC 18, at para. 79, the following appears in the context of describing the meaning of misappropriation:

> Misappropriation is defined in *Black's Law Dictionary*, 6th Edition as follows:
>
> > The unauthorized, improper, or unlawful use of funds or other property for purposes other than that for which intended. Misappropriation of a client's funds is any unauthorized use of clients funds entrusted to an attorney, including not only stealing but also unauthorized temporary use for lawyer's own purpose, whether or not he derives any personal gain or benefit therefrom ...

[61] These are important clarifications. Any unauthorized use qualifies. It does not need to amount to stealing, as long as there is an unauthorized temporary use for the lawyer's own purpose. Personal gain or benefit to the lawyer is not required.

[62] Further, the panel in *Law Society of BC v. Harder*, 2005 LSBC 48, provided at para. 56 the following helpful language to the quest for clarity on this issue:

> A useful further clarification of the meaning of misappropriation is found in an American authority, in the matter of *Charles W. Summers* 114 NJ 209 @ 221 [SC 1989] where the Court stated:
>
> > Misappropriation is "any unauthorized use by the lawyer of clients' funds entrusted to him, including not only stealing, but also unauthorized temporary use for the lawyer's own purpose, whether or not he derives any personal gain or benefit therefrom." [. . .] As we stated in re Noonan [. .], knowing misappropriation consists simply of a lawyer taking a client's money entrusted to him, knowing that it is the client's money and knowing that the client has not authorized the taking. [. . .].
> >
> > The lawyer's subjective intent to borrow or steal, the pressures on the lawyer leading him to take the money, the presence of the

> attorney's good character and fitness and absence of "dishonesty, venality, or immorality" are all irrelevant.

[63] Thus, all that is required is for the lawyer to take the money entrusted to him or her knowing that it is the client's money and that the taking is not authorized.

[64] In *Law Society of BC v. Gellert*, 2013 LSBC 22, the panel stated at para. 71:

> Misappropriation of a client's trust funds occurs where the lawyer takes those funds for a purpose unauthorized by the client, whether knowingly or through negligence or incompetence so gross as to prove a sufficient element of wrongdoing. As this definition indicates, there must be a mental element of wrongdoing or fault, yet this mental element need not rise to the level of dishonesty as that term is used in the criminal law. See *Ali*, paras. 79-80, 105; *Harder*, para. 56.

[65] It may not be possible to reconcile the various statements cited, but we are primarily seeking to determine where the conduct of the Respondent fits within the range of these diverse observations. Among legal professionals, "misappropriation" is an emotionally charged word. It connotes substantial financial misbehaviour. It is intuitively connected to wrongdoing and fault, and despite the language of the various cases cited, it is difficult to imagine a finding of "inadvertent" misappropriation. *Gellert* says that there must be "a mental element of wrongdoing or fault."

[66] We believe that the circumstances of the Respondent are unique. He is clearly guilty of negligence and gross incompetence in the conduct of the financial aspects of his practice. So comprehensively inept is he that it may not be appropriate to characterize his behaviour as negligent. Negligence suggests that there has been dereliction of a duty owed. That characterization requires there to be an understanding of an initial duty that is owed. Nothing in the evidence before us suggests that the Respondent was aware of the duty owed to clients in the financial administration of his practice.

[67] We believe that the Respondent, at the times material to this citation, had no appreciation of the trust accounting rules, of how to comply with those rules or of the extent to which his practices were offside even elementary compliance.

[68] We have struggled with the requirement to find a mental element of wrongdoing or fault. The forensic auditor determined that no such mental element existed. The forensic auditor specifically negated intention on the part of the Respondent and attributed all fault to the chronic poor management practices of the Respondent.

[69] The wilful blindness test is also awkward with this Respondent as it is necessary to find wilful "blindness" to something that should be accorded attention. It is not at all clear that the Respondent understood the need to pay attention to the compendious Law Society accounting rules and the meticulous compliance that is required. Mr. Barbour noted that the Respondent did not know how to reconcile the trust account.

[70] However, it must be acknowledged that there is a line that may not be crossed. A lawyer must not be permitted to operate a trust account with repeated, inexplicable overdrafts, and then say, when caught out "I did not intend the consequences – this is accidental – there is no wrongdoing and therefore no misappropriation." We do not need to draw the line – it is somewhere beyond a single incident of a trust shortage, inadvertent or otherwise, and it is somewhere short of 51 such events.

[71] A finding of professional misconduct without a matching determination of misappropriation does not sufficiently describe the extent to which the public trust has been abused in the circumstances of this citation. The evidence of error upon error upon error is overwhelming and frustrating. This behaviour reaches a level of misconduct that is wrongdoing simpliciter. The sheer volume of the delicts establishes the necessary element of fault. This extent of trust account mismanagement must in itself demonstrate the necessary elements of wrongdoing and fault. More is not required.

