

Admission by former member: misappropriation of client trust funds

BILHAR SINGH KOONAR

Vancouver, B.C.

Called to the Bar: January 10, 1978

Ceased membership: January 1, 1999

Between 1994 and 1996, while practising as a partner of a Vancouver law firm, Mr. Koonar misappropriated approximately \$144,000 in trust funds belonging to clients by transferring the funds to his own personal account without the knowledge or consent of the clients, as follows:

- **Client C Ltd.:** While representing C Ltd, a property development company, in 1996, Mr. Koonar received in trust from purchasers four deposits of \$5,000 (\$20,000 total) to be held in trust for the purpose of ensuring compliance with design covenants on new construction. The deposits were to be released to the builder or purchaser upon satisfaction of requirements and instructions from C Ltd. Mr. Koonar authorized the transfer of these deposits from segregated trust accounts to the firm's pooled trust account. He subsequently misappropriated three of these deposits (\$15,000) by transferring the money from the pooled trust account to his own personal account and misappropriated one of the deposits (\$5,000) by placing it in the account of another client (B) in partial repayment of money he personally owed to B.
- **Client T Ltd.:** While representing this property development company in 1996, Mr. Koonar received funds from purchasers in relation to five different property sales. In two instances, he held in trust compliance deposits of \$1,500 each (\$3,000 total), which he misappropriated by transferring the money from the firm's pooled trust account to his own personal account, taking some of it in cash. In two other instances, he held funds in trust that earned \$1,072 in interest, which Mr. Koonar transferred from the firm's pooled trust account to his own personal account, taking some in cash. In the final instance, Mr. Koonar was to withhold \$336 to be applied towards the payment of a fence on behalf of the purchaser. Mr. Koonar instead transferred this amount from trust to his own personal account.
- **Client S Inc.:** Mr. Koonar represented this company, which was developing a strata title resort. Of a \$5,000 deposit received in trust, Mr. Koonar misappropriated \$4,850 in November and December, 1995 by transferring these funds to his own personal account, taking some in cash. After various authorized payments made by the firm for this client, \$5,000 remained in trust. Of this money, Mr. Koonar misappropriated \$4,500 in 1996 by making transfers from trust to his personal account and taking some of the money in cash.

- **Client PM:** Mr. Koonar advised this client that \$10,000 would be held in trust by the firm to be applied to various accounts. In January, 1995 Mr. Koonar misappropriated \$8,000 of the money by transferring it to his own personal account. He later misappropriated \$375 of funds held in trust for this client.
- **Client RM:** In April, 1996 Mr. Koonar misappropriated \$5,000 from money held in trust for this client, by transferring it from a segregated trust account to the firm's pooled trust account and then to his own personal account.
- **Client C Corporation:** In the sale of a restaurant, Mr. Koonar's firm received money in trust for this client. Between April, 1994 and August, 1995, Mr. Koonar made 11 transfers of funds from the money in trust to his own personal account, with some of the funds taken as cash, and thereby misappropriated \$78,650 in total.
- **Clients HW and JW:** After advising these clients, the purchasers of a property, that \$2,753.50 was being held in trust pending resolution of a claim of rent arrears, Mr. Koonar misappropriated \$2,750 of these funds by transferring them from trust to his own personal account in February, 1995. He repaid this money to the client in August, 1995.
- **Client SW:** While representing this property purchaser, Mr. Koonar misappropriated \$2,000 held for her in trust by transferring it to his own personal account and taking some of the money in cash.
- **Client AT:** Mr. Koonar misappropriated \$2,500 from this client in June, 1996, by transferring some of the money to his own personal account and taking some in cash.
- **Clients SD and MD:** Mr. Koonar misappropriated \$11,701.01 from these clients by transferring the funds in February, 1995 from trust to his own personal account and taking some of the money in cash. He later purchased a bank draft to repay the client \$10,701 of the funds.

In another matter, in 1996, Mr. Koonar borrowed \$25,000 from a client and thereby violated Chapter 7, Rules 4 and 7 of the *Professional Conduct Handbook*.

Partners in Mr. Koonar's firm, after being alerted to irregularities in Mr. Koonar's handling of trust transactions in 1996, conducted an investigation. Mr. Koonar gave a false explanation of the transfers on two occasions when questioned by his firm.

Mr. Koonar ceased practising law in August, 1996. He became a non-practising member in January, 1997. He was cited by the Law Society in December, 1997 and ceased membership in January, 1999.

Mr. Koonar admitted to the Law Society Discipline Committee in May, 1999 that his conduct in all these matters constituted professional misconduct. The Committee accepted the admission and his undertaking:

1. not to apply for reinstatement before November 21, 2001;
2. not to apply for membership in any other law society without first advising the Law Society in writing;
3. not to permit his name to appear on the letterhead of any lawyer or law firm without the written consent of the Law Society; and
4. to obtain the written consent of the Law Society before working for any other lawyer or law firm in B.C.

There was some evidence presented by Mr. Koonar's counsel that Mr. Koonar was ill from February, 1995 through 1996, the time period in which most of these incidents took place. There was no determination of how, if at all, this evidence related to Mr. Koonar's conduct.

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