

THE LAW SOCIETY OF BRITISH COLUMBIA

IN THE MATTER OF THE *LEGAL PROFESSION ACT*, SBC 1998, C. 9

AND

MOHAMMUD MASSOOD JOOMRATTY

(a member of the Law Society of British Columbia)

RULE 3-7.1 CONSENT AGREEMENT SUMMARY

1. On June 16, 2022, the Chair of the Discipline Committee accepted a proposal submitted by Muhammad Massood Joomratty (the “Lawyer”) under Rule 3-7.1 of the Law Society Rules (the “Rules”).
2. Under the proposal, the Lawyer admitted that he committed the following misconduct:
 - (a) he provided information to Service Canada as part of his client’s Labour Market Impact Assessment, which he should have independently confirmed, contrary to rules 2.1-2, 2.2-1, 3.2-2, 3.2-7, and 5.1-2 of the *Code of Professional Conduct for British Columbia* (the “Code”);
 - (b) he misled a foreign bank when he prepared, signed, and sealed a misleading letter for his client’s use, prompting the foreign bank to release the client’s funds to the Lawyer’s Canadian trust account, contrary to rules 2.1-2, 2.2-1, 3.2-2, 3.2-7, and 5.1-2 of the *Code*;
 - (c) he misappropriated client funds of \$450,000.00 when he transferred \$450,000.00 from his trust account to his company account, without the client’s knowledge or consent, contrary to Rules 3-58(2) and (3) and 3-65(7) of the Rules and rule 3.4-21 of the *Code*;

- (d) he failed to deposit client funds into his trust account when he instructed and accepted the deposit of the client's funds totaling \$370,000.00 into his company account instead of his trust account, contrary to Rule 3-58(3) of the Rules;
- (e) he misappropriated client funds of \$370,000.00 when he made transfers totaling \$370,000.00 from his company account to another client, contrary to Rules 3-58(2) and (3) and 3-65(7) of the Law Society Rules and rule 3.4-21 of the *Code*;
- (f) he acted in a conflict of interest without his client's consent and without advising and ensuring that the client obtained independent legal advice when he failed to disclose his relationship with other clients, contrary to rule 3.4-1 and commentary and 3.4-29 of the *Code*;
- (g) he acted in a conflict of interest without his client's consent and without advising and ensuring that the client obtained independent legal advice, when he facilitated a loan transaction with the client's funds of \$80,000.00, contrary to rules 2.1-3, 3.4-1, 3.4-2, 3.4-26.1, 3.4-5 to 3.4-9, and 3.4-29 of the *Code* and Rules 3-58 and 3-64(1) of the Rules;
- (h) he withdrew client trust funds totaling \$39,970.00 to pay his fees without first delivering a bill to the client, contrary to Rule 3-65(2) and (3) of the Rules;
- (i) he used client trust funds of \$10,000.00 to pay referral fees to a non-lawyer, contrary to rule 3.6-7 of the *Code*;
- (j) he failed to provide a complete client file to the Law Society and made written and oral statements to the Law Society that he knew or ought to have known were false and misleading, contrary to Rule 3-5(7) and rules 2.2-1 and 7.1-2 of the *Code*; and
- (k) he made written and oral statements to a client that he knew or ought to have known were false and misleading, contrary to rules 2.2-1 and 7.1-2 of the *Code*.

3. The Lawyer further admitted that the conduct set out in sub-paragraphs 2(a) through (k) above constitute professional misconduct.
4. Under the proposal, the Lawyer undertook to resign from the practice of law and not to reapply to practice law for 12 years. Specifically, commencing on July 29, 2022, the Lawyer undertook, for a 12-year period:
 - (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.
5. In making its decision, the Chair of the Discipline Committee considered: an Agreed Statement of Facts, signed by the Lawyer on June 14, 2022 (the “ASF”); a letter to the Chair of the Discipline Committee; the Lawyer’s Undertaking; and that the Lawyer did not have a prior professional conduct record.

