

Vancouver, B.C.

Called to the Bar: May 16, 1960

Discipline hearing panel: May 12, 1999

Emily Reid, Q.C., Chair, Russell Tretiak, Q.C. and Peter Keighley

Christopher Hinkson, Q.C. and Karen Douglas, for the Law Society

William Berardino, Q.C. and Catherine Esson, for Mr. Laxton

Hearing report indexed as [1999] LSBC 30

Summary

In 1996, while attending a press conference as the Chair of B.C. Hydro, Mr. Laxton incorrectly stated to the media that he had not invested in a joint venture of B.C. Hydro to develop a power project in Pakistan. In fact, a company in which Mr. Laxton was the majority and controlling shareholder had purchased \$1 million US of shares in the project through two other corporations. Mr. Laxton admitted, and the hearing panel found, that his conduct in making incorrect statements to the media constituted conduct unbecoming a member of the Law Society. The panel accepted Mr. Laxton's proposed disciplinary action, and ordered that he be suspended for six weeks, beginning July 1, 1999, and that he pay \$2,500 towards costs of the proceedings.

Facts

In early 1994, while Mr. Laxton was Chair of B.C. Hydro and Power Authority, B.C. Hydro pursued a joint venture for the development of a power project in Pakistan. Private sector funding for the project was raised through IPC Corporation.

Mr. Laxton arranged for N Developments Ltd., a company in which he was the majority and controlling shareholder, to purchase \$1 million US of shares in IPC through two other corporations.

On February 21, 1996 Mr. Laxton attended a press meeting as Chair of B.C. Hydro. At the press conference, he stated that he had not invested in IPC. These statements were incorrect.

At the time of the press conference, Mr. Laxton had been asked to resign as the Chair of B.C. Hydro and he had agreed to do so. Mr. Laxton made his incorrect statements in circumstances of high emotion and pressure.

On March 1, 1996 Mr. Laxton issued a public statement disclosing the purchase by N Developments Ltd. of IPC shares through the two corporations. He stated that the purchases had been made to save the deal from collapsing, which would have had serious consequences for B.C. Hydro.

On September 25, 1998, the Law Society issued a discipline citation against Mr. Laxton.

Decision

Pursuant to Law Society Rule 4-22, Mr. Laxton admitted, and the hearing panel found, that his conduct in making incorrect statements to the media constituted conduct unbecoming a member of the Law Society.

Penalty

The hearing panel accepted Mr. Laxton's proposed disciplinary action, and ordered that he:

1. be suspended for six weeks, commencing July 1, 1999; and
2. pay \$2,500 towards costs of the discipline proceeding.

In agreeing that the term of suspension should begin on July 1, the panel took into account that Mr. Laxton was counsel on cases in the B.C. Supreme Court set for continuation in June. The panel decided those cases should continue as scheduled so that the parties to the actions would not be prejudiced.

The panel refused a request from Mr. Laxton's counsel to defer publishing a notice of this matter until May 31, 1999. The panel noted that the Law Society is required to immediately publish a suspension under Rule 4-37.

At the proceeding, the panel accepted a request of counsel for Mr. Laxton to begin consideration of Mr. Laxton's conditional admission and proposed disciplinary action *in camera*, pursuant to Rule 5-6. Mr. Laxton's counsel had asked to commence the proceedings *in camera* so that Mr. Laxton's interests would not be prejudiced should the panel reject the proposal.

In accepting Mr. Laxton's admission and proposed disciplinary action, the panel revoked that order and made the proceeding a matter of public record.