

THE LAW SOCIETY OF BRITISH COLUMBIA

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

AND

GORDON WAYNE RULEY

(a member of the Law Society of British Columbia)

RULE 3-7.1 CONSENT AGREEMENT SUMMARY

1. On October 20, 2025, the Chair of the Discipline Committee approved a consent agreement proposal submitted by Gordon Wayne Ruley (the “Lawyer”) under Rule 3-7.1 of the Law Society Rules (“Rules”).
2. Under the proposal, the Lawyer admitted that he committed the following misconduct, and that it constitutes professional misconduct pursuant to s. 38(4) of the *Legal Profession Act*:
 - (a) Between April 14, 2020 and June 17, 2020, while acting as the executor and trustee of the estate of his client (the “Client”), he improperly withdrew from trust \$17,284.29 in legal fees and disbursements when he was not entitled to the funds, contrary to Rule 3-64(1) of the Law Society Rules and his fiduciary duties.
 - (b) Between July 2020 and July 2021, while acting as the executor and trustee of the estate of the Client, he improperly but inadvertently withdrew from trust \$4,994.44 in point-of-sale purchases and bank withdrawals when he was not entitled to those funds, contrary to Rule 3-64(1) of the Law Society Rules and his fiduciary duties.
 - (c) On December 21, 2022, while acting as the executor and trustee of the estate of the Client, he withdrew from trust \$22,400.00 in legal fees and disbursements when the statement of account failed to include a description of the legal services provided by him and separately detail the amounts charged as fees and

disbursements, contrary to section 69(4) of the *Legal Profession Act* and rule 3.6-3 of the *Code of Professional Conduct for British Columbia*.

- (d) On January 5, 2023, while acting as the executor and trustee of the estate of the Client, he improperly withdrew \$273,449.70 in executor fees, prior to receiving signed releases from all of the beneficiaries or their representatives waiving the passing of his accounts or obtaining a court order authorizing the payment, contrary to Rule 3-64(1) of the Law Society Rules, rule 3.6-1 of the *Code of Professional Conduct for British Columbia*, and his fiduciary duties.
 - (e) Between February 11, 2020 and March 20, 2023, in relation to the estate the Client (the “Estate”), he failed to provide the quality of service expected of a competent lawyer and to fulfill his obligations to the beneficiaries, contrary to Rule 3-55 of the Law Society Rules, rules 3.1-2 and 3.2-1 of the *Code of Professional Conduct for British Columbia* and his fiduciary duties, by failing to do the following:
 - (i) produce the records necessary to create a full accounting of the receipt of fiduciary property of the Estate in the total amount of \$2,134.00;
 - (ii) obtain the consent of all the Estate beneficiaries prior to issuing an interim distribution of the Estate;
 - (iii) maintain sufficient funds in the Estate’s trust account to avoid incurring overdrawn handling charges and interest;
 - (iv) provide the requested information to BC Assessment to support continued farm classification for a farm property belonging to the Estate for the 2021 Assessment Roll; and
 - (v) attend to payment of the liabilities of the Estate, including but not limited to the Speculation and Vacancy Tax that was due and payable by a farm business belonging to the Estate for the year 2021, and related interest charges.
3. Under the proposal, the Lawyer agreed to be suspended from the practice of law for a period of ten weeks commencing October 27, 2025.
 4. In making its decision, the Chair of the Discipline Committee considered an Agreed Statement of Facts dated October 15, 2025, and a letter to the Chair of the Discipline Committee. The Chair also considered the Lawyer’s professional conduct record.
 5. This consent agreement will now form part of the Lawyer’s professional conduct record.

6. 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.
7. The admitted facts set out in the Agreed Statement of Facts have been summarized below.

Summary of Facts

Member Background

8. The Lawyer was called and admitted as a member of the Law Society of British Columbia on May 10, 1983.
9. The Lawyer currently practises law primarily in the areas of residential real estate, tax, and corporate law. At the material time, the Lawyer's practice also consisted of 35-40% wills and estates law.
10. Since May 30, 1983, the Lawyer has been practicing at a law firm (the "Firm") in Mission, British Columbia.

Background Facts

11. The Lawyer drafted the Last Will and Testament of the Client, which was signed and witnessed on July 3, 2014 (the "Will").
12. The Client died on October 28, 2019 and the Lawyer became the personal representative and trustee of the Estate.
13. The Will included a charging clause that granted the trustee of the Estate who is a lawyer their usual professional fees and other charges.
14. The Will directed the executor of the Estate to sell the Client's real estate, farm equipment, and all shares in his farm business (the "Farm Business"), and donate 60% of the net sale proceeds to a non-profit organization (the "Organization") to establish five bursaries. The remaining 40% of the sale proceeds was to be donated to the Organization to establish a separate bursary.
15. The Will named six specific beneficiaries (the "Specific Beneficiaries") and 13 residual beneficiaries (the "Residual Beneficiaries") (collectively, the "Beneficiaries"). The Will made specific bequests to the Specific Beneficiaries. The residue of the Estate was to be divided into six equal parts and distributed among the Residual Beneficiaries as described in the Will.