[72] There is no conclusion possible other than to find that, in addition to the professional misconduct so dramatically made out on these facts, that the Respondent is also guilty of the misappropriation of his client's funds.

[73] All required elements of the definition of misappropriation are made out in these circumstances. The use of the client's funds (to cover a shortage in another sub-ledger) was not authorized. The unauthorized use must occur either knowingly or with gross negligence or incompetence. We are clear that this test has been satisfied.

[74] To paraphrase the court in *Summers*, as quoted in *Harder* above, the pieces that we have identified as possibly missing in our analysis are not relevant. We do not need to find the Respondent's subjective intent to borrow or steal. The presence of the Respondent's good character and fitness and the absence of the Respondent's dishonesty, venality, or immorality have been amply demonstrated but to no useful end.

DECISION

[75] Except as noted above with respect to the Law Society's failure to demonstrate misleading client accounts (allegations 2(b), 2(c), 2(d) and 2(e)), we find that the Law Society has demonstrated on a clear preponderance of credible evidence that the Respondent is guilty of all seven allegations contained within the citation. We also find that the Respondent misappropriated client funds and in the result of these findings, we find that the Respondent has committed professional misconduct.

CITATION

1. Between approximately July 2008 and February 2013, you misappropriated, or improperly withdrew client trust funds when your trust accounting records were not current and there were insufficient funds on deposit to the credit of the clients, contrary to one or both of Rule 3-55 or Rule 3-56(1.2) of the Law Society Rules, on one or more of the following occasions:

(a) On or about July 16, 2008, you withdrew trust funds totaling $800.50 on behalf of your client M (file number) in payment of your fees and disbursements when you held only $249.54 to the credit of that client resulting in a trust shortage of $550.96. You withdrew additional trust funds of $323.75 on or about April 16, 2010 in payment of your fees and disbursements increasing the trust shortage to $874.71;

(b) On or about May 1, 2009, you withdrew trust funds of $584.75 on behalf of your client A (file numbers) in payment of your fees and disbursements when you held no funds to the credit of that client resulting in a trust shortage of $584.75;

(c) On or about December 1, 2009, you withdrew trust funds totaling $580,509.87 on behalf of your client R (file number), including funds in payment of your fees and disbursements of $731, when you held only

$577,599.07 to the credit of that client resulting in a trust shortage of $2,910.80. You withdrew additional trust funds on or about March 19, 2010 ($1,271.97) and April 20, 2010 ($437.15) increasing the trust shortage to $4,619.92;

(d) On or about February 5, 2010, you withdrew trust funds totaling $405,140.80 on behalf of your client B (file number), including funds in payment of your fees and disbursements of $736.00, when you held no funds to the credit of that client resulting in a trust shortage of $405,140.80;

(e) On or about April 8, 2010, you withdrew trust funds totaling $285.44 on behalf of your client Rp (file number) when you held only $177.44 to the credit of that client resulting in a trust shortage of $108;

(f) On or about April 16, 2010, you withdrew trust funds totaling $60.50 on behalf of your client P Holdings (file number) in payment of your fees and disbursements when you held only $10.50 to the credit of that client resulting in a trust shortage of $50;

(g) On or about April 16, 2010, you withdrew trust funds totaling $2,824.25 on behalf of your client B (file number) in payment of your fees and disbursements when you held only $650.50 to the credit of that client resulting in a trust shortage of $2,173.75;

(h) On or about April 16, 2010, you withdrew trust funds totaling $670.50 on behalf of your client S (file number) in payment of your fees and disbursements when you held only $295.50 to the credit of that client resulting in a trust shortage of $375;

(i) On or about July 14, 2010, you withdrew trust funds totaling $160 on behalf of your client N (file number) when you held only $100.50 to the credit of that client resulting in a trust shortage of $59.50;

(j) On or about July 22, 2010, you withdrew trust funds totaling $603,440.58 on behalf of your client G (file number), including funds in payment of your fees and disbursements of $876.20, when you held only $603,311.60 to the credit of that client resulting in a trust shortage of $128.98;

(k) On or about October 26, 2010, you withdrew trust funds totaling $4,367.48 on behalf of your client M (file number), including funds in payment of your fees and disbursements of $591.25, when you held only $695.48 to the credit of that client, resulting in a trust shortage of $3,672;

(l) On or about May 20, 2011, you withdrew trust funds totaling $2,500 on behalf of your client M (file number) in payment of your fees when you held only $2,000 to the credit of that client resulting in a trust shortage of $500;

(m) On or about April 18, 2011, you withdrew trust funds totaling $201.15 on behalf of your client G (file number) in payment of your fees and disbursements when you held no funds to the credit of that client resulting in a trust shortage of $201.15;

(n) On or about June 2, 2011 and July 7, 2011, you withdrew trust funds totaling $262.12 on behalf of your client M (file number), including funds in payment of your fees and disbursements of $188.72, when you held no funds to the credit of that client resulting in a trust shortage of $262.12;

(o) On or about February 5, 2013, you withdrew trust funds totaling $3,132.60 on behalf of your client B (file number) when you held only $454 to the credit of that client resulting in a trust shortage of $2,678.60.

