

Richmond, B.C.

Called to the Bar June 30, 1970

Discipline Hearing Committee: April 20, 1989

G.L.F. Somers, Q.C., Chairman, H.J. Grey, Q.C., and P.D. Leask, Q.C.

Summary

The accounting records of the member's law practice were unreconciled and contained many erasures, changed figures and unsupported entries. The member admitted that he had breached Law Society Rules by failing to keep proper records. He agreed to comply with specified practice conditions and to pay a fine and costs.

Facts

Breach of Trust Accounting Rules

The Standing Discipline Committee ordered a spot audit of the member's practice on September 15, 1987, after trust accounting irregularities were revealed in his Form N accountant's report.

The auditor who conducted this spot audit noted a number of problems and on January 27, 1988 reported that "[t]he trust accounting records are the poorest I have seen in a law firm, with many erasures, changed figures and unsupported entries. In my opinion, any further tests would be meaningless until the records are properly reconciled." Following this report the Standing Discipline Committee issued a citation.

As a condition of continued practice pending disposition of the citation, the member and his partner, Mr. C. Pocock, were required to provide explanations or remedies for their accounting deficiencies and to furnish the Law Society with monthly trust reconciliations for one full year.

Admission and Disciplinary Action

The member admitted that he had breached Law Society trust accounting Rules and incompetently carried out his duties under those Rules. He consented to:

1. pay a \$1,500 fine;
2. pay all costs associated with the audit, investigation and hearing;
3. undertake to engage in a remedial studies program on office accounting procedures as determined by the Law Society;
4. to abide by the following practice conditions:
 - (a) trust reconciliations must be performed monthly in compliance with Rule 860 by P. Royce, C.A., or such other person as the Secretary may determine;
 - (b) all reconciling items on the trust reconciliation must be clearly identified and explained;
 - (c) any debit balance on the trust liability listing must be fully explained, and must be accompanied by evidence of when and how the balance was corrected;
 - (d) all daily bookkeeping must be performed by an experienced bookkeeper who shall be approved in advance by P. Royce, C.A.;
 - (e) general office expenses must be paid only out of a general account.

On a recommendation from the Standing Discipline Committee, the Discipline Hearing Committee agreed to accept these admissions and the proposed disciplinary action pursuant to Rule 469 of the Law Society Rules.

K. Ball, for the Law Society,
F.M. Rowan, for the member

Discipline Case Digest — 1989: No. 6 August (Hoodekoff)