2026 LSBC 04
Hearing File No.: HE20240010
Decision Issued: January 27, 2026
Citation Issued: June 10, 2024

THE LAW SOCIETY OF BRITISH COLUMBIA TRIBUNAL

HEARING DIVISION

BETWEEN:

THE LAW SOCIETY OF BRITISH COLUMBIA

AND:

JULIAN REGINALD PORRITT

RESPONDENT

DECISION OF THE HEARING PANEL ON A JOINT SUBMISSION PURSUANT TO RULE 5-6.5

Hearing date:	October 6, 2025
Panel:	Monique Pongracic-Speier, KC, Chair Aleem Bharmal, KC, Bencher Darlene Hammell, Public Representative
Discipline Counsel:	Marsha Down Alina Morrissey
Counsel for the Respondent:	J. Jaia Rai

INTRODUCTION

[1] In June 2024, the Law Society of British Columbia (the "Law Society") issued a citation, later amended and further amended (the "Citation"), against Julian Reginald Porritt (the "Respondent"). The Law Society and the Respondent now jointly apply to have the Citation determined pursuant to Rule 5-6.5. To that end, they have submitted an

agreed statement of facts (the "ASF"); the Respondent's admission letter includes an admission of a discipline violation (the "Admission") and consent to a specified disciplinary action (the "Specified Disciplinary Action"); and submissions on the appropriateness of the Specified Disciplinary Action and proposed costs order.

[2] For the reasons that follow, the Panel accepts the ASF, accepts most of the Admission, and accepts the Specified Disciplinary Action.

THE CITATION, THE ADMISSION AND THE SPECIFIED DISCIPLINARY ACTION

[3] The Citation alleges that:

> Between approximately July 2017 and January 2021, in relation to one or more of client files [#1, #2 and #3], the Respondent used or permitted the use of his firm's trust accounts to receive some or all of approximately $13,257,220.12 CAD, or disburse some or all of approximately $13,254,101.23 CAD, or both, [in 65 transactions] as set out in Schedule "A" (the "Trust Matters"), and failed to do one or more of the following, contrary to one or both of rule 3.2-7 of the *Code of Professional Conduct for British Columbia* and Rule 3-58.1 of the Law Society Rules:
>
> (a) provide legal services directly related to the Trust Matters;
>
> (b) make reasonable inquiries about the circumstances, including, but not limited to:
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> i. your clients or other persons, or both;
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> ii. the subject matter and objectives of your retainer;
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> iii. the source of the funds;
>
> iv. the purpose of the payment of the funds; or
>
> v. the reason for the funds to go through your firm's trust accounts; and
>
> (c) make a record of the results of any inquiries made about the circumstances.
>
> This conduct constitutes professional misconduct, pursuant to section 38(4) of the *Legal Profession Act*.

[4] The Admission states that, in relation to two files, the Respondent used or permitted the use of his firm's trust account to receive $4,222,133.67 CAD, and disburse $3,735,023.32 CAD, in 22 transactions (the "Admitted Transactions") and that he failed to do one or more of the following, contrary to one or both of rule 3.2-7 of the *Code of Professional Conduct for British Columbia* and Rule 3-58.1:

> (a) provide legal services directly related to the Trust Matters;
>
> (b) make reasonable inquiries about the circumstances, including but not limited to:
>
> i. his clients or other persons, or both;
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> ii. the subject matter and objectives of his retainer;
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> iii. the source of the funds;
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> iv. the purpose of the payment of the funds; or
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> v. the reasons for the funds to go through the Respondent's firm's trust accounts; and
>
> (c) make a record of the results of any inquiries made about the circumstances.

[5] Sixteen of the transactions occurred before July 12, 2019. Six occurred after that date. The significance of this date is discussed later in these reasons.

[6] The proposed disciplinary action is a two-month suspension from practice.