This conduct constitutes professional misconduct or breach of the Act or rules, pursuant to s. 38(4) of the *Legal Profession Act*.

2. Between July 2008 and July 2011, you misappropriated, or improperly withdrew client trust funds when your trust accounting records were not current, there were insufficient funds on deposit to the credit of your client(s) and the amount withdrawn in purported

payment of your fees and disbursements did not match your bill(s) to your client(s), contrary to one or more of Rule 3-55, Rule 3-56(1.2) and Rule 3-57 of the Law Society Rules, on one or more of the following occasions:

(a) On or about July 16, 2008, you withdrew trust funds totaling $790 on behalf of your client S (file number), purportedly in payment of your fees and disbursements, when you held only $625.50 to the credit of that client resulting in a trust shortage of $164.50. You withdrew additional trust funds totaling $85.50 on or about April 22, 2009 and April 16, 2010 increasing the trust shortage to $250;

(b) On or about September 2, 2010, you withdrew trust funds totaling $279,209.34 on behalf of your client D (file number), of which $711.20 was purportedly in payment of your fees and disbursements, when you held only $275,134.14 to the credit of that client resulting in a trust shortage of $4,075.20;

(c) On or about February 14, 2011, you withdrew trust funds totaling $56 on behalf of your client K (file number) purportedly in payment of your disbursements when you held only $44.80 to the credit of that client resulting in a trust shortage of $11.20;

(d) On or about June 28, 2011 and July 21, 2011, you withdrew trust funds totaling $868.90 on behalf of your client S (file number), of which $795.50 was purportedly in payment of your fees and disbursements, when you held no funds to the credit of that client resulting in a trust shortage of $868.90;

(e) On or about July 7, 2011, you withdrew trust funds totaling $320,203.69 on behalf of your client D (file number), of which $951.20 was purportedly in payment of your fees and disbursements, when you held only $137,203.69 to the credit of that client resulting in a trust shortage of $182,999.99.

This conduct constitutes professional misconduct or breach of the Act or rules, pursuant to s. 38(4) of the *Legal Profession Act*.

3. On or about January 26, 2011, you improperly withdrew trust funds totaling $247,547.39 on behalf of your client S (file number) when you had insufficient funds on deposit to the credit of your client, contrary to Rule 3-56(1.2) of the Law Society Rules, due to your failure to deposit funds received from or on behalf of that client, contrary to Rule 3-51 of the Law Society Rules.

This conduct constitutes professional misconduct or breach of the Act or rules, pursuant to s. 38(4) of the *Legal Profession Act*.

4. You did not immediately eliminate the trust shortages referred to in allegation 1 of this citation relating to one or more of your clients S (file number), M (file number), B (file number), N (file number), K (file number), or M (file number), upon discovery of the shortages, contrary to Rule 3-66 of the Law Society Rules.

This conduct constitutes professional misconduct or breach of the Act or rules, pursuant to s. 38(4) of the *Legal Profession Act*.

5. Between approximately August 2010 and April 2013, you failed to deposit trust funds in a pooled trust account as soon as practicable, contrary to Rule 3-51 of the Law Society Rules, on one or more of the following occasions:

(a) You failed to deposit the sum of $4,075.20 received on or about August 23, 2010 on behalf of your client D (file number) into your pooled trust account until on or about September 8, 2010;

(b) You failed to deposit the sum of $500 received on or about September 26, 2011 on behalf of your client M (file number) into your pooled trust account until on or about November 23, 2011;

(c) You failed to deposit the sum of $12,712. received on or about October 22, 2012 on behalf of your client B (file number) into your pooled trust account until on or about December 13, 2012;

(d) You failed to deposit the sums of $2,451.60 and $227 received on or about December 3, 2012 on behalf of your client B (file number) into your pooled trust account until on or about December 13, 2012;

(e) You failed to deposit the sum of $450 received on or about December 11, 2012 on behalf of your client B (file number) into your pooled trust account until on or about December 24, 2012;

(f) You failed to deposit the sum of $454 received on or about January 28, 2013 on behalf of your client B (file number) into your pooled trust account until on or about February 12, 2013;

(g) You failed to deposit the sum of $2,451.60 received on or about February 15, 2013 on behalf of your client B (file number) into your pooled trust account until on or about May 13, 2013;