Additional Considerations

6. The Chair of the Discipline Committee also considered the following factors, in accepting the consent agreement proposal:
 - (a) the consent agreement will provide protection to the public as the results will be published on the Law Society’s website and the Lawyer will be named in the publication;
 - (b) the resolution by consent agreement will be recorded on the Lawyer’s professional conduct record;

- (c) the consent agreement will serve as a personal deterrent to the Lawyer, and as a general deterrent to the profession;
- (d) there are a number of Law Society precedents where other lawyers have similarly been permitted to enter into undertakings of similar length for similar misconduct;
- (e) the consent agreement will protect the public for a minimum period of 12-years. This offers a lengthy period of protection for the public;
- (f) the undertaking signed by the Lawyer applies to other jurisdictions, in addition to British Columbia. This offers a geographically broad protection to the public, which would not be the case with disbarment;
- (g) after the 12-year period has expired, if he chooses to reapply for reinstatement, the Lawyer will be required, pursuant to sections 15(3), 19(1) and (3) of the *Legal Profession Act*, to satisfy his burden before a credentials committee that he is “of good character and repute and is fit to become a barrister and a solicitor of the Supreme Court”;
- (h) there were underlying evidentiary concerns in the matter, including a possible uncooperative witness, as well as another key witness possibly being overseas – both would have posed significant challenges at a citation hearing;
- (i) the Lawyer has made fulsome admissions in an expeditious and cooperative manner;
- (j) although the Lawyer made several errors in judgment, his intentions were not explicitly nefarious;
- (k) the Lawyer did not benefit personally from any of the misconduct, other than receiving his retainer fees, for which he did not completely bill;
- (l) the Lawyer repaid the loan of the client funds;
- (m) the Lawyer repaid the funds he misappropriated, before the Law Society investigation commenced; and

(n) although serious, the misconduct was limited to the Lawyer's representation of one client.

Effect of Consent Agreement

7. This consent agreement will now form part of the Lawyer's professional conduct record.
8. Pursuant to Rule 3-7.1(5) of the Rules, and subject to Rule 3-7.2 of the Rules, the Law Society is bound by an effective consent agreement, and no further action may be taken on the complaint that gave rise to the agreement.

Summary of Admitted Facts

9. The admitted facts were set out in the ASF. The facts have been anonymized and summarized below.

Member Background

10. The Lawyer was called and admitted as a member of the Law Society of British Columbia on September 4, 1998. The Lawyer currently maintains practicing status although his employment at a Surrey, BC firm terminated in early June 2022.
11. Since his call to the bar, the Lawyer has practiced mostly administrative law and has worked at four BC law firms.

Factual Background

12. In December 2017, the Lawyer was retained by X (the "Client") in relation to an immigration law matter.
13. In February 2018, the Lawyer applied for a visitor visa for the Client to visit Canada. The application was approved and the Client and Lawyer first met in-person in British Columbia.

14. In February 2019, the Lawyer applied for a Labour Market Impact Assessment (the “LMIA”) through Service Canada for the Client and the application was refused. The Lawyer applied again in April 2019 and the LMIA was approved. The Lawyer assisted the Client in obtaining a work permit based on the LMIA.
15. By March 2020, the relationship between the Lawyer and Client had broken down and the Client retained new counsel.
16. The Client’s new counsel complained to the Law Society regarding the Lawyer’s conduct while acting for the Client (the “Complaint”).
17. The Lawyer owns a company, which he describes as his company that is involved in “other ventures” (the “Lawyer’s Company”).
18. During the material time, the Lawyer had another client, Client Y, who owned the company Z (“Client Z”). The Lawyer had incorporated Client Z and acted on behalf of Client Z.

Providing Unconfirmed Information to Service Canada

19. In support of the second LMIA application, the Lawyer provided information to Service Canada that the Client had rented a place in British Columbia, had established himself in British Columbia, and had moved to British Columbia, when he had not exercised due diligence and did not have confirmation that these representations were true.
20. The Lawyer attached a Residential Tenancy Agreement to the LMIA application as proof of the Client’s residence in British Columbia, but did not confirm with the Client that the Client had actually moved to that address.