THE LEGAL FRAMEWORK

[7] Rule 5-6.5(1) permits the Law Society and a respondent to jointly submit to the hearing panel an agreed statement of facts and the respondent's admission of a discipline violation and consent to a specified disciplinary action. If the panel accepts the agreed statement of facts and the respondent's admission of a discipline violation, then, pursuant to Rule 5-6.5(2):

> (a) the admission forms part of the respondent's professional conduct record,
>
> (b) the panel must find that the respondent has committed the discipline violation and impose disciplinary action, and

(c) the Executive Director must notify the respondent and the complainant of the disposition.

[8] Rule 5-6.5(3) provides that, in imposing disciplinary action, the panel must not depart from the disciplinary action consented to by the respondent unless: (a) each party has been given the opportunity to make submissions respecting the disciplinary action to be substituted, and (b) imposing the disciplinary action to which the respondent has consented would be contrary to the public interest in the administration of justice.

[9] In considering disciplinary action under Rule 5-6.5(3), the Panel adopts the "public interest" test for assessing joint criminal sentencing recommendations set out in *R v. Anthony-Cook*, 2016 SCC 43. *Anthony-Cook* held that a joint sentencing submission should not be rejected unless the action proposed would bring the administration of justice into disrepute or otherwise would be contrary to the public interest: *Anthony-Cook* at para. 32. The question to be asked, in assessing a proposed sentence, is whether it is "so markedly out of line with the expectations of reasonable persons aware of the circumstances of the case that they would view it as a break down in the proper functioning of the … justice system": *Anthony-Cook* at para. 33. This inquiry has been adopted as the basis to assess proposals made under Rule 5-6.5(3); see *e.g. Law Society of BC v. Lang*, 2022 LSBC 4 at paras. 27 to 28; and *Law Society of BC v. Mills*, 2024 LSBC 35 at paras. 12 to 15.

ISSUES

[10] There are three issues for the Panel:

1. Should the Panel accept the ASF?
2. Should the Panel accept the Admission?
3. Should the Panel accept the Specified Disciplinary Action?

ANALYSIS

Issue 1: Should the Panel accept the ASF?

[11] The parties' decision to proceed pursuant to Rule 5-6.5 does not obviate the need for the Panel to consider whether the ASF proves the admitted misconduct on the balance of probabilities: *Lang* at para. 17. We are satisfied that, in this case, it does.

[12] The ASF stipulates that the Respondent was called and admitted as a member of the Law Society in 1984 and, since 1994, had practiced as a solicitor in his own firm, primarily in business and real estate law.

[13] TA, TA's company ABC Ltd. and AO (collectively, the "Clients") were long-time clients of the Respondent. KM, the Clients' accountant, was also a long-term and trusted client of the Respondent. At the time of the first Admitted Transaction (2017), the Respondent and KM had known each other for approximately 25 years. KM provided business and tax advice to the Clients regarding various investments, including those that are the subject of the Citation.

[14] The Respondent was very familiar with the social and business customs of the Clients' cultural community as, by the time of the events at issue in the Citation, he had for decades provided legal services to the community. There was a practice in the community of transferring family wealth from people in the Clients' home country (the "Home Country") to family members living in Canada, via third countries.

[15] The Respondent understood that this method of transferring wealth meant that no funds moved out of the Home Country. Rather, assets were transferred within the Home Country to an exchange agent or affiliate that had money outside of the Home Country. The money outside of the Home Country would then be transferred to the family member in Canada via the Western banking system. The Law Society does not allege that the movement of funds in this manner, for the transactions at issue, contravened a sanctions regime, amounted to money laundering or was contrary to any Canadian regulations.

[16] Based on his dealings with his clientele, the Respondent understood that family members in the Home Country (usually the older generation) wanted the funds they sent to be directed to a lawyer's trust account for three reasons: (i) family optics, so that other family members not receiving funds would know that the funds being sent to Canada were for investment to grow family wealth and not to subsidize luxurious lifestyles; (ii) to minimize the risk of theft by the exchange agent; and (iii) to comply with the tax advice from their accountants that sending funds to a lawyer's trust account would enhance transparency regarding the source of funds.

[17] Trust transactions on two of the Respondent's files are addressed in the Joint Submission.

