

*Breach of Accounting Rules, Confusion of Law Practice and Business*

**GARY MALCOLM CAMPBELL**

Vancouver, B.C.

Called to the bar: May 14, 1979

While conducting a law practice in partnership with another lawyer, the member breached Ruling B/8 [now Chapter 7, Rule 6] of the *Professional Conduct Handbook* by failing to distinguish between the law firm and TF Corporation, a business owned by the member.

The law firm and TF Corporation shared the same office space, and their names appeared together on both the lobby directory and the office door. In many instances the billing and trust accounting practices for client funds reflected a confusing overlap between the law firm and the business corporation.

TF Corporation on one occasion rendered a bill to a person who was to a client of the corporation, but rather of the law firm. In another instance, where TF Corporation had provided consulting services to a client, it was the law firm that issued an account for “professional services” even though the firm had done no work for the client. Another client was billed by both the corporation and the law firm, and there was some confusion as to the services being performed by each. Most disbursements paid on behalf of the law firm’s clients were in fact paid by TF Corporation and then billed to the client through the law firm.

As a partner in his law firm, the member also failed to ensure the firm complied with Law Society accounting rules on several client files. The firm breached the accounting rules by depositing client funds to the law firm general account prior to or without billing the client; transferring client money from the trust account to the general account prior to or without billing the client; transferring client money from the trust account book entry and not by cheque; and holding client trust money in an account not designated as “trust.” The firm failed to prepare monthly trust reconciliations, to record transactions promptly, to maintain client ledgers for non-trust transactions or a record of billings, and to prepare and file an accountant’s report as required by Law Society Rule 911.

The member did not satisfy judgments against him and his law firm, and failed to notify the Law Society promptly of these judgments, contrary to Law Society Rule 510 and Ruling G/1 [now Chapter 2, Rule 2] of the *Professional Conduct Handbook*.

The member ceased his membership for failure to pay fees at the end of December, 1991. He was cited on January 27, 1992.

The member admitted to the Discipline Committee that he had professionally misconducted himself. On July 15, 1992 the Committee accepted the member’s admissions on his undertaking:

1. to pay \$16,911, being half of the costs of the Law Society disciplinary investigation [*the other half being paid by the member’s former law partner*];

2. not to be employed in any capacity by any member or members of the Law Society of B.C. without the consent of the Law Society;
3. to give written notice to the Secretary of the Law Society before applying for membership in the governing body of the legal profession in any other jurisdiction;
4. if reinstated to membership in the Law Society, not to:
  - (a) conduct any aspect of the practice of law in conjunction with any other business activity;
  - (b) conduct the practice of law for or on behalf of any person with whom he has any other business relationship.

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