16. On December 4, 2019, the Lawyer opened a trust account for the Estate (the “Estate Account”).
17. On June 17, 2021, the Lawyer obtained a grant of probate and administration of the Estate.
18. On December 12, 2022, one of the beneficiaries (the “Complainant”) made a complaint to the Law Society of British Columbia about the Lawyer with respect to his handling of the Estate.

Improper withdrawal of legal fees

19. On April 14, 2020, the Lawyer issued a statement of account to the Estate for legal services in the amount of \$11,684.29.
20. On June 17, 2020, the Lawyer issued a statement of account to the Estate for legal services in the amount of \$5,600.00.
21. The April 14, 2020 and June 17, 2020 statements of account described services that were performed by the Lawyer in his capacity as the executor of the Estate, rather than in his capacity as a lawyer. In total, the Lawyer improperly charged the Estate \$17,284.29 for these tasks.
22. The Lawyer was not entitled to the funds received pursuant to these statements of account, as the Lawyer will be separately remunerated for his services as executor of the Estate.

Improper withdrawals from trust

23. At the material time, the Lawyer had a personal bank account for which he maintained a debit card for personal banking.
24. The Lawyer’s personal debit card and the Estate Account debit card appeared identical on the front and were both kept in the Lawyer’s wallet at the same time. The Lawyer also used the same personal identification number for both debit cards.
25. Between July 2020 and July 2021, the Lawyer inadvertently made 20 point of sale purchases and bank withdrawals using the Estate Account debit card instead of his personal debit card. These erroneous withdrawals totaled \$4,994.44.
26. The Lawyer was not entitled to the funds used to make the point-of-sale purchases and bank withdrawals with the Estate Account debit card.

27. On November 2, 2022, the Complainant wrote to the Lawyer and requested that he explain the withdrawals on the Estate Account's September 19, 2020 bank statement.
28. On November 9, 2022, the Lawyer emailed the Complainant to advise that he became aware of an improper withdrawal of \$3,000.00 on September 18, 2020, and immediately transferred \$3,000.00 back into the Estate Account when he realized his error.
29. On December 9, 2022, the Lawyer repaid \$674.40 to the Estate Account for the 11 erroneous point of sale purchases made in September 2020.
30. On October 9, 2024, the Lawyer repaid \$343.23 to the Estate Account for the two erroneous point of sale purchases made on June 11, 2021, and \$976.81 for the six erroneous point of sale purchases and bank withdrawal made in July 2020.
31. The Lawyer acknowledged his mistake and fully repaid the erroneously withdrawn funds to the Estate.

Failure to describe services in statement of account

32. On December 21, 2022, the Lawyer issued a statement of account to the Estate for legal services in the amount of \$22,400.00 (the "Statement of Account"). The Statement of Account was paid from the Estate Account on December 30, 2022.
33. The Statement of Account did not contain a description of the legal services provided to the Estate, or a detailed statement of disbursements.
34. The Statement of Account did not clearly and separately detail the amounts charged as fees and disbursements.
35. There was no explanation on the Statement of Account as to what legal services were performed to justify \$20,000.00 in fees for professional services.

Improper withdrawal of executor's fee

36. On October 14, 2022, the Lawyer delivered a Release and Interim Executor's Statement of Receipts, Disbursements, and Distribution (the "Interim Statement") dated October 13, 2022 to the Beneficiaries for their signature and return.
37. The Interim Statement included an executor's fee of 4.5% of the value of the Estate for the Lawyer's work in acting as executor and administrator of the Estate

38. The Lawyer required executed copies of both the Release and the Interim Statement from all of the Beneficiaries in order to distribute the Estate according to the Interim Statement.
39. Only six of the Beneficiaries signed and returned the Release, and only four of the Beneficiaries signed and returned the Interim Statement.
40. On January 5, 2023, the Lawyer issued to himself and deposited to his personal account a cheque from the Estate Account in the amount of \$273,449.70, which represented his executor's fee.
41. The Lawyer did not receive the consent of all the Beneficiaries or a court order authorizing the fees prior to issuing to himself and depositing the \$273,449.70 cheque, contrary to s. 99 of the *Trustee Act*, RSBC 1996, c. 464.
42. On February 22, 2023, the Law Society sent the Lawyer an initial letter notifying him of the complaint and the investigation.
43. On February 22, 2023, the Lawyer issued a cheque to the Estate Account in the amount of \$293,296.55, representing reimbursement of his executor's fee, plus taxes. The cheque was deposited into trust on February 28, 2023.

Quality of Service

Failure to account for fiduciary property

44. On March 8, 2023, the Complainant advised the Law Society that she was aware of a cheque and cash belonging to the Estate that were or should have been in the Lawyer's possession, but were unaccounted for.
45. On August 9, 2024, the Lawyer also disclosed that that he had received a \$100.00 cheque for the Estate, but he was unable to locate it.
46. The Lawyer failed to record and account for monies belonging to the Estate that were dropped off at his office by the Beneficiaries or found in the Client's home.
47. The Lawyer accepts that a total of \$2,134.00 belonging to the Estate was received by him by cash or cheque and unaccounted for.
48. The Lawyer advised the Complainant and the Law Society that he will reduce his executor's fee by \$2,134.00.