File 1

[18] Twenty of the 22 Admitted Transactions arose in the context of File 1. The facts of File 1 were as follows.

[19] At some time in 2017, KM advised the Respondent that TA would be receiving funds from her mother, FF (the "Family Funds").

[20] The Respondent provided KM with a form of a deed of gift for the Family Funds. This was completed by the parties to it, to show that FF gifted TA $5 million. The Respondent believed that the purpose of the deed of gift was to ensure that the funds would not be deemed to be part of TA's worldwide income, which would be subject to tax.

[21] The Respondent's staff opened a File 1 for the Family Funds matter. KM provided instructions on this file, pursuant to a verbal authorization by TA.

[22] Between August 2017 and May 2020, the Respondent received into his trust account approximately $9.5 million in connection with File 1, including $4,102,133.67 delivered through 13 of the 22 Admitted Transactions. As things transpired, not all of the funds wired to the Respondent's trust account in connection with the file were, in fact, Family Funds. Indeed, by December 1, 2017, the Respondent had already received approximately $5 million in funds in connection with the file and had been advised by KM that a transfer of $30,722.00 on November 30, 2017 was "the last transfer [of FF's] gift". The ASF discloses some confusion about the sources and purposes of some of the funds transferred into trust after November 30, 2017. Some of the later transfers were described as gift funds from FF, some were understood to be from TA's own overseas sources of wealth and some were believed to be ABC Ltd.'s funds. In addition, the description of the source of one transfer of funds changed within 24 hours, without the Respondent making any inquiries as to why.

[23] The ASF shows that six different third-party entities outside of Canada wired funds to the Respondent's trust account in connection with File 1. The ASF shows that, in relation to these Admitted Transactions, the Respondent did not make inquiries:

(a) to determine whether third-party entities that were unknown to him were currency brokers or were regulated in any manner;

(b) to determine the third-party entities' reputation in relation to money laundering;

(c) about the strength of anti-money laundering regulations in the countries of origin of the third-party entities, or the risk of accepting a wire transfer from a third-party entity from that country;

(d) to confirm the funds wired from the third-party entity were Family Funds;

(e) to determine the third-party entity's source of the funds, since the Respondent understood that none of the funds were moved out of the Home Country; and/or

(f) as to why funds from TA's own overseas sources of wealth were being sent to the Respondent's trust account instead of to TA's or ABC Ltd.'s own bank accounts.

[24] The ASF shows that in each instance in which a third-party entity wired funds to the Respondent's trust account, the Respondent was unaware that the transfer was being made. In some, but not all instances, KM informed the Respondent of the transfer after the fact.

[25] The ASF further shows that KM instructed the Respondent that the Family Funds received until May 2018 should be disbursed as shareholder loans from TA to ABC Ltd.

[26] Through May 2018, the Respondent operated on the understanding that he was receiving the Family Funds for future commercial transactions, and that he would act for ABC Ltd. in those transactions. The Respondent believed that it was permissible for him to use his trust account to receive and disburse the funds as shareholder loans because of their connection to the expected future work. The Respondent did not, however, make specific inquiries at the times of the transactions as to why the trust account was being used to receive and disburse the funds. The ASF also shows that, in some cases, the Respondent did not know, and did not inquire into, the specifics of the investments contemplated or why the funds were being disbursed as shareholder loans from TA to ABC Ltd.

[27] In the ASF, the Respondent admits that he did not provide any substantial legal services in relation to three of the Admitted Transactions associated with File 1, and that there was no reason for the funds transacted to pass through his trust account. He also admits that, for the last four Admitted Transactions on File 1, between December 2019 and February 2020, he did not provide any directly related legal services to TA or ABC Ltd. He further admits that he held some funds in trust until May 15, 2020 without performing *any* legal services.

File 2

[28] In 2018, KM advised the Respondent that KO would be receiving funds from his grandmother, MO, for a home purchase. In June 2019, the Respondent's firm opened a file for KO and his father, AO, to complete a home purchase. The purchase closed towards the end of June 2019, due in part, to funds from a loan from ABC Ltd.

