

THE LAW SOCIETY OF BRITISH COLUMBIA

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

AND

GARY (KIN IP) LO

(a member of the Law Society of British Columbia)

RULE 3-7.1 CONSENT AGREEMENT SUMMARY

1. On November 4, 2025, the Chair of the Discipline Committee approved a consent agreement proposal submitted by Gary (Kin Ip) Lo (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 approximately December 2015 and June 2022, in the course of acting for AA and/or BB in one or more of 12 client matters, he provided legal services or used or permitted the use of his firm’s trust account, in circumstances where he failed to do one or more of the following, contrary to rule 3.2-7 of the *Code of Professional Conduct for British Columbia*:
 - (i) make reasonable inquiries about the circumstances, including:
 - a. the identity of his clients or other parties, or both;
 - b. the source of funds received; and
 - (ii) make a record of the results of inquiries made.
 - (b) Between approximately May 2020 and July 2020, in the course of acting for CC, DD, and EE in two client matters, he provided legal services or used or permitted the use of his firm’s trust account, in circumstances where he failed to do one or more of the following, contrary to rule 3.2-7 of the *Code of Professional Conduct for British Columbia*:

- (i) make reasonable inquiries about the circumstances, including:
 - a. the identity of his clients or other parties, or both;
 - b. the source of funds received; and
 - (ii) make a record of the results of inquiries made.
- (c) Between approximately August and November 2018, in the course of acting for AA and BB on a client file, he used or permitted the use of his firm's trust account to receive approximately \$224,000, and to disburse approximately \$222,500 of those funds, in circumstances where he failed to do one or more of the following, contrary to rule 3.2-7 of the *Code of Professional Conduct for British Columbia*:
 - (i) make reasonable inquiries about the circumstances, including:
 - a. the source of funds received; and
 - b. the reason for the funds to go through his firm's trust accounts.
 - (d) Between approximately December 2015 and June 2022 and in relation to seven clients, he failed to comply with client identification and verification requirements ("CIV"), contrary to one or more of Rules 3-100, 3-102, 3-103, 3-104, 3-105, and 3-107 of the Law Society Rules.
- 3. Under the proposal, the Lawyer agreed to be suspended from the practice of law for a period of four months, commencing on the later of November 6, 2025 or seven days after the consent agreement is approved.
- 4. In making its decision, the Chair of the Discipline Committee considered an Agreed Statement of Facts dated October 21, 2025, and a letter to the Chair of the Discipline Committee. The Chair also considered the Lawyer's prior 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 are 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 17, 1996.
9. The Lawyer currently practices in the area of residential real estate.
10. Since November 2013, the Lawyer has been working at Gary K. Lo Law Corporation (the “Firm”) as a sole practitioner.
11. The Lawyer has a prior disciplinary history in British Columbia, as described below.

Background Facts

12. Between approximately December 2015 and June 2022, the Lawyer acted on 12 files that had suspicious circumstances evidenced as follows:
 - (a) the nature of the files, including:
 - (i) unclear sources of funds in the transactions;
 - (ii) private loans, including private funding sought instead of funding from a commercial lender;
 - (iii) lack of discernable connections between the clients and the locations or use of the properties that were sold and purchased on behalf of the clients, including the financial advantage to be gained from the real estate investments; and
 - (iv) high value transactions that were reasonably suspicious given the unknown occupations of the clients;
 - (b) the involvement of AA and BB in most of the files when:
 - (i) the *Personal Property Security Act* (“PPSA”) search results obtained by the Lawyer’s office in March 2018 disclosed that the Director of Civil Forfeiture registered a security interest on July 28, 2016 against AA and BB for 10 years. This occurred following the seizure of property on May 17 and 18, 2016 by the Vancouver Police Department related to a drug trafficking investigation, which resulted in the arrest of AA and BB, among others; and