(h) You failed to deposit the sum of $500 received on or about April 15, 2013 on behalf of your client L into your pooled trust account until on or about May 13, 2013;

(i) You failed to deposit the sum of $250 received on or about April 16, 2013 on behalf of your client D into your pooled trust account until on or about May 13, 2013;

(j) You failed to deposit the sum of $300 received on or about April 18, 2013 on behalf of your client C into your pooled trust account until on or about May 13, 2013;

(k) You failed to deposit the sum of $1,200 received on or about April 18, 2013 on behalf of your client F into your pooled trust account until on or about May 13, 2013;

(l) You failed to deposit the sum of $200 received on or about April 19, 2013 on behalf of your client G into your pooled trust account until on or about May 13, 2013;

(m) You failed to deposit the sum of $210 received on or about April 22, 2013 on behalf of your client B into your pooled trust account until on or about May 13, 2013;

(n) You failed to deposit the sum of $500 received on or about April 22, 2013 on behalf of your client R into your pooled trust account until on or about May 13, 2013;

(o) You failed to deposit the sum of $500 received on or about April 22, 2013 on behalf of your client C Doors into your pooled trust account until on or about May 13, 2013;

(p) You failed to deposit the sum of $300 received on or about April 26, 2013 on behalf of your client P into your pooled trust account until on or about May 13, 2013.

This conduct constitutes professional misconduct or a breach of the Act or Rules, pursuant to section 38 of the *Legal Profession Act*.

6. Commencing in or around June 2011, you maintained more than $300 of your own funds in your pooled trust account, contrary to Rule 3-52(4) of the Law Society Rules. In particular, you failed to deposit into your general account 12 trust cheques dated between June 28, 2011 and March 1, 2013 payable to Sahota Law Corporation in payment of your fees and disbursements.

This conduct constitutes professional misconduct or a breach of the Act or Rules, pursuant to section 38 of the *Legal Profession Act*.

7. Commencing in January 2008 and continuing to May 2013, you failed to maintain accounting records in compliance with the provisions of Part 3 Division 7 of the Law Society Rules and in particular you failed to do one or more of the following:

(a) between January 2008 and December 2009, you did not prepare monthly trust reconciliations for your pooled trust accounts within 30 days of the effective date of the reconciliation or at all, contrary to Rule 3-65 of the Law Society Rules;

(b) between December 2009 and May 2013, you did not prepare monthly trust reconciliations for your pooled trust accounts within 30 days of the effective date of the reconciliation, contrary to Rule 3-65 of the Law Society Rules;

(c) on approximately 12 occasions between November 2009 and September 2011, you failed to issue receipts for cash received, contrary to Rule 3-61.1 of the Law Society Rules;

(d) between January 2011 and May 2013, you failed to record transactions on your trust accounts in chronological order and in a manner which identified the source and form of funds received, contrary to Rules 3-60 and 3-61 of the Law Society Rules;

(e) between January 2011 and May 2013, you failed to maintain accounts receivable listings for each client, contrary to Rule 3-61 of the Law Society Rules;

(f) between December 2009 and September 2011, you failed to retain all supporting documentation for your trust accounts including bank statements, cancelled cheques, and bank deposit slips, contrary to Rule 3-59(4) of the Law Society Rules;

(g) between December 2009 and September 2011, you failed to keep file copies of all bills delivered to clients in accordance with Rule 3-62 of the Law Society Rules;

(h) from September 2010 to February 2011, you failed to record trust transactions for your trust accounts promptly and, in any event, not more than seven days after a trust transaction, contrary to Rule 3-63(1) of the Law Society Rules;

(i) from January 2008 to September 2011, you failed to record transactions for your general account promptly and, in any event, not more than 30

days after each general transaction, contrary to Rule 3-63(1) of the Law Society Rules;

(j) from December 2009 to February 2011, you failed to maintain a trust transfer journal in accordance with Rule 3-60(c) of the Law Society Rules;

(k) from February 2011 to September 2011, you failed to ensure that the trust transfer journal maintained for your practice contained the information required by Rule 3-60(c) of the Law Society Rules;

(l) you failed to properly record trust transactions relating to your clients S (file number), L (file number) and K (file number) as required by Rule 3-60 of the Law Society Rules;

(m) you failed to keep your trust accounting records at your chief place of practice, including but not limited to, records relating to PST, GST/HST, payroll, trust account deposit books, and client files relating to your clients K (file number) and A (file number), contrary to Rule 3-68 of the Law Society Rules;

(n) on two occasions in June 2009, you failed to record the identity of the client on whose behalf trust funds were received, contrary to Rule 3-60(a)(iii) of the Law Society Rules.

This conduct constitutes professional misconduct or a breach of the Act or Rules, pursuant to section 38 of the *Legal Profession Act*.