[29] In December 2019, KO and AO were approved for a commercial mortgage, which they had obtained to repay the loan from ABC Ltd.

[30] Approximately two weeks later, a currency broker (one of the same brokers who had wired funds in relation to File 1) sent $120,000 to the Respondent's trust account. The Respondent was unaware that the transfer would occur. Upon receipt of the funds, the Respondent did not make, or record, inquiries about:

(a) the source of the funds;

(b) whether the funds were from MO and, if so, the source of the funds;

(c) why the funds were sent to the Respondent's trust account, rather than being delivered directly to KO or AO;

(d) why the funds exceeded what was needed to repay the loan to ABC Ltd.;

(e) whether the currency broker was a regulated currency broker;

(f) the currency broker's reputation in relation to money laundering;

(g) the strength of anti-money laundering regulations in the broker's jurisdiction or the risk of accepting a wire transfer originating from that place.

[31] On January 6, 2020, the mortgage funds were deposited into the trust account.

[32] On January 9, 2020, the bulk of the funds received into trust from the currency broker on File 2 were disbursed to KO and AO. When the disbursement was made, the Respondent did not know, and did not inquire, how KO and AO would use the funds.

[33] In the ASF, the Respondent admits that he did not provide substantial legal services directly related to the Admitted Transactions associated with File 2 although, at the time of the transactions, he believed it was permissible for him to use his trust account for the Admitted Transactions because he viewed them as connected to earlier transitions.

[34] The Respondent admits that the 22 Admitted Transactions involved objectively suspicious circumstances, which should have, but did not, cause him to make reasonable inquiries about the circumstances of the transactions. He admits that he did not make a record of the results of any inquiries he did make about the circumstances.

[35] Further, the Respondent admits that the six Admitted Transactions which occurred after July 12, 2019, occurred in the absence of legal services directly related to the transactions.

[36] We are satisfied, on the balance of probabilities, that the ASF proves the facts of the acts and omissions which the Respondent has admitted.

Issue 2: Should the Panel accept the Admission?

[37] To find that the Respondent engaged in professional misconduct, we must be satisfied not only that the conduct alleged occurred but that the proven conduct reaches the threshold for professional misconduct: *May v. Law Society of British Columbia*, 2023 BCCA 218, at para. 61.

[38] "Professional misconduct" is conduct which represents a marked departure from the standards expected of a member of the Law Society: *Law Society of BC v. Martin,* 2005 LSBC 16, at para. 171; *Strother v. Law Society of British Columbia*, 2018 BCCA 481, at para. 64. This is conduct "grounded in a fundamental degree of fault". It may include conduct originating in intentional malfeasance or a gross, culpable neglect of a lawyer's duties: *The Law Society of British Columbia v. Yen*, 2024 BCCA 416, at paras. 53 to 54.

[39] The test for professional misconduct requires the Panel to consider the appropriate standard of conduct expected of a lawyer and to determine if the Respondent's conduct falls markedly below that standard: *Law Society of BC v. Kim*, 2019 LSBC 43, paras. 43 to 45. In so doing, all relevant circumstances must be taken into account: *Gregory v. Law Society of British Columbia*, 2024 BCCA 350, at para. 85.

[40] The Admission admits to professional misconduct and confirms that the Admission was made after obtaining independent legal advice.

[41] The parties both say we should accept the Admission. We do, in material part.

[42] Rule 3.2-7 of the *Code* prohibited (and it continues to prohibit) lawyers from engaging in any activity that the lawyer knows or ought to know assists in or encourages any dishonesty, crime or fraud.

[43] At the times of all of the Admitted Transactions, the Commentary to rule 3.2-7 said:

> [1] A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.
>
> [2] A lawyer should be alert to and avoid unwittingly becoming involved with a client engaged in criminal activities such as mortgage fraud or money laundering.

