File No. DD20250022

THE LAW SOCIETY OF BRITISH COLUMBIA

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

AND

PERPINDERVIR SINGH PATROLA
(a member of the Law Society of British Columbia)

RULE 3-7.1 CONSENT AGREEMENT SUMMARY

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1. On July 27, 2026, the Chair of the Discipline Committee approved a consent agreement proposal submitted by Perpindervir Singh Patrola (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 August 29, 2016 and July 19, 2022, in 24 instances totaling $202,089.98, the Lawyer failed to do the following, contrary to Rules 3-63, 3-74(1) and 3-74(2) of the Law Society Rules:

      (i) maintain sufficient funds on deposit in his law firm's trust account to meet his obligations with respect to funds held in trust for clients;

      (ii) identify and immediately eliminate trust shortages; and

      (iii) immediately make a written report to the Executive Director of trust shortages greater than $2,500,

   (b) between approximately January 31, 2020 and November 30, 2022, in 19 instances, the Lawyer failed to prepare monthly trust reconciliations within 30 days after the effective dates of the reconciliations, contrary to Rule 3-73(5) of the Law Society Rules.

3. Under the proposal, the Lawyer agreed to be fined $12,000.

4. In making its decision, the Chair of the Discipline Committee considered an Agreed Statement of Facts dated July 17, 2026, 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

<u>Member Background</u>

8. The Lawyer was called to the Bar and admitted as a member of the Law Society of British Columbia on July 11, 2007. Prior to that, the Lawyer had completed his articles in Toronto, Ontario and was called to the Bar in Ontario on July 12, 2006.

9. Since April 2011, the Lawyer has been the principal and owner of Patrola Law Corporation (the "Firm"). The Lawyer currently practises commercial and corporate law, and intellectual property.

10. On June 1, 2023, the Lawyer entered into a Trust Supervision Agreement with a Chartered Professional Accountant (the "Supervisor"), which was in place until June 30, 2024. The Lawyer then voluntarily engaged the Supervisor for review of the Firm's trust reconciliations for September 2024 and December 2024.

11. At the material times, the Firm employed three other lawyers, an articling student, a bookkeeper and five legal assistants. The Lawyer and two other lawyers were the authorized signatories for the Trust Account.

12. From approximately 2017 to 2019, the Firm retained a Chartered Professional Accountant (the "CPA"), as the Firm's bookkeeper. From approximately 2019 until the present, the Firm has retained another individual as the Firm's bookkeeper (the "Bookkeeper").

13. At the material times, the Lawyer was the principal of the Firm, and was responsible for ensuring that Law Society's trust accounting rules were fully complied with.

Factual Background

14. The Law Society conducted a compliance audit of the Firm for the period September 1, 2020 to September 9, 2022 (the "Audit"). The auditor identified trust accounting concerns, including trust withdrawals that were made when records were not current, and trust shortages. The concerns were referred to the Professional Conduct department for investigation. Law Society staff concluded that the Lawyer acted contrary to the Law Society Rules (the "Rules").

Late Trust Reconciliations

15. The Firm did not complete monthly trust reconciliations within 30 days after the effective date as required by Rule 3-73(5) in 19 instances, between January 31, 2020 and November 30, 2022.

16. During the Audit, the Law Society auditor identified that the Bookkeeper was improperly making journal entries in the monthly trust reconciliations to address accounting issues. As a result, the Firm's monthly trust reconciliations each contained discrepancies that were not corrected, but rather carried forward over multiple months and years.

17. Because the Lawyer was responsible for the Trust Account and monthly trust reconciliations, he allowed trust withdrawals to be made when the trust reconciliations were not current.

Trust Shortages

18. The Lawyer failed to properly investigate outstanding deposits and bank reconciliation adjustments on the Firm's trust reconciliations, resulting in trust shortages.

Unresolved Outstanding Trust Deposits

19. The Firm had 21 outstanding trust deposits totaling $20,047.48 for the period August 29, 2016 to July 19, 2022 (the "Trust Shortages"). The Lawyer corrected the Trust Shortages on October 31, 2023 by depositing a cheque from the General Account into the Trust Account. He reported the Trust Shortages to the Law Society on November 2, 2023.

Outstanding Trust Deposit – Client Matter 558001

20. On approximately April 6, 2018, the Firm received a bank draft from the client in matter 558001 in the amount of $28,745.60, payable to the Firm. The Firm made a copy of the bank draft and entered it in esiLaw. However, the bank draft was not deposited into the

Trust Account, resulting in trust shortages totaling $28,745.60 (the “558001 Trust Shortages”).

21. The $28,745.60 amount showed up in the Firm’s accounting records as an “outstanding deposit” but the Lawyer did not know what this meant, and did not know that outstanding deposits could constitute trust shortages.

22. The Lawyer corrected the 558001 Trust Shortages on September 23, 2022 by depositing a further bank draft from the client in the amount of $28,745.60 into the Trust Account.

Improper Deposit to General Account – Client Matter 851001

23. On January 30, 2019, the Firm received trust funds totaling $153,296.90 from the client in matter 851001, which were inadvertently deposited into the General Account rather than the Trust Account. This resulted in a trust shortage of $153,296.90. The Lawyer corrected the trust shortage on February 1, 2021 by depositing $150,000.00 into the Trust Account, and transferring into trust $3,296.90 from the General Account.

The Lawyer’s General Response

24. The Lawyer says that proper trust accounting was always an important consideration to him, and he had made efforts to hire recommended accounting professionals, including the CPA and Bookkeeper. When the Lawyer discovered that the CPA was not properly completing the work, he retained the Bookkeeper to review the CPA’s work and to ensure that there were no trust accounting issues.

25. The Law Society auditor identified that the Bookkeeper was improperly making journal entries in the monthly trust reconciliations to address accounting issues resulting from the CPA’s work. The Bookkeeper was required to redo the monthly trust reconciliations and advised to stop making the incorrect journal entries.

26. The Lawyer says that he was too reliant on the Firm’s bookkeepers to complete the reconciliations properly, and had understood that everything was in order unless an issue was brought to his attention. The Lawyer relied on their expertise while not understanding what he should be looking for in the monthly trust reconciliations.

Professional Conduct Record

27. The Lawyer has a professional conduct record consisting of one conduct review in 2019, in relation to his failure to remit GST in full and verify the identity of a client in a non-face-to-face transaction. As noted above, the Lawyer was also subject to a Trust

Supervision Agreement from June 1, 2023 to June 30, 2024, in which agreed to only operate the Trust Account in compliance with the Trust Supervision Agreement.

Mitigating Factors

28. The Lawyer's conduct was not intentional, and occurred primarily because of his overreliance on the Firm's bookkeepers.

29. As principal of the Firm, the Lawyer has accepted full responsibility for the Firm's accounting practices. The Lawyer has cooperated with the Law Society in reaching a negotiated resolution, and admitted his misconduct.

30. The Lawyer has taken educational steps to ensure the Firm is in full compliance with the Law Society's trust accounting rules, and has shown a commitment to remedial efforts, including by voluntarily engaging the Supervisor after expiration of the Trust Supervision Agreement, and requiring the Firm's staff to review the Law Society's Trust Accounting Handbook and complete courses in trust accounting.

31. The Lawyer's early admissions of misconduct and his remedial steps to bring the Firm's accounting practices in compliance with the Rules are mitigating factors.