

THE LAW SOCIETY OF BRITISH COLUMBIA
IN THE MATTER OF THE *LEGAL PROFESSION ACT*, SBC 1998, C. 9

AND

A HEARING CONCERNING

KONRAD MALIK

RESPONDENT

RULE 4-29 ADMISSION OF MISCONDUCT
AND UNDERTAKING TO DISCIPLINE COMMITTEE

1. On March 30, 2020, the Discipline Committee considered and accepted a proposal submitted by the Respondent under Rule 4-29 of the Law Society Rules.
2. Under the proposal, the Respondent admitted misconduct as alleged in the citation authorized April 4, 2019 and amended March 20, 2020 (the “Citation”).
3. Under the proposal, the Respondent undertook to the Law Society of British Columbia (“Law Society”) for a period of nine (9) months commencing March 31, 2020, as follows:
 - (a) not to engage in the practice of law in British Columbia with or without the expectation of a fee, gain or reward, whether directly or indirectly;
 - (b) not to apply for re-instatement to the Law Society of British Columbia;
 - (c) not to apply for membership in any other law society (or like governing body regulating the practice of law) without first advising in writing the Law Society of British Columbia; and

- (d) not to permit his name to appear on the letterhead of, or work in any capacity whatsoever, for any lawyer or law firm in British Columbia, without obtaining the prior written consent of the Discipline Committee of the Law Society.
- 4. In making its decision, the Discipline Committee considered an Agreed Statement of Facts dated March 20, 2020. The Discipline Committee also considered the Respondent's residence overseas, that he has not been an active Law Society member for seven years, his willingness to make admissions and his absence of a disciplinary record.
- 5. The Citation is resolved, and the Respondent's admission of professional misconduct will be recorded on his professional conduct record.
- 6. The Respondent has acknowledged that pursuant to Rule 4-29(5) of the Rules, his undertaking not to practise law means that he is a person who has ceased to be a member of the Law Society as a result of disciplinary proceedings, and that section 15(3) of the *Legal Profession Act* (the "Act") applies to him.
- 7. The admitted facts were set out in an Agreed Statement of Facts dated March 20, 2020. The facts in relation to the Citation are summarized below.

I. Member Background

- 8. The Respondent was called and admitted as a member of the Law Society on October 22, 2008. From October 22, 2008 to February 2013, the Respondent practiced law in Vancouver.
- 9. At all material times, the Respondent's primary area of practice was securities and corporate law on behalf of junior issuers.
- 10. In and around February 2013, the Respondent relocated to Europe to work as a business consultant. The Respondent continues to reside in Europe. The Respondent was a non-practising member of the Law Society from December 2013 until January 2020, when he became a former member.
- 11. The Respondent has no disciplinary history.

II. Background Facts

- 12. On February 3, 2010, G Inc. was incorporated in the State of Nevada, United States.
- 13. A year and half prior to any involvement by the Respondent, two Alberta residents, VG and JB, were installed as nominee officers and directors of G Inc.

14. In October 2011, BL contacted the Respondent to request his legal services on behalf of G Inc. In particular, BL informed the Respondent that G Inc. was looking for legal assistance to draft a Form 8A to be filed with securities regulators in the United States.
15. The Respondent agreed and waited to be contacted by G Inc.
16. BL and the Respondent were friends who had been personally acquainted since 2008. It was the Respondent's understanding from BL that BL was helping to locate counsel to assist G Inc.
17. By engagement letter dated October 12, 2011, G Inc. retained the Respondent to act as its counsel.
18. The engagement letter was signed by the Respondent and appeared to be counter-signed by VG and JB. The Respondent reviewed the biographies of VG and JB using documents filed with the SEC. The Respondent did not contact VG and JB directly.
19. On October 27, 2011, G Inc. obtained its ticker symbol.
20. The Respondent did not meet with or speak with VG or JB despite them being the listed directors and officers of G Inc. at the time and their purported signing of the engagement letter.
21. The Respondent did not confirm with VG or JB specifically that they wanted the Respondent to prepare documents on behalf of G Inc. to be filed with the securities regulators in the United States.
22. In and around May 2012, the outstanding shares of G Inc. were sold. BL located the buyer and organized the sale.
23. Prior to the sale, BL provided referrals for a number of professional service providers who assisted US public companies with their various regulatory requirements. The Respondent was one such service provider.
24. In the spring of 2012, the Respondent received a phone call from MM. MM advised the Respondent that he was involved in talks with G Inc. and that MC would be taking over control of the company. The Respondent confirmed this information with BL. The Respondent did not confirm this information with VG or JB.
25. The Respondent received his instructions regarding the change of control and management of G Inc. from MM, MC and BL. The Respondent did not have any communication with VG or JB regarding the change of control and management of G Inc. away from them to MC.

26. During May 2012, the Respondent assisted G Inc. with the drafting and filing of documents with securities regulators in the United States related to the change in control and management of the company from VG and JB to MC.
27. On April 18, 2017, the BCSC issued a notice of hearing alleging that MH and BL engaged in conduct contrary to the public interest by creating a publicly trading shell company that was ideal for the use in a securities manipulation by deceiving foreign regulators and the public.
28. The Respondent was not a respondent in the BCSC's enforcement action and the notice of hearing did not contain any allegations against the Respondent.
29. On October 9, 2018, the BCSC issued liability findings which held that MH engaged in conduct contrary to the public interest in relation to G Inc. No liability findings were made against BL.

III. Admissions

30. The Respondent admitted that between October 11, 2011 and May 14, 2012, in the course of representing his client G Inc., he failed to make reasonable inquiries or otherwise exercise due diligence regarding the legitimacy of the business, affairs or transactions in respect of which he was engaged, by doing one or more of the following:
 - (a) failing to make reasonable inquiries to obtain information about G. Inc.'s purported directors and officers, VG and JB, or their purported consultants BL, MH and MC (the "Consultants"), or both;
 - (b) failing to confirm directly with G Inc. that the Consultants or any of them could retain him and provide him with instructions on behalf of G Inc.;
 - (c) preparing and filing documents to effect a change of control in G Inc. from VG and JB to MC without confirming those instructions with G Inc. or reporting to G Inc. or both; and
 - (d) preparing and filing documents to effect the sale and transfer of 100% of the shares owned by VG and JB to MC without confirming those instructions with VG and JB or reporting to G Inc. or both.
31. The Respondent admitted that this conduct constituted professional misconduct, contrary to section 38(4) of the *Act*.