

Surrey, B.C.

Called to the Bar: August 1, 1985

**Discipline hearing panel:** June 21, 1999

D. Peter Ramsay, Q.C., as a one-Bencher panel by consent

Todd Follett, for the Law Society

Craig Dennis, for Mr. Ghag

Discipline hearing report indexed as [1999] LSBC 32

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### **Summary**

While representing vendors in real property transactions, Mr. Ghag breached his undertaking to two lawyers by failing to discharge mortgages and he breached his undertaking to another lawyer by failing to pay outstanding property taxes. Mr. Ghag admitted that his conduct constituted professional misconduct. The Discipline Committee and discipline hearing panel accepted Mr. Ghag's admission and proposed disciplinary action and accordingly ordered that he be suspended for one month and pay \$1,500 as costs of the discipline proceedings.

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### **Facts**

While representing the vendor of two strata lots, Mr. Ghag received the purchase funds in trust on undertaking to the purchaser's lawyer that he would discharge four mortgages against the two strata lots. Mr. Ghag acted for the same vendor in another sale of one strata lot. He received the purchase monies on undertaking to the purchaser's lawyer that he would discharge the same four mortgages.

Mr. Ghag realized, at the time he gave his undertakings, there was a possibility that there would be insufficient funds to discharge all the mortgages. He relied on statements made by his client that the mortgages could still be discharged because of the relationship between two of the mortgagees and the vendor client. Two of the mortgages, however, could not be discharged. A citation was issued against Mr. Ghag with respect to this conduct on July 23, 1997.

In another transaction, while acting for a vendor builder, Mr. Ghag received from the purchaser's lawyer the purchase funds on his undertaking to, among other things, pay outstanding property taxes. Mr. Ghag did not notice the requirement to pay the property taxes when he wrote back to accept the undertaking. He had understood from his vendor

client that there was a “side agreement” between the vendor and purchaser under which the property taxes would be set off against money the purchaser owed to the vendor for construction extras. The vendor eventually paid the property taxes. A citation was issued against Mr. Ghag with respect to this conduct on November 27, 1997.

#### Admission and disciplinary action

Pursuant to Law Society Rule 4-22, Mr. Ghag admitted that his conduct in breaching his undertakings constituted professional misconduct. The Discipline Committee and the discipline hearing panel accepted his admission and proposed disciplinary action with respect to both citations, and ordered that he:

1. be suspended for one month; and
2. pay \$1,500 as costs of the discipline proceedings.

*Discipline Case Digest — 1999: No. 29 September (Ghag)*