- (c) the involvement of CC and DD in a client matter client when substantial funds were transferred to a third party numbered company, EE, that had no apparent connection to the client matter.
13. In total, the Lawyer received and disbursed approximately \$9 million via his Firm's trust account with respect to the 12 files at issue in this consent agreement.
- File 1*
14. In December 2015, the Lawyer was retained by AA to prepare loan documents for a private loan from AA to the borrower.
15. AA described himself to the Lawyer as a "businessman" who had various real estate investments, and the Lawyer did not make further inquiries about the type of businessman that he was, his identity, or his source of wealth.
16. At the time that the Lawyer was retained, AA had already advanced \$800,000 to the borrower. The Lawyer was initially instructed by AA to advance a further \$400,000 to the borrower and to prepare a mortgage as security for the loan, which totaled \$1.2 million.
17. On December 16, 2015, the Lawyer prepared a promissory note and a Form B for the collateral mortgage on a residential property with a specified parcel identifier number.
18. On the morning of December 17, 2015, the Lawyer sent the borrower's counsel an email advising that he prepared a promissory note and collateral mortgage as security for the loan, and that AA would advance \$400,000 directly to the borrower.
19. On the afternoon of December 17, 2015, the Lawyer received an email from the borrower's counsel that stated that the parties renegotiated the loan while at his office, that AA would be registering a mortgage against a different property, and that only \$800,000 would be loaned.
20. On December 17, 2015, the Lawyer sent the borrower's counsel an undated Promissory Note and Loan Assignment that was signed by AA, which listed BB as the original and current creditor, who in turn borrowed \$800,000 from AA.
21. On December 18, 2015, the borrower signed the Promissory Note for the \$800,000 that included materially different terms from the Promissory Note and Loan Assignment that was signed by AA. It did not mention BB and listed AA as the creditor.
22. The Lawyer did not make records of any inquiries about the inconsistencies between the loan documents and why security was provided for \$800,000 instead of \$1.2 million.

File 2

23. In January 2016, the Lawyer was retained by BB, as the borrower, with respect to obtaining a \$600,000 private loan from two lenders.
24. The loan was secured, among other things, by a second mortgage that was registered against BB's residence.
25. BB described himself as a "businessman", and the Lawyer did not make any further inquiries about the type of businessman that BB was, his identity, or his source of income.
26. The Lawyer did not make records of any inquiries into the reason BB sought this private loan.
27. On January 25, 2016, the Lawyer and BB signed a Form B and the General Security Agreement for the loan granting the lenders security over the \$600,000.
28. On January 27, 2016, the Lawyer received a trust cheque in the amount of \$590,419.30 that was deposited in the Firm's trust account.

File 3

29. On August 17, 2016, AA signed a Contract of Purchase and Sale as the seller of a residential property in a rural community.
30. In September 2016, the Lawyer was retained by AA to complete the sale of the property.
31. The property was located in a rural community, and there was no apparent connection between AA and the property. The Lawyer didn't make reasonable inquiries into AA's connection to the Property, including, but not limited to: how AA first acquired it, what AA used it for, and why he was selling it.
32. In the title search for the Property, AA described himself as a "businessperson", and the Lawyer did not make further inquiries about the type of businessperson that AA was, or his source of income.

File 4

33. In March 2018, the Lawyer was retained by BB, as the borrower, with respect to obtaining a \$700,000 private loan from a lender.
34. The loan was secured by a new second mortgage that was registered against BB's residential property.

35. BB described himself as a “businessman”, and the Lawyer did not make any further inquiries about his occupation.
36. The Lawyer did not make any records of inquiries into the reasons why BB sought this private loan.
37. The Lawyer had a copy of BB’s 2016 Canada Revenue Agency Assessment, which showed that BB’s net income for that year was \$70,562, and consisted of rental income, interest, and other investment income.
38. The Lawyer did not make inquiries into BB’s source of income as noted in the 2016 Assessment.
39. In March 2018 the Lawyer obtained a Personal Property Security Act search (the “PPSA Search”) for BB, which revealed a security interest that was registered by the Director of Civil Forfeiture on July 28, 2016 against BB, AA, and two others, as individual debtors following “2 money counters and 15 cellphones seized on May 17 and 18, 2016”.
40. The PPSA Search results raised suspicion about BB and AA’s source of funds, which the Lawyer did not investigate further.
41. The Lawyer continued to represent AA and BB after March 2018, until 2022.

