

LAW SOCIETY OF BRITISH COLUMBIA TRIBUNAL  
HEARING DIVISION

BETWEEN:

**LAW SOCIETY OF BRITISH COLUMBIA**

AND:

**PHILIP MICHAEL BOLTON**

RESPONDENT

**AMENDED CITATION**

**TO: P. Michael Bolton**  
c/o Bolton Law  
Suite 335 – 1122 Mainland Street  
Vancouver, BC V6B 5L1

**AND TO: His Solicitor, Peter Leask, KC**  
1400 - 1125 Howe Street  
Vancouver, BC V6Z 2K8

**TAKE NOTICE THAT** by direction of the Discipline Committee of the Law Society of British Columbia, a Hearing Panel of the Law Society will, at a date and time to be set, conduct a hearing to inquire into your conduct or competence as a member of the Law Society of British Columbia, in accordance with section 38 of the *Legal Profession Act*. Parts 4 and 5 of the Law Society Rules outline the procedures to be followed at the hearing. Your appearance before the Hearing Panel may be your only opportunity to present evidence, call witnesses or make submissions.

**The allegations against you are:**

1. Between approximately October 2011 and November 2018, on behalf of one or more clients and/or related parties, namely K, F, V, E, and Z, you engaged in activities that assisted in or encouraged dishonesty, crime or fraud, contrary to one or both of

Chapter 4, Rule 6 of the *Professional Conduct Handbook* [prior to December 31, 2012] and rules 3.2-7 and 3.2-8 of the *Code of Professional Conduct for British Columbia* [from January 1, 2013]. In particular, you used or permitted the use of your firm's trust accounts to receive or disburse, or both, some or all of approximately \$4,866,976.72 CAD and \$6,508,949.78 USD, as set out in Schedule "A" (the "Funds"), when you knew or ought to have known certain particulars, including one or more of the following:

- (a) one or more of the clients and/or related parties were being investigated in regard to potential criminal offences in the United States;
- (b) some or all of the Funds were proceeds of one or more of the clients' and/or related parties' business operations;
- (c) authorities had determined that one or more of the clients' and/or related parties' business operations amounted to money laundering under United States law;
- (d) the possibility of the issuance of freezing orders in relation to moneys or assets of one or more of the clients and/or related parties; and
- (e) Z, K, F, and V had entered guilty pleas in the United States to criminal offences relating to money laundering and conspiracy to distribute wholesale quantities of misbranded prescription drugs for the foreign market.

This conduct constitutes professional misconduct, pursuant to section 38(4) of the *Legal Profession Act*.

2. In the alternative to Allegation 1, between approximately October 2011 and November 2018, on behalf of one or more clients and/or related parties, namely K, F, V, E, and Z, you used or permitted the use of your firm's trust accounts to receive or disburse, or both, some or all of approximately \$4,866,976.72 CAD and \$6,508,949.78 USD, as set out in Schedule "A" (the "Transactions"), and failed to do one or more of the following in connection with the Transactions:

- (a) be on guard against becoming the tool or dupe of an unscrupulous client or other persons;
- (b) provide any substantial legal services;
- (c) make reasonable inquiries about the circumstances, including, but not limited to:
  - i. the identity of your clients or other parties, or both;

- ii. the relationships between the parties and certain agents or intermediaries;
- iii. the legal or beneficial ownership of certain property and business entities;
- iv. the subject matter and objectives of your retainer;
- v. the nature and purpose of some or all of the transactions;
- vi. the source of funds received;
- vii. the purpose of the payment of the funds; and
- viii. the reason for the funds to go through your firm's trust accounts; and

(d) make a record of the results of any inquiries about the circumstances.

This conduct constitutes professional misconduct, pursuant to section 38(4) of the *Legal Profession Act*.

3. Between approximately September 2016 and January 2020, on behalf of one or more clients and/or related parties, namely W, P, and O, you engaged in activities that assisted in or encouraged dishonesty, crime or fraud, contrary to one or both of rules 3.2-7 and 3.2-8 of the *Code of Professional Conduct for British Columbia*. In particular, you used or permitted the use of your firm's trust accounts to receive or disburse, or both, some or all of approximately \$10,159,297.95 CAD, as set out in Schedule "B" (the "Funds"), when you knew or ought to have known certain particulars, including one or more of the following:

- (a) O had purportedly ceased business in September 2016;
- (b) one or more of the clients and/or related parties were under investigation for potential criminal offences in the United States;
- (c) one or more of the clients and/or related parties were subject to the United States' Office of Foreign Asset Control ("OFAC") sanctions;
- (d) one or more of the clients and/or related parties was designated by OFAC as a "significant transnational criminal organization";
- (e) OFAC had sought the disclosure of O's banking information and obtained a warrant to seize the funds held in the identified bank accounts;
- (f) one or more of the clients and/or related parties were subject to civil forfeiture proceedings in British Columbia, including being subject to an interim preservation order;
- (g) some or all of the Funds were proceeds of O's business operations; and

- (h) in or about 2019, W and others involved in O were indicted in the United States for criminal offences relating to mail and wire fraud, and conspiracy to commit money laundering.

This conduct constitutes professional misconduct, pursuant to section 38(4) of the *Legal Profession Act*.

4. In the alternative to Allegation 3, between approximately September 2016 and January 2020, on behalf of one or more clients and/or related parties, namely W, P, and O, you used or permitted the use of your firm's trust accounts to receive or disburse, or both, some or all of approximately \$10,159,297.95 CAD, as set out in Schedule "B" (the "Transactions"), and failed to do one or more of the following in connection with the Transactions:

- (a) be on guard against becoming the tool or dupe of an unscrupulous client or other persons;
- (b) provide any substantial legal services;
- (c) make reasonable inquiries about the circumstances, including, but not limited to:
  - i. the identity of your clients or other parties, or both;
  - ii. the relationships between the parties and certain agents or intermediaries;
  - iii. the legal or beneficial ownership of certain property and business entities;
  - iv. the subject matter and objectives of your retainer;
  - v. the nature and purpose of some or all of the transactions;
  - vi. the source of funds received;
  - vii. the purpose of the payment of the funds; and
  - viii. the reason for the funds to go through your firm's trust accounts; and
- (d) make a record of the results of any inquiries about the circumstances.

This conduct constitutes professional misconduct, pursuant to section 38(4) of the *Legal Profession Act*.

**If you fail to appear at the hearing, the Hearing Panel may proceed with the hearing in your absence** and make any order that it could have made had you been present.

THIS CITATION AMENDED pursuant to Rule 5-4.2(1)(a) of the Law Society Rules.