Admission to Discipline Committee

Andrew Gordon Walker

AGREED STATEMENT OF FACTS

A: Preliminary Matters

Citation

1. The citation in this matter was authorized by the Discipline Committee on December 13, 2007. The citation was issued February 12, 2008.

2. The citation was amended on August 28, 2008 pursuant to Rule 4-31(2)(a) and was served on the Respondent's counsel.

3. The Respondent admits service of the citation and the amended citation in accordance with the requirements of Rule 4-15 of the Law Society Rules.

Member Background

4. Andrew Gordon Walker (the " Respondent") was called to the bar in the Province of Ontario in 1980, and was subsequently admitted to the bar of British Columbia on May 10, 1984. Since then, he has practised primarily in the area of securities law, except for two periods in which he ceased membership: December 31, 1984 to January 20, 1986 (13 months) and December 31, 1988 to September 8, 1989 (9 months).

5. From June 27, 1988 to December 31, 1988, the Respondent was employed by the B.C. Securities Commission.

6. Between December 2003 and April 10, 2006, the Respondent (directly and through Andrew Walker Law Corporation, operating as " Equity Business Lawyers") acted as the corporate solicitor for P Corp. (" P Corp." or the " Company"), an oil company based in Calgary, Alberta and publicly traded on the TSX Venture Exchange (" TSX" or the " Exchange").

7. During this time period, in addition to acting as the Company's corporate counsel, the Respondent was also:

a) a director of P Corp.; and

b) from July 2004 to April 10, 2006, an officer of P Corp. (Corporate Secretary).

B: Acquisition of the Lo/Ching Shares by Respondent and Others

Share Purchase

8. In early 2005, P Corp.'s board of directors was composed of its president GT, DP, PC and the Respondent.

9. On February 2, 2005, the amount of $86,455.97 (the " Funds") was withdrawn from P Corp.'s bank account, and after the deduction of transfer charges, the Respondent received the Funds as a deposit to his trust account, in the form of a wire transfer from the Company, in the amount of $86,380.97. GT and DP, on behalf of P Corp., provided authorizations to the National Bank of Canada directing the transfer of the Funds to the Respondent's trust account at the Royal Bank.

10. On February 3, 2005, the Funds were withdrawn from the Respondent's trust account in order to purchase 614,470 shares of the Company belonging to FL and CC (the " L/C Shares") at $0.14 each. On February 7, 2005, the Respondent wrote to C Services, the share transfer agent, " as solicitors for the Company" , asking that C Services cancel the existing share certificates for the L/C Shares and issue new certificates to the Respondent, DP and GT (the last through GT's company [company]). Ownership of the L/C Shares was divided among the Respondent (204,824 shares), GT (204,823 shares) and DP (204,823).

11. The Company never authorized, by Board resolution or otherwise, the use of the Funds for the purchase of the L/C Shares.

12. The Respondent, as P Corp.'s legal counsel, did not advise that the L/C Shares be repurchased by the Company means of a Normal Course Issuer Bid, although that would have, in accordance with Policy 5.6 of the Exchange's Corporate Finance Manual, an available means by which the Company could have repurchased the L/C Shares.

13. Instead, the Respondent, GTand DP purchased the L/C Shares on their own account and for their own benefit. At no time did they disclose their purchase of the L/C Shares to PC or to the Company.

2005 Interim Financial Statements

14. The Respondent signed, as a director of P Corp., P Corp.'s Q1 Interim Financial Statements dated March 31, 2005 and its Q2 Interim Financial Statements dated June 30, 2005 (collectively " the Financial Statements").

15. The Funds were wrongly recorded in Note 4 of the Financial Statements as part of a 2005 " Exploration and Development" expense, in the amount of $136,456, for a resource property known as the R Property. In fact, P Corp. had not incurred any exploration or development expense in respect of the R Property, and the Financial Statements were untrue and misleading in that respect.

16. In the Respondent's letter to the TSX dated March 19, 2006 (written in response to the TSX's letter dated February 28, 2006), the Respondent advised that the only development expense for R Property was the $12,155.00 amount recorded for 2004.

17. In a letter from the Respondent's counsel to the Law Society dated August 1, 2006 the Respondent advised, through counsel, that " there were no "capitalized expenses for R Property'."

18. P Corp.'s Q3 Interim Financial Statement dated September 30, 2005 (the " Q3 Statement") was signed by the Respondent and by FR, who had joined the Company as its new president in or about July 2005. In the Q3 Statement, the recorded R Property " exploration expense" was reduced to $50,000, a reduction of $86,456.00 - the amount of the Funds.