File 5

42. On February 10, 2017, AA, BB, and a numbered company obtained a default judgment as plaintiffs against defendants in a court action. The Lawyer did not represent AA and BB, or the defendants, in the court action.
43. On March 3, 2017 litigation counsel for AA, BB, and the numbered company filed a Notice of Application to obtain an assessment of damages against the defendants, which included, among other things, a factual basis that stated that the plaintiffs were retained by the defendants to perform renovation work on a property.
44. On March 14, 2017 the Court ordered the defendants to pay \$200,000 to BB, and damages in the amount of \$281,680 to BB and AA.
45. On May 8, 2017, as part of foreclosure proceedings, the Court approved the sale of the property of the defendants with the remainder of the sale proceeds to be paid into Court and held pending further Order of the Court.
46. In August 2018, the Lawyer was retained by AA, BB, and the numbered company to assist with their proposed application for payment of funds held in the Supreme Court of

British Columbia to satisfy the unpaid default judgment that they obtained in the court action.

47. In August 2018, the Lawyer contacted another counsel to proceed with an application to obtain the funds held in Court on behalf of AA, BB, and the numbered company.
48. In September 2018, the Lawyer did a corporate registry company search for the numbered company, which resulted in a BC Company Summary that showed, among other things, that the company was incorporated on June 22, 2015 and dissolved on December 18, 2017 for failure to file annual reports. AA was the sole director of the company.
49. In the court action, AA and BB described their occupations as builders who assisted the defendants with renovations on the defendants' property. This description is inconsistent with the previous occupations that they provided to the Lawyer on other files, which was "businessman".
50. The Lawyer made no inquiries into the nature of the clients' occupations and source of income.
51. On October 10, 2018, the Court ordered that the balance of the funds held in Court be paid in trust for BB.
52. On November 1, 2018, the Lawyer received a cheque in the amount of \$244,103.89 from another counsel, with respect to the funds that were held by the Court. and he deposited it in the Firm's trust account. The Lawyer did not inquire into why his Firm's trust account was needed to deposit the funds, as opposed to the funds paid directly to BB.
53. The fact that the Lawyer used the Firm's trust account in the absence of providing substantial legal services was a suspicious circumstance that triggered the Lawyer's obligation to make further inquiries into the objectives of his retainer, and the purpose of the transaction, which he failed to do.
54. On November 4, 2018, the Lawyer distributed the funds to AA, BB, and a real estate development company, based on the instructions he received from his clients.

File 6

55. In September 2018, the Lawyer was retained by the company FF in a matter involving a commercial lender to negotiate an extension for the payment of a \$7.5 million mortgage loan that was in default, in relation to a property.

56. BB was the director of FF and the personal guarantor for the loan. AA was authorized by BB to provide the Lawyer with instructions on this file.
57. The Lawyer did not represent FF and BB for the original loan from the commercial lender.
58. The Lawyer did not inquire into BB's ability to provide a guarantee for a \$7.5 million loan, given the knowledge that the Lawyer had regarding BB's occupation as "businessman" or a "builder", and his previously disclosed income in the 2016 Canada Revenue Agency Assessment.
59. The Lawyer's understanding was that FF was a real estate holding company. However, the Lawyer did not make inquiries into the source of income for FF, or the nature of its business dealings.
60. The commercial lender had filed a Petition on August 17, 2018, prior to the Lawyer being retained, in which FF and BB were named as the respondents in a foreclosure proceeding with respect to the property at issue. On October 17, 2018, the commercial lender registered a Certificate of Pending Litigation ("CPL") against the property.
61. The Lawyer was instructed to remove the CPL from the property, and on March 25, 2019, the commercial lender asked the Lawyer, among other things, to confirm the source of the proposed financing to do this. The Lawyer responded by stating that he would get more details about this.
62. The Lawyer was instructed to send the commercial lender a letter dated April 3, 2019, in which he enclosed copies of two bank drafts that his client delivered to the commercial lender, with one being in the amount of \$1 million and the other being in the amount of \$500,000, for a total of \$1.5 million. The \$500,000 was provided by a bank draft from a bank that showed the remitter being a third-party company with no obvious connection to the matter, while the \$1 million was provided by a bank draft from a different bank. The Lawyer did not inquire into the source of these funds.
63. On June 17, 2019, the Lawyer was informed by the commercial lender that it accepted \$930,000 from the Lawyer's client to remove the CPL. This money came from overseas and was paid by the client directly to the commercial lender. The Lawyer made no further inquiries into the source of funds.