Interim distribution

49. On December 8, 2022, the Lawyer issued a cheque to the Organization for \$2,956,037.69, representing an interim distribution.
50. The sum of \$2,956,037.69 was withdrawn from the Estate Account on January 4, 2023.
51. As described above, the Lawyer received the signed Release and Interim Statement from only some of the Beneficiaries.
52. The Lawyer did not receive the approval from all of the Beneficiaries prior to issuing the interim distribution to the Organization, contrary to s. 155(1.1) of the *Wills, Estates, and Succession Act*, SBC 2009, c. 13.

Failure to submit farm classification

53. In May 2020, the 2020 Property Tax Notices for six parcels of land belonging to the Farm Business (the “Farm Property”) were sent to the Farm Business and received by the Lawyer. Each notice included deductions for farm tax credits.
54. On September 8, 2020, BC Assessment made a second request for information about one of the parcels of land comprising the Farm Property (the “Lot”) in order to support the continued farm classification of the Lot, and requested a copy of the lease. The correspondence from BC Assessment included an October 7, 2020 deadline for reply.
55. The Lawyer was aware of the October 7, 2020 deadline but failed to comply with it.
56. On May 12, 2021, one of the Beneficiaries (“Beneficiary A”) emailed the Lawyer advising him that she had received a 2021 property assessment notice for the Lot from the regional district (the “District”). She asked the Lawyer to check the previous year’s assessment notice for the Lot, and advise whether the Lot was still classified as farm land.
57. On May 13, 2021, the Lawyer emailed Beneficiary A requesting that she fill in the BC Assessment “General Application for Farm Classification” form for the Lot and include a letter outlining past and present farming operations on the Lot.
58. On or about May 25, 2021, another one of the Beneficiaries (“Beneficiary B”) provided the Lawyer with a handwritten note that stated that he continued to use the Farm Property for farming operations.
59. On May 25, 2021, the Lawyer emailed the District requesting a reduction in the assessed value of the Lot.

60. On May 26, 2021, a District representative emailed the Lawyer with information about the process for obtaining a new assessment from BC Assessment and attending the District's Court of Revision. The date and location of the Court of Revision was listed in the email.
61. On May 27, 2021, a District trustee emailed the Firm, providing further information about how to reinstate farm status for the Lot.
62. The Lawyer did not attend the Court of Revision.
63. Despite the efforts of Beneficiary A and Beneficiary B, the Lawyer failed to provide the required documents to BC Assessment to support continued farm status for the Lot for 2021, and subsequently failed to obtain a new assessment for 2021 from the Court of Revision.
64. As a result of the Lawyer's failure to claim farm status for the Lot for 2021, the property taxes that were charged to the Estate in 2021 increased to \$2,250.76, from the \$486.64 that was charged in 2020, resulting in a difference of \$1,764.12.
65. The Lawyer acknowledged that he failed to claim farm status for the Lot in 2021.
66. The Lawyer advised the Law Society that he will deduct \$1,764.12 from his executor's fee.

2021 Speculation and Vacancy Tax

67. On November 18, 2023, a Crown charge was filed against the Farm Business in the BC Personal Property Registry pursuant to the *Speculation and Vacancy Tax Act*.
68. On December 8, 2023, the Administrator of the *Speculation and Vacancy Tax Act* filed a certificate in the British Columbia Supreme Court certifying that the Farm Business had defaulted in the payment of taxes in the amount of \$23,901.98.
69. The Lawyer failed to pay the 2021 Speculation and Vacancy Tax charged to the Farm Business, which resulted in a lien being registered against the Farm Business in the amount of \$23,901.98 and with interest amounting to an outstanding balance of \$27,416.84 as at April 1, 2025.

Overdrawn handling charges

70. Between November 19, 2021 and October 20, 2022, the Lawyer failed to maintain sufficient funds in the Estate Account, which resulted in overdrawn handling charges and

interest. The overdraft handling charges, overdraft interest, and non-sufficient funds fee totaled \$56.13.

71. On November 7, 2022, the Lawyer issued a cheque for \$15.17 to the Estate Account to prevent a further overdraft.

Aggravating Factor

72. The Lawyer has a professional conduct record consisting of three conduct reviews in 2011, 2013, and 2017.

Mitigating Factors

73. The Lawyer has admitted his misconduct and cooperated with the Law Society's investigation.
74. The Lawyer's misconduct occurred primarily due to inadvertent errors and a lack of attention to the requirements of his duties as executor and trustee of the Estate, rather than intentional misfeasance.
75. The Lawyer is remorseful and will repay the Estate \$3,898.12 upon receipt of his executor's fee.
76. In approving the consent agreement proposal, the Chair of the Discipline Committee also considered that the proposed suspension was consistent with the outcome in prior, similar matters.