> Vigilance is required because the means for these, and other criminal activities, may be transactions for which lawyers commonly provide services…
>
> [3] Before accepting a retainer, or during a retainer, if a lawyer has suspicions or doubts about whether he or she might be assisting a client in any dishonesty, crime or fraud, the lawyer should make reasonable inquiries to obtain information about the client and about the subject matter and objectives of the retainer. These should include making reasonable attempts to verify the legal or beneficial ownership of property and business entities and who has the control of business entities, and to clarify the nature and purpose of a complex or unusual transaction where the nature and purpose are not clear.
>
> [3.1] The lawyer should also make inquiries of a client who:
>
> (a) seeks the use of the lawyer's trust account without requiring any substantial legal services from the lawyer in connection with the trust matter…

[44] Commentaries [3] and [3.1] essentially summarized the Law Society's expectation that, in objectively suspicious circumstances, a lawyer is required to make reasonable inquiries to satisfy themselves that the client is not seeking assistance in breaking the law (*Gregory* at para 3; *Law Society of BC v. Wang*, 2024 LSBC 42; see also *Law Society of BC v. Elias* [1993], LSDD No. 82 (Review), aff'd *Elias v. Law Society of British Columbia*, 1996 CanLII 1359 (BCCA) and *Law Society of BC v. Gurney*, 2017 LSBC 15). It is professional misconduct for members to become involved in a trust transaction before making such inquiries (*Gurney* at para. 79(b); *Wang* at para. 77). It is not necessary to show that the underlying transaction was unlawful (*Gurney* at para. 87).

[45] At the times of 16 of the Admitted Transactions which occurred before July 2019, a lawyer was expected to treat a request to use the lawyer's trust account without providing related legal services as a "red flag" that would trigger the lawyer's obligation to make inquiries about the transactions (*Wang,* at para. 69).

[46] On July 12, 2019, Rule 3-58.1 was added to the Law Society Rules. At the times of the last six Admitted Transactions, Rule 3-58.1 provided in relevant part:

> (1) Except as permitted by the Act or these rules or otherwise required by law, a lawyer or law firm must not permit funds to be paid into or withdrawn from a trust account unless the funds are directly related to legal services provided by the lawyer or law firm.

[47] The introduction of Rule 3-58.1 did not displace or alter the lawyer's duty to make reasonable inquiries about the reasons for proposed uses of their trust accounts, but introduced a new obligation: *Law Society of BC v. Kates,* 2023 LSBC 40, at paras. 68 to 70; *Wang*, at paras. 52 to 73, 91. The Law Society alleges, and the Respondent admits, that he did not make reasonable inquiries into the nature, purpose and circumstances of the Admitted Transactions, or record the results of any inquiries he did make. The Respondent admits that these omissions amount to professional misconduct. The Panel agrees that the ASF shows that the Admitted Transactions were objectively suspicious and yet the Respondent did not make reasonable inquiries about their circumstances, or record the results of any inquiries he did make.

[48] Further, the Law Society alleges, and the Respondent admits, that he did not provide legal services that were directly related to the Admitted Transactions, and that this omission amounts to professional misconduct. The Panel accepts the Admission of fact for all of the Admitted Transactions and accepts that, for the six Admitted Transactions that occurred after July 12, 2019, the failure to provide directly related legal services was professional misconduct.

[49] However, the Panel does not find that the failure to provide legal services that were directly related the 16 Admitted Transactions before July 12, 2019 was professional misconduct. As noted in *Wang* at para. 91, before the introduction of Rule 3-58.1, "there was not a clear prohibition against lawyers accepting funds into their trust account without providing directly-related legal services". The review board in *Wang* expressly declined to find that the lawyer had "breach[ed] the standard expected of lawyers between August 2017 and August 2018 by transacting funds through his trust account for his client, without providing directly related legal services": *Wang,* at para. 73. In accordance with the review board's reasoning in *Wang*, the Respondent should *not* be found to have engaged in professional misconduct by using his trust account in a way that was not, before July 12, 2019, prohibited.

Issue 3: Should the Panel accept the Specified Disciplinary Action?