File 7

64. In approximately September 2019, the Lawyer was retained by the company GG to prepare a power of attorney for the director of the company to appoint AA as the authorized signatory of the company for the sale of rural property.

File 8

- 65. In September 2019, the Lawyer was retained by the company GG to sell a rural property. AA was the authorized signatory for the sale of the property, pursuant to the power of attorney that was previously prepared for GG.
- 66. There was no apparent connection between GG and the rural property, nor was there an evident link between AA and the rural property, other than it being a potential investment.
- 67. The Lawyer assumed that the property was an investment property, but did not make reasonable inquiries into his client's connection to the property, including how GG first acquired it, what GG used it for, and why it was being sold.
- 68. On November 15, 2019, the property was sold for \$140,000, and the trust cheque for the net sale proceeds of \$138,511.78 was deposited directly in the Firm's trust account by the buyer's counsel.
- 69. On November 18, 2019, the Lawyer issued a trust cheque payable to GG for \$136,471.14, which represented the balance of the sale proceeds after the Lawyer's fees were deducted.

File 9

- 70. In October 2021, the Lawyer was retained by the company HH as the purchaser of a commercial building located in Prince Rupert, BC, for \$600,000.
- 71. The sole director and shareholder of HH was BB, who was also the instructing party on this file.
- 72. HH obtained a bank loan in the amount of \$300,000 for the purchase of the commercial building.
- 73. The Lawyer assumed this was a real estate investment and did not make inquiries into HH, including the nature of its business and the reasons for the purchase of a commercial property.
- 74. On December 17, 2021, a \$288,854.67 bank draft was deposited into the Lawyer's Firm's trust account with the remitter being identified as HH.
- 75. On December 20, 2021 a trust cheque for \$297,820 was deposited from counsel for the bank lender, representing the net proceeds of the loan that HH obtained.

76. On December 20, 2021 the Lawyer disbursed \$586,387.54 from the Firm's trust account to the seller's notary.

File 10

77. In March 2022, the Lawyer was retained by BB, as the borrower of \$3.35 million from a bank for mortgage refinancing with respect to a residential property.
78. The Lawyer listed BB's occupation on his internal identification checklist as "businessman ... operates fishing/crabbing boat in Prince Rupert..."
79. The Lawyer failed to make substantive inquiries about BB's occupation, including why he decided to engage in the business of operating a fishing/crabbing boat.

File 11

80. In May 2020, the Lawyer was retained by CC and DD as lenders who wanted to assign their \$3.8 million private mortgage to two companies for the payment of the outstanding balance of \$3.5 million. The mortgage was registered on October 17, 2018 as a third mortgage against nine lots that were owned by another company.
81. The Lawyer recorded the occupations of CC and DD, who were 33 and 25 years old at that time, as "business women." The Lawyer made no inquiries about the business relationship between the clients, including the type of business women they were, or their sources of income, especially given the high value transaction they were engaged in.
82. Prior to meeting CC and DD, the Lawyer relied on the counsel for the corporate borrower to provide him with details about CC and DD, and instructions for the payout details, which was unusual, since the counsel for the corporate borrower did not typically act as the clients' intermediary.
83. On June 3, 2020, the Lawyer received an email from the counsel for the corporate borrower that directed that the third mortgage payout amount of \$3,482,601.54 be distributed via two separate cheques, with one being for CC in the amount of \$1,423,060.77, and the other being for DD in the amount of \$2,059,540.77. DD requested that her portion be paid to a numbered company.
84. The Lawyer did not conduct a company search of the numbered company to verify the instructions of the counsel of the corporate borrower. Had he done so, he would have discovered that the sole director was another individual with no obvious connection or business relationship to DD or the numbered company. There was also no obvious reason for the unequal distribution of the funds, with approximately 60% of the funds directed to be paid out to the numbered company, which the Lawyer failed to make inquiries about.

