

2013 : No. 01 Spring

James Hu

Richmond, BC

Called to the bar: May 19, 2000

Ceased membership: January 31, 2013

Admission accepted by Discipline Committee: January 24, 2013

Counsel: Maureen Boyd for the Law Society; Henry Wood, Qc on behalf of James Hu

Facts

On September 13, 2010, a Law Society auditor attended the office of James Hu to conduct a scheduled compliance audit for the period from March 1, 2009 to September 13, 2010. The auditor was unable to complete the audit because Hu did not produce all the required records.

The Law Society wrote to Hu advising that his inability to produce required documents and provide explanations was not in compliance with Rule 3-79.

On September 30, 2010, Hu advised the Law Society that he had withdrawn a total of \$7,802.86 from his trust account in a series of 19 withdrawals. He explained that he was left with many small balances in his trust account, and that he could not figure out why there was a balance. He could not identify any person to whom the funds were owing, so he thought it must be money owing to him.

The Law Society investigated Hu's books, records and accounts and found that Hu did not have a system to diarize the obligations arising from his undertakings. He dealt with undertakings and with holdbacks upon receiving a request from the lawyer or notary representing the other party in the real estate transactions.

Amongst other findings, the dollar amounts of mortgage payout figures, property taxes, strata fees and other amounts were not recorded accurately by Hu's practice.

admissions and DISCIPLINARY ACTION

In submitting his resignation to the Discipline Committee, Hu agreed his behaviour constituted professional misconduct and he admitted to:

- twenty-three instances of misappropriation of funds between 2007 and 2010;
- four breaches of undertaking;
- one hundred sixty-seven trust fund shortages between 2007 and 2010 that were not immediately eliminated, 29 of which were not reported to the Law Society as required;
- failure to supervise staff;
- failure to safeguard client confidentiality;
- failure to maintain certain parts of his books, records and accounts;
- twenty-one instances of withdrawing funds from trust to pay his fees without first preparing and delivering a bill to his client.

Under Rule 4-21, the Discipline Committee accepted Hu's admissions and his undertakings:

1. not to apply for reinstatement to the Law Society for seven years;
2. not to apply for membership in any other law society without first advising the Law Society; and
3. not to permit his name to appear on the letterhead of, or otherwise work in any capacity for, any lawyer or law firm in BC, without obtaining the prior written consent of the Law Society.