[50] The Specified Disciplinary Action should be accepted unless it would bring the administration of justice into disrepute or otherwise be contrary to the public interest: *Law Society of BC v. Palmer*, 2024 LSBC 2 at paras. 42 to 44; *Mills*, at paras. 12 to 15.

[51] Disciplinary action has two main purposes: the first and overriding purpose is to protect the public and maintain confidence in the legal profession, and the second is to promote the lawyer's rehabilitation. Often the same disciplinary action will serve both purposes. If the two conflict however, the first takes priority: *Cole v. Law Society of British Columbia*, 2025 BCCA 423, para. 20.

[52] The criteria for determining disciplinary action for professional misconduct assist us in assessing whether the Specified Disciplinary Action would bring disrepute to the administration of justice or would otherwise be contrary to the public interest. *Law Society of BC v. Dent*, 2016 LSBC 5 describes the following criteria:

(a) the nature, gravity, and consequences of the impugned conduct;

(b) the Respondent's character and professional conduct record ("PCR");

(c) the Respondent's acknowledgement of the misconduct and remedial action; and

(d) public confidence in the legal profession, including public confidence in the disciplinary process.

[53] Assessing disciplinary action is "an individualized process that requires the hearing panel to weigh the relevant factors in the context of the particular circumstances of the lawyer and the conduct that has led to the disciplinary proceedings": *Cole,* at para. 22; *Law Society of BC v. Faminoff,* 2017 LSBC 4, at para. 84. It involves analysing aggravating and mitigating factors: *Cole*, at para. 22.

[54] The parties submit that the jointly proposed, global Specified Disciplinary Action of a two-month suspension to commence two months after the issuance of the Panel's decision is appropriate when assessed against the circumstances in which the professional misconduct occurred, similar prior cases, and the Law Society's overarching mandate to protect the public. We agree that a two-month suspension for the proven professional misconduct would not bring the administration of justice into disrepute nor otherwise be contrary to the public interest, for the reasons that follow:

(a) The nature, gravity and consequences of the impugned conduct

[55] The parties agree that the Respondent's misconduct warrants a suspension. A suspension sends a stronger message of disapproval than a fine and is more appropriate in cases of serious misconduct: *Cole*, at para. 25.

[56] It is well established that a lawyer's trust account should not be used to receive and disburse funds: (a) in suspicious circumstances without reasonable inquiry, or (b) since July 2019, if the lawyer is not providing legal services directly related to such funds. The rules governing trust accounts are at the heart of the Law Society's mandate to regulate the financial integrity of the profession and to provide the public with assurances regarding the financial trustworthiness and legal ethics of the profession.

[57] In *Law Society of BC v. Yen*, 2023 LSBC 2 ("*Yen Review*") at para. 101, the board adopted the reasoning in *Gurney* that:

> …in order to maintain the public's confidence in the profession as gatekeepers of the financial system in circumstances where the confidentiality obligations of lawyers raises the risk that money laundering or other dishonest or illegal activity could occur, it is important to treat the professional misconduct that occurred in this matter as a serious breach….

[58] In *Yen Review*, the respondent lawyer had engaged in misconduct of a similar nature to the present case. We likewise agree that the nature and gravity of the Respondent's misconduct in this matter is serious and that the Specified Disciplinary Action would not be contrary to the public interest. The misconduct took place over a three-year period between August 2017 to February 2020. During that time, the Respondent failed to make reasonable inquiries in relation to the 22 Admitted Transactions, when he ought to have done so.

[59] In *Gurney,* the hearing panel provided an overview of lawyers' responsibilities to be gatekeepers of their trust accounts and make reasonable inquiries in suspicious circumstances:

> [36] …the legal profession has the responsibility for policing itself with regard to the use of lawyers' trust accounts. This means that there is a need for lawyers to understand the importance of their role in acting as gatekeepers to their trust accounts and to ensure that they make the necessary inquiries with regard to transactions that reasonably appear to be suspicious prior to their allowing funds to be deposited into their trust accounts. General deterrence requires the profession to understand that the breach of that professional duty will be treated as a serious breach.
>
> [37] For the reasons set out above dealing with the need for general deterrence, the fact that lawyers are constitutionally exempt from the Proceeds of Crime Regime requires breaches of the gatekeeper function with regard to lawyers' trust accounts be taken seriously to preserve the public confidence in the integrity of the profession.
>
> [38] In order to preserve the public confidence, the Respondent's professional misconduct must be considered a serious breach.

