

2007 : No. 1 March

## **Crawford Grant Edwards**

North Vancouver, BC

Called to the bar: May 15, 1972

Disbarred: January 12, 2007

**Discipline hearing** : May 9, 10 and 12 and September 20, 2006

**Panel** : Bruce LeRose, QC, Chair, June Preston and Leon Getz, QC

**Report issued** : June 28, 2006 (indexed as 2006 LSBC 27) and January 12, 2007 (indexed as 2007 LSBC 04)

**Counsel** : Brian McKinley and Jaia Rai for the Law Society and Mr. Edwards on his own behalf

### **Facts**

In November 2004, Mr. Edwards and JB were introduced to an investment scheme by P who claimed to be a representative of the Government of Canada, the Bank of Canada or the Canadian Business Development Bank (Mr. Edwards and JB were not sure which entity he claimed to be affiliated with). P told Mr. Edwards and JB that the organization he represented had set aside \$100 million for investment in worthwhile enterprises with socially beneficial objectives. P said the fund was to be administered by a private sector entity that would earn significant fees for its work. In order to qualify for the work, the fund administrator had to have at least \$16 million (later reduced to \$5.5 million without explanation) deposited in a specific Bank of Montreal account, P said. He suggested Mr. Edwards and JB arrange to deposit the necessary money and become the fund administrator. He also told Mr. Edwards and JB that if they wanted to take advantage of the opportunity, they had to move quickly and that if they contacted any government or bank officials they would lose the deal.

Mr. Edwards and JB made only minimal attempts to confirm the validity of the investment scheme. JB phoned the Bank of Montreal and was told the account was in P's name but the account number was normally held by the Government of Canada or the Bank of Canada. Mr. Edwards contacted P for information about visas for two Russian businessmen and based on P's answers concluded P had a high level security clearance and that the scheme must be legitimate.

Soon after, JB began soliciting investors in the US with promises of very high returns in a very short time. Mr. Edwards also told potential investors their money would be safe if deposited in his trust account because it would be covered by the Law Society of BC's insurance plan and suggested they contact the Law Society for confirmation.

After receiving several calls from potential investors, a Law Society investigator met with Mr. Edwards on March 4, 2005. Mr. Edwards assured him the scheme was completely legitimate but urged the investigator not to contact the Government of Canada as the investment had to be kept secret. Three days later, the Lawyers Insurance Fund advised Mr. Crawford there was no insurance coverage for the investment funds. Over the next two days, the Law Society met with Mr. Edwards and advised him that the investment presented several red flags of fraud and that the *Professional Conduct Handbook* prohibited lawyers from engaging in any activity that assists a fraudulent scheme.

Mr. Edwards and JB both deposited substantial amounts of their own money in the Bank of Montreal account designated by P. Another investor, KS, also transferred more than \$500,000 to Mr. Edwards' trust

account, which Mr. Edwards then forwarded to the Bank of Montreal account. On September 9, 2005 the Law Society authorized a citation against Mr. Edwards for his involvement in the investment scheme. He was suspended on September 16, 2005 until the determination of the citation.

All of the funds in the Bank of Montreal account were withdrawn shortly after deposit, including \$290,000 that was paid to an automobile dealer.

## **Decision**

The hearing panel found that the investment scheme was "a scam and fraud" and that Mr. Edwards behaved recklessly and in a manner that was a marked departure from the standard expected of a competent solicitor. The panel noted that the respondent ignored warnings given to him by the Law Society that the investment scheme had all the hallmarks of a scam, and that Mr. Edwards continued to maintain that the scheme was legitimate based on sources no reasonably competent solicitor would have relied upon in the circumstances. The panel found that Mr. Edwards should have known that his involvement in the scheme assisted in dishonest conduct contrary to Chapter 4, Rule 6 of the *Professional Conduct Handbook*. The hearing panel did not find that Mr. Edwards personally engaged in any fraudulent conduct or was otherwise dishonest.

## **Penalty**

The hearing panel noted Mr. Edwards had been cited in 1994 for failing to meet his financial obligations and for failing to report an unsatisfied judgment. The panel said the facts of that case were "eerily and disturbingly similar" to the present citation. In that case, Mr. Edwards claimed his financial difficulties arose because of a failed investment worth millions of dollars involving a high-ranking Iraqi official linked with Saddam Hussein.

The panel noted that past efforts to rehabilitate Mr. Edwards had been conspicuously unsuccessful and nothing on the record hinted at the possibility that he could be rehabilitated. They concluded that the only appropriate penalty for Mr. Edwards was disbarment. The panel further ordered Mr. Edwards to pay costs in the amount of \$35,815.