85. On June 9, 2020, the day that the Lawyer was scheduled to meet with CC and DD to execute the legal documents, the Lawyer received an email from counsel for the corporate borrower advising that the assignment payment would now come in two instalments, without further details or explanation. Later that afternoon, \$2.6 million was deposited into the Firm's trust account, which was approximately \$900,000 less than the payout amount that the Lawyer had previously been told by the corporate representative that he would receive.
86. The Lawyer failed to investigate the unexpected and significant change in the amount that was deposited in the Firm's trust account.
87. On June 9, 2020, the Lawyer met with CC and DD in-person, and for the first time, to execute the Assignment Agreement and disburse the funds from the Firm's trust account to them. The Lawyer has no record of this meeting, including what was discussed, and the instructions that he received.
88. The Lawyer received the clients' Order to Pay, which was revised to strike out DD's name as a payee and stipulated her share was to be paid to the company EE c/o DD. EE was a third-party numbered company that had no apparent connection to the matter or to DD.
89. The Lawyer did not make reasonable inquiries to ascertain DD's connection to EE and the reason why EE was substituted as the payee receiving the majority share of the funds, in order to satisfy himself of the legitimacy of the transaction.
90. The Lawyer did not inquire into the unexplained active involvement of the counsel for the corporate borrower in the file, including providing payout directions to the Lawyer for CC and DD, and depositing \$2.6 million into the Firm's trust account.

File 12

91. The Lawyer was retained in July 2020 to represent EE as the lender of a \$100,000 private loan that was secured by a second mortgage towards the purchase of a condominium.
92. The funds were received by the Lawyer in the form of a bank draft deposited into Firm's trust account on July 27, 2020.
93. A 23 year old individual was the sole director of EE, and the Lawyer met and identified him on June 29, 2020 to sign the loan agreement, two days after the funds were accepted into trust.
94. The Lawyer made no further inquiries about the sole director's occupation and his source of wealth.

95. The Lawyer did not inquire into the source of funds for the private loan of \$100,000 from EE.

Failure to Comply With Client Identification and Verification

Requirement to Identify AA

96. In December 2015, the Lawyer met AA for the first time, and was retained by him with respect to *File 1*. The Lawyer verified AA's identity by looking at his BC Driver's Licence ("BCDL"), but did not make a copy of it and record the information on the file. The Lawyer recorded AA's full legal name on the File Open Form, which was undated.
97. By the time the Lawyer was retained by AA on *File 3* in September 2016, he made a copy of AA's BCDL and retained a copy of it, which included his home address.
98. Throughout the Lawyer's representation of AA, between 2015 to 2019, the Lawyer understood that AA was a businessman who had various real estate investments, and did not have a work office. The Lawyer did not make reasonable efforts to obtain and record AA's business address and business phone number, or confirm whether his home address and home phone number were the same as his business address and phone number.
99. Throughout 2015 to 2019, the Lawyer did not make reasonable efforts to obtain and record AA's home phone number. The Lawyer believed that AA's cellular phone number was the main point of contact, and he recorded this on the File Open Form.

Requirement to Identify BB

100. In January 2016, the Lawyer met BB for the first time, and was retained by him with respect to *File 2*. The Lawyer or his assistant obtained and recorded a copy of BB's BCDL and his credit card, both of which had the client's full name, with the former including the client's home address.
101. Throughout the Lawyer's representation of BB, between 2015 and 2022, the Lawyer understood that BB was a businessman who had various real estate investments, and did not have a work office. The Lawyer did not make reasonable efforts to obtain and record BB's business address and business phone number, or confirm whether his home address and home phone number were the same as his business address and phone number.
102. Throughout the material time, the Lawyer did not make reasonable efforts to obtain and record BB's home phone number. The Lawyer believed that BB's cellular phone number was the main point of contact.

