

DONALD ALLAN DRYSDALE

(Coquitlam)

Called to the Bar September 14, 1976

The member had become personal friends with Mr. and Mrs. S in 1978. Mr. and Mrs. S were professional lenders, with a loan portfolio of approximately \$1,000,000.

When called upon to meet a personal guarantee he had given, the member in 1971 arranged a loan from Mr. and Mrs. S in the amount of \$25,000. The loan was secured by a promissory note. The member reluctantly agreed, with the persuasion of Mr. S, to draft the note.

In May 1982 the member arranged a second loan from Mrs. S for \$32,000. It is unclear whether the member advised Mrs. S to obtain independent legal representation. In any event she did not do so. The loan was secured by a second promissory note.

The member maintained payments until late 1982, when illness forced him to temporarily cease practice. In early 1983, unknown to the member, his partners agreed to guarantee the member's indebtedness to Mr. and Mrs. S, to be secured by a third mortgage against the partnership's office building. Mr. and Mrs. S did obtain independent legal advice on this transaction.

In May 1983 the member discovered that the third mortgage had never been registered against the property. Mr. and Mrs. S were not concerned, because they had believed throughout the proceedings that the monies owing on the first two mortgages exceeded the market value of the building.

The payments on the mortgage to Mr. and Mrs. S are now up to date; they have made no complaint to the Law Society and they do not want the matter to proceed.

The member has admitted that his conduct violated Ruling B13(a) of the *Professional Conduct Handbook*, which reads:

No member shall borrow money from his client save in exceptional circumstances, and in that case the onus of proving that the client's interests were fully protected by the nature of the case or by the independent advice shall rest upon him.

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