[60] Further, after July 12, 2019, the Respondent permitted his trust account to be used for six transactions, without providing legal services directly related to the transactions, despite the "clear prohibition" in Rule 3-58.1(1) against doing so. The Respondent's non-

compliance with Rule 3-58.1(1) after it was introduced on July 12, 2019 is a matter of significant concern.

[61] The Respondent's conduct was thus sufficiently serious to warrant the Specified Disciplinary Action due to the nature of the discipline violations involved.

(b) Previous character and professional conduct record

[62] The Respondent is a senior lawyer. At the time of his misconduct, he had been practising law in British Columbia for more than 30 years.

[63] The Respondent has a professional conduct record ("PCR") consisting of two prior conduct reviews. The PCR is summarized as follows:

(a) October 13, 2016: a conduct review was authorized to discuss the Respondent's conduct in improperly transferring $370.24 in residual client balances to his firm's general account, contrary to Rule 3-64 of the Law Society Rules on six client matters; and

(b) December 15, 2021: a conduct review was authorized to discuss the Respondent's conduct in failing to fulfill an undertaking related to strata maintenance fees, while acting for the purchaser in a real estate conveyance of a strata property.

[64] While a record of conduct reviews may be an aggravating factor in some cases, we are not persuaded that the PCR is appropriately treated as an aggravating factor in this case. The Panel agrees with the parties that the October 2016 conduct review is "dated" and that neither entry is related to the proven professional misconduct.

(c) The Respondent's acknowledgment of the misconduct and remedial action

[65] The Law Society points out that the ASF, Admission and consent to disciplinary action under Rule 5-6.5 has saved time and resources and obviated the need for a hearing that would have required the parties to call witnesses. We agree that this factor weighs in favour of accepting the Specified Disciplinary Action under the *Anthony-Cook* test.

(d) Does the Specified Disciplinary Action support public confidence in the profession and the disciplinary process?

[66] Public confidence in the profession and the disciplinary process is fostered by sanctions that are proportionate to the misconduct, and fair and reasonable in all of the

circumstances. The parties agree that a two-month suspension is appropriate, albeit for slightly different reasons. The Law Society stresses that general deterrence is an important consideration in evaluating the Specified Disciplinary Action in this case, while the Respondent stresses that the Specified Disciplinary Action is responsive to the unique circumstances of the case.

[67] The parties agree that the Panel should consider disciplinary action imposed in prior, comparable cases in deciding whether the Specified Disciplinary Action is contrary to the public interest. The following decisions and consent agreements were brought to the Panel's attention:

(a) In *Law Society of BC v. Wang,* 2025 LSBC 25, the respondent failed, on three separate client matters, to provide substantial or any legal services or make reasonable inquiries in suspicious circumstances and to comply with client identification and verification requirements. The respondent also breached trust accounting provisions of the Rules, some of which amounted to professional misconduct. The hearing panel ordered a four-month suspension.

(b) In *Law Society of BC v. Kates,* 2023 LSBC 40, the respondent committed professional misconduct by receiving and disbursing approximately $9 million of client funds through his trust account without performing directly related legal services, contrary to Rule 3-58.1; failing to make reasonable inquiries about the transaction or record the results of inquiries; circumventing, or assisting the client to circumvent, a bank's refusal to permit a transfer of funds from the client to an affiliate's US bank account in circumstances where the lawyer ought to have known that there were questions or concerns about the transfer; and providing an incomplete or misleading response to an inquiry from a Law Society auditor. The lawyer also committed several breaches of the Rules that did not amount to professional misconduct. The matter proceeded by way of a Rule 5-6.5 joint submission. The panel accepted the proposed disciplinary action of a two-month suspension.