Treatment of the Funds by the Respondent after mid-2005

19. From the time they joined the Company, FR and the Company's new Chief Financial Officer RS began to make inquiries of the Respondent regarding P Corp.'s financial affairs, including what had been recorded as R Property exploration expenses in the Financial Statements.

20. In a fax to RS dated November 24, 2005, the Respondent stated as follows in respect of the Funds:

> " In respect of the $86,000, we advise that it should be treated in the same manner as previously - in that the monies in question remain trust monies."

21. As at November 24, 2005, the Funds were not in the Respondent's trust account, nor had they been in that account since they were withdrawn to purchase the L/C Shares on February 3, 2005.

22. On February 6, 2006, the Respondent wrote to P Corp., to the attention of FR, and enclosed a trust reconciliation from January 1, 2005 to January 31, 2006. The reconciliation showed the amount of $86,455.97 being credited to the Respondent's trust account on December 31, 2005. The next entry shows a " refund of Trust monies" (to P Corp.) on January 20, 2006.

23. Following the commencement of the Law Society's investigation in 2006, the Respondent took the position (which he has maintained subsequently) the Law Society, through a letter from his counsel dated August 1, 2006 that the Funds had at all times been a " loan" by P Corp. to himself, GT and DP:

> " Mr. Walker wishes to emphasize that the transaction described above [i.e. the use of the Funds to purchase the L/C Shares] was regarded throughout as a loan by Messrs. DP, GT and himself, and that the monies from the Company were intended to be repaid and were repaid."

24. Notwithstanding the Respondent's position that the Funds were a loan to himself and others:

a) He did not advise or cause the Company to prepare a loan agreement, take security, to prepare or any other form of documentation evidencing the existence of the alleged loan;

b) He did not advise PC, the Company's fourth director at the material time, of the existence of any loan; and

c) He did not record the Funds as a loan in the books and records of his own legal practice.

C: The " Finder's Fee" Shares

25. In the period December 16, 2004 to April 13, 2005, P Corp. entered into a number of agreements with E Resources of Alberta for the drilling of wells in areas informally known as R Property, C Property, A Property and C Property.

26. In early 2005, GT advised the Respondent that a Mr. SM of Edmonton, Alberta was a finder of the E Resource deals and was therefore entitled to a finder's fee in the form of treasury shares of P Corp.

27. GT instructed the Respondent as counsel for the Company to take the steps required to issue finder's fee shares to V Inc. GT advised the Respondent that V Inc. was beneficially owned by SM.

28. Subsequently, 278,462 finder's fee shares were issued by the Company from Treasury in the name of " V Inc." (the " Finder's Fee Shares") and were lodged with the Transfer Agent in that name. This issuance was effected by the Respondent's delivery to the Transfer Agent of the following Treasury Orders, executed by both the Respondent and GT:

a) Treasury Order dated March 7, 2005: 200,000 shares at a deemed price of $0.17 per share (enclosed with cover letter from the Respondent);

b) Treasury Order dated April 22, 2005: 40,000 shares at a deemed price of $0.30 per share;

c) Treasury Order dated April 22, 2005: 38,462 shares at a deemed price of $0.26 per share.

29. Following their issuance, the Finder's Fee Shares were delivered to and held at the Respondent's office.

30. At some time between April and July 2005, the Respondent became aware that SM was in fact GT's personal lawyer, was not a finder, and had no entitlement to the Finder's Fee Shares.

31. However, notwithstanding his knowledge that SM had no entitlement to the Finder's Fee Shares, the Respondent took no steps, and did not advise P Corp. to take steps, to cancel the issuance of the Finder's Fee Shares to V Inc. and have them returned to the Company's treasury. Likewise, the Respondent did not inform the Exchange, nor did he, as legal counsel, advise P Corp. to inform the Exchange, that the Finder's Fee Shares had been improperly issued to SM/V Inc., though it was P Corp.'s legal obligation to do so.

32. Instead, the Respondent, GT, and DP decided to simply keep the Finder's Fee Shares for themselves, despite that they had no legal entitlement to these shares and would be violating securities law and TSX rules in appropriating any finder's fee shares to their own benefit.

33. In furtherance of this plan, the Respondent wrote to C Services on or about March 10, 2006 (the letter was erroneously dated February 7, 2005) asking that 240,000 of the Finder's Fee Shares be re-issued to an individual named TW, a resident of Luxembourg, who had agreed to sell the Finder's Fee Shares and deliver the proceeds of such sale to the Respondent, GT and DP. The new share certificate was prepared as requested and was picked up personally by the Respondent.