Misleading Foreign Bank

21. The Lawyer signed and affixed his seal to a letter addressed to the Client’s wife, regarding a purported purchase of a condominium in Vancouver (the “Letter”).

22. The Letter was prepared by the Lawyer to support the Client's attempt to transfer funds from a foreign country.
23. The Letter was misleading, as there was no actual condominium purchase planned.
24. The Lawyer emailed the Letter to the Client. The Client provided the Letter to a foreign bank.
25. Relying on the Letter, the foreign bank transferred \$450,000.00 of the Client's funds to the Lawyer's Canadian trust account.

Misappropriation of Client Funds

(a) \$450,000.00 Withdrawn Without Client Consent

26. The Lawyer transferred \$450,000.00 of the Client's funds from his trust account into the corporate bank account for the Lawyer's Company.
27. Prior to doing so, the Lawyer did not obtain the Client's consent. After the transfer, the Lawyer did not inform the Client that he had transferred the funds into the Lawyer's Company.

(b) \$370,000.00 Funds Not Deposited Into Trust

28. The Lawyer requested the Client transfer \$370,000.00 into the Lawyer's Company bank account and the Client made the transfer.
29. None of the \$370,000.00 was ever transferred into the Lawyer's trust account.
30. The Lawyer transferred the Client's funds of \$370,000.00 from the Lawyer's Company to Client Z over five transactions. The Lawyer did not obtain the Client's consent to these transfers. The Lawyer did not inform the Client that he had transferred the funds to Client Z.

Conflict of Interest – Failure to Disclose Personal Interest

31. The Lawyer facilitated the investment into Client Z by his Client but did not:
- a) disclose the nature of his interest to the Client, after obtaining a shareholding interest in Client Y's company;
 - b) obtain the Client's consent to act in a conflict of interest; and
 - c) advise and ensure that the Client obtained independent legal advice.

Conflict of Interest – Loan Using Client Funds

32. The Lawyer facilitated an \$80,000.00 loan from Client Z to the Lawyer's Company using the Client's funds. The Lawyer did not inform the Client of the \$80,000.00 loan.
33. The Lawyer did not obtain the Client's consent or advise or ensure that the Client obtained independent legal advice in regards to the loan.

Withdrawing Trust Funds without First Delivering Bill

34. The Lawyer received retainer funds from the Client and disbursed them to his general account in five instances, totalling \$39,970.00, without first delivering a bill to his Client.

Paid Referral Fees to a Non-Lawyer from Client Retainer

35. The Lawyer paid a third party \$10,000.00 from the retainer funds he held in his trust account for the Client, as a referral fee. The Lawyer did not inform the Client of this payment.

Correspondence with the Law Society

(a) Failing to Provide Complete Client File

36. During the investigation of the Complaint, the Law Society requested the Lawyer's complete file, including all correspondence, notes and electronic documents.
37. The Lawyer provided some of his client file but failed to provide a number of documents and correspondence.

(b) Misrepresentations to the Law Society

38. The Lawyer made the following misrepresentations to the Law Society:
- (a) that he did not prepare the Letter to the foreign bank and that he only signed and sealed it;
 - (b) that he immediately advised the Client to transfer the Client's \$370,000.00 to the Lawyer's trust account instead of to the Lawyer's Corporate account;
 - (c) that he provided invoices to the Client prior to withdrawing retainer funds from his trust account, when he did not do so;
 - (d) that he had informed the Client of a transfer of \$10,000.00 of the Client's trust funds from the Lawyer's trust account to the third party and that the funds were for interpretation services when, in actuality, the funds were a referral fee; and
 - (e) that the Client gave the Lawyer permission to transfer \$450,000 of the Client's trust funds from the Lawyer's trust account to the Lawyer's Company.

Misleading Client

39. The Lawyer made the following misrepresentations to the Client:
- (a) that Client Y was a good friend of the Lawyer's and was trustworthy, when this was not true;
 - (b) that he paid \$10,000.00 of the Client's trust funds from the Lawyer's trust account to the third party and that the funds were for interpretation services when, in actuality, the funds were a referral fee;
 - (c) that the Lawyer was not counsel for Client Z, only for Client Y, personally.