Requirement to Identify II and JJ

103. In January 2019, the Lawyer was jointly retained by II and JJ with respect to a file in which they were the sellers of a residential property in Vancouver, BC. II was not a resident of Canada, and JJ was her representative via a Power of Attorney. The Lawyer obtained and recorded copies of the driver's licenses and passports of his clients, which included their full names and addresses.
104. Throughout the Lawyer's representation of the clients, between February and August 2019, the Lawyer did not make reasonable efforts to obtain and record copies of the clients' home telephone numbers and occupations.
105. Throughout the material time, the Lawyer did not make reasonable efforts to obtain and record the clients' business addresses and business telephone numbers or confirm whether their home addresses and phone numbers were the same as their business addresses and phone numbers.

Requirements to Identify CC and DD

106. In May 2020, the Lawyer met CC and DD for the first time, and was retained by them with respect to *File 11*. The Lawyer verified the identity of these two clients, and obtained and recorded copies of their respective BCDL.
107. The Lawyer obtained and recorded the home addresses and home phone numbers for the clients on the File Open Form for File 11.
108. Throughout the Lawyer's representation of CC and DD, between May and July 2020, the Lawyer understood that CC and DD were "business women", and recorded their occupations as such on the File Open Form. The Lawyer did not obtain and record the clients' respective work addresses and work telephone numbers, or confirm whether their respective home addresses and home phone numbers were the same as their business addresses and phone numbers.

Requirement to Identify GG

109. In September 2019, the Lawyer did a corporate registry company search for GG, which resulted in a BC Company Summary that showed the client's full name, and the name of the sole director, who was also the instructing party for the client.
110. The Lawyer assumed that the client's business address was the same address as the registered and records office, but he did not inquire about this. The Lawyer did not obtain and record the client's business telephone number.

111. The Lawyer obtained a copy of the sole director's BCDL, which showed her full name and address.
112. Throughout the Lawyer's representation of the client, between September and November 2019, the Lawyer did not make reasonable efforts to record and obtain the general nature of the type of business or activity that the client engaged in. The Lawyer understood that the client was a holding company.

Requirement to Identify EE

113. In July 2020, the Lawyer did a corporate registry company search for EE, which resulted in a BC Company Summary that showed EE's full name, and business address, but the Lawyer did not obtain and record the business phone number. The Lawyer relied on the sole director's phone number as the point of contact for the client.
114. The Lawyer obtained and recorded the sole director's name, phone number, and home address, and that he was the instructing party for the client.
115. The Lawyer did not obtain and record the general nature and type of business or activity that the client engaged in.
116. The Lawyer obtained a copy of the client's incorporation number and the place of issue of its incorporation number.
117. The Lawyer provided the client with legal services with respect of a financial transaction, but did not obtain and record information about the client's source of money.
118. The Lawyer did not make reasonable efforts to obtain and record the names and addresses of all persons who owned, directly or indirectly, 25 per cent or more of EE or of the shares of the organization, and he did not obtain information identifying the ownership, control and structure of the organization.

Aggravating Factor

119. The Lawyer's prior professional conduct record is an aggravating factor, and includes:
 - (a) administrative suspensions between June 2007 to August 2007 and June 2008 to March 2009 for failing to file a completed trust report;
 - (b) an undertaking between June 2010 to March 2021 not to operate as a sole practitioner and not to operate a trust account unless the Lawyer had a second signatory;
 - (c) a Practice Supervision Agreement effective March 2021 to the present date;

- (d) a Citation issued in 2020 with a decision of the Hearing Panel issued in 2022, which resulted in the Lawyer being fined; and
- (e) a consent agreement approved in September 2023 that resulted in a six-week suspension.

Mitigating Factors

- 120. The Lawyer is remorseful and has admitted his misconduct.
- 121. In 2020, the Lawyer implemented a new software and system for opening client files to improve his client identification and verification process.
- 122. There were periods of delay during the Law Society's investigation of the Lawyer. The Law Society accepts responsibility for this delay, and acknowledges that its delay in investigating the Lawyer may have impacted him personally and professionally.
- 123. The above aggravating and mitigating factors have affected the length of the Lawyer's suspension in this matter.
- 124. 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.