34. In a letter dated November 12, 2007, the Respondent admitted, through counsel, that there was " no possible justification" for his participation in the scheme to transfer the Finder's Fee Shares to TW.

D: Other Regulatory Proceedings

TSX

35. On June 8, 2006, the Exchange advised that, on the basis of the P Corp. matters, it had initiated a review of the Respondent's acceptability to act as a Director, Officer, employee, agent, or consultant of an Exchange listed company. On November 1, 2006, the Respondent entered into an interim settlement agreement with the Exchange, in which he agreed that:

a) he would resign all of his Directorships of Exchange-listed issuers;

b) he would apply to the Exchange prior to joining the Board(s) of any Exchange-listed issuers;

c) he must advise the Exchange in writing any time he is hired as counsel for an Issuer; and that

d) further penalties may be forthcoming from the Exchange pending the resolution of the Respondent's proceedings involving the Law Society and the British Columbia Securities Commission.

British Columbia Securities Commission

36. On June 25, 2007, the Commission issued an Investigation Order into the conduct of the Respondent and others with regard to the P Corp. matter.

37. Enforcement Counsel of the Commission subsequently advised that it is likely the Executive Director of the Commission will issue a Notice of Hearing against the Respondent on the basis that the conduct complained of constituted an actionable misrepresentation contrary to Section 50(d) of the *Securities Act*.

E: Admissions of the Respondent

38. With respect to the allegation contained in paragraph 1 of the amended Schedule to citation, and in accordance with the facts set out above, the Respondent admits that he misappropriated funds of his client P Corp. by using the Funds (as defined above) to purchase shares of P Corp. for his own benefit and for the benefit of others, without any lawful entitlement.

39. With respect to the allegation contained in paragraph 2 of the amended Schedule to citation, and in accordance with the facts set out above, the Respondent admits that he incorrectly advised his client P Corp. by his fax dated November 24, 2005, in which he stated that the Funds " remain trust monies" when the Funds were not in his trust account and had not been in his trust account since on or about February 3, 2005.

40. With respect to the allegation contained in paragraph 3 of the amended Schedule to citation, and in accordance with the facts set out above, the Respondent admits that he signed the Financial Statements (as defined above) describing the $136,456 referred to in Note 4 of the Financial Statements as exploration expenses when such expenses had not in fact been incurred, and the Funds (approximately $86,456) had been used by the Respondent and others to purchase P Corp. Shares.

41. With respect to the allegation contained in paragraph 4 of the amended Schedule to citation, and in accordance with the facts set out above, the Respondent admits that he took no steps, either as solicitor or as a director of P Corp., to inform the Exchange that Note 4 of the Financial Statements was untrue.

42. With respect to the allegations contained in paragraphs 5 and 6 of the amended Schedule to citation, and in accordance with the facts set out above, the Respondent admits that his use of the Funds as an unauthorized and undocumented " loan" to himself, GT and DP, was effected in a manner that (1) did not protect P Corp.'s interests; (2) was for the personal benefit of the Respondent, GT and DP; and (3) constituted a conflict of interest.

43. With respect to the allegation contained in paragraph 7 of the amended Schedule to citation, and in accordance with the facts set out above, the Respondent admits that in or about March 2005, and thereafter in or about July 2005, December 2005 and March 2006, he participated in a scheme by which he intended to obtain for himself, GT and DP the benefit of all or most of the Finder's Fee Shares (as defined above) when he knew that none of himself, GT or DP had any lawful entitlement to the Finder's Fee Shares, and in so doing, engaged in an activity that was contrary to Chapter 4, Rule 6 of the *Professional Conduct Handbook*.

44. The Respondent admits that his conduct referred to in paragraphs 38, 42 and 43, above, constitutes professional misconduct.

45. The Respondent admits that his conduct referred to in paragraphs 39, 40, 41 and 42, above, constitutes incompetent performance by him of duties undertaken in the capacity of a lawyer.

46. The Respondent admits that his conduct referred to in paragraphs 38 and 43, above, constitutes conduct unbecoming a lawyer.

47. As a result of these admissions the Respondent undertakes as follows:

1. To terminate his membership in the Law Society of British Columbia effective November 28, 2008 and not apply for reinstatement to the Law Society of British Columbia for a period of at least 10 years.

2. Not to apply for admission to the law society of any other province or territory in Canada without first providing written notification to the Law Society of British Columbia.

3. Not to permit his name to appear on the letterhead of any lawyer or law firm or otherwise work for any other lawyer or law firm in British Columbia without the written consent of the Law Society of British Columbia.