(c) In *Law Society of BC v. Yen*, 2021 LSBC 30, the respondent permitted the use of the firm's trust account to receive approximately $10 million USD and $1.27 million CAD, and disbursed approximately the same amount in 15 separate deposits and 25 separate withdrawals or transfers in less than two years. The respondent failed to provide any substantial legal services in connection with the transactions, failed to make

reasonable inquiries about the circumstances of the transactions, and failed to make a record of inquiries. There were numerous red flags which made the transactions questionable. The hearing panel found that the respondent committed professional misconduct and ordered a three-month suspension. The review board upheld the finding of professional misconduct for the conduct set out above and upheld the sanction: *Yen Review.*

(d) In *Law Society of BC v. Hsu*, 2019 LSBC 29, the respondent allowed approximately $14 million to flow through her trust account in a series of securities transactions over a period of approximately five years. She failed to make any or reasonable inquiries in suspicious circumstances. The transactions ultimately facilitated fraud, resulting in investor losses in excess of $5 million. The respondent made a conditional admission of professional misconduct and consented to a suspension of three months, pursuant to Rule 4-30 of the Law Society Rules. She was further restricted from practicing securities law.

(e) In the *Law Society of BC v. Dureault*, Rule 3-7.1 Consent Agreement (February 28, 2025)*,* the lawyer used his trust account to receive and disburse funds for three entities and three individuals without providing any or substantial legal services and without making reasonable inquiries into the source and nature of the funds or about the entities and individuals. The conduct occurred over a period of almost one year. This resulted in the lawyer being duped, and he may have facilitated crime, dishonesty or fraud. The lawyer also failed to comply with client identification and verification requirements. The lawyer did not have a prior professional conduct record. The lawyer admitted that he committed professional misconduct, and the Chair accepted the consent proposal of a three-month suspension, with an undertaking by the lawyer not to operate a trust account in the future.

(f) In the *Law Society of BC v. Liu* Rule 3-7.1 Consent Agreement (December 14, 2022), the lawyer permitted his trust account to be used in circumstances that triggered a positive duty to make reasonable inquiries to obtain information about the clients, subject matter, and objectives of the retainer, but he failed to make adequate inquiries. In relation to six of the files, he permitted his trust account to be used without providing any or sufficient legal services in connection with the funds. The lawyer's conduct also included breaches of the client

identification and verification rules and conflicts of interest. The Chair accepted the consent proposal of a three-month suspension.

(g) In the *Law Society of BC v. Cheng* Rule 3-7.1 Consent Agreement (November 28, 2022), the lawyer permitted his firm's trust account to be used to receive and disburse approximately $504,094.60 without providing any or substantial legal services, and without making reasonable inquiries regarding the source and nature of the funds. The lawyer admitted that his conduct constituted professional misconduct. At the relevant time, his clients were being investigated by the BC Securities Commission and another regulatory body. The Chair accepted the consent proposal of a two-month suspension.

[68] The Panel accepts that a two-month suspension for the proven professional misconduct falls within the range of disciplinary action imposed in other cases involving similar discipline violations.

(e) Conclusion on assessment of the Specified Disciplinary Action

[69] In consideration of the foregoing, we conclude that the Specified Disciplinary Action is not so out of line with expectations as to represent a breakdown of the proper functioning of the … justice system: *Anthony-Cook* at para. 33. It cannot be said to bring the administrative of justice into disrepute or to be contrary to the public interest: *Anthony-Cook*, paras. 32 and 41 to 43.

COSTS

[70] The parties agree to an order of costs to be paid by the Respondent in the amount of $3,000. Having regard to the manner in which the hearing of the Citation proceeded, this is reasonable.

ORDER

[71] Accordingly, we order as follows:

(a) an order under s. 38(5)(d) of the *Act* that the Respondent be suspended for two months to commence two months after the date the Panel's decision is issued, or other such date as agreed upon in writing by the parties;

(b) an order under Rule 5-11 of the Rules that the Respondent pay costs of $3,000, inclusive of disbursements, payable one month after the date the Panel's decision is issued.