

2010 : No. 2 Summer

James Hu

Richmond, BC

Called to the bar: May 19, 2000

Discipline hearing : March 31, 2009

Panel : David Renwick, QC, Chair, Rita Andreone and Peter Lloyd

Report issued : May 6, 2010 (2010 LSBC 10)

Counsel : Maureen Boyd for the Law Society and James Hu on his own behalf

Facts

In April 2008, a Law Society compliance audit revealed that James Hu, a sole practitioner, had not maintained books and records in compliance with the Rules. The auditor returned to Hu's practice on June 25 and 26, 2008 to further discuss the deficiencies and prepare a final report.

On June 28, 2008, two days after the auditor's visit, Hu completed his 2008 Trust Report. He certified that all of the information was true and accurate, when he knew that the answers to several questions were not true.

A follow-up compliance audit in October 2008 determined that Hu's books and records were still not being maintained in substantial compliance with the Rules. He was advised to expect a compliance audit in one year's time and that he was required to provide monthly summaries and trust reconciliations in the interim.

In December 2008, the Law Society asked Hu to explain why his 2008 Trust Report contained untrue answers. His reply letter acknowledged the inaccuracies and explained that he was trying to correct the deficiencies. In May 2009 the Law Society sought an explanation from him regarding untrue answers in his 2007 Trust Report. He replied that he had difficulties with his accounting software and it was his intention to bring himself into compliance with the requirements.

The panel found Hu's conduct to be serious as it involved " truthfulness." The panel also took into consideration that Hu's inaccurate answers did not provide him with any monetary benefit; he had no professional conduct record; he was cooperative and made progress in achieving compliance; and his conduct fell short of deliberate conduct intending to deceive.

Admission and Penalty

Hu admitted that he gave untrue answers to several questions in his 2007 and 2008 Trust Reports and that his conduct constituted professional misconduct. The panel accepted his admission and ordered that he pay:

1. a \$7,500 fine; and
2. \$2,000 in costs.