

THE LAW SOCIETY OF BRITISH COLUMBIA

IN THE MATTER OF THE *LEGAL PROFESSION ACT*, SBC 1998, C. 9

AND

NAEEM-UL-NUSHAD AHMED

(a member of the Law Society of British Columbia)

RULE 3-7.1 CONSENT AGREEMENT SUMMARY

1. On December 23, 2024, the Chair of the Discipline Committee approved a consent agreement proposal submitted by Naeem-Ul-Nushad Ahmed (the “Lawyer”) under Rule 3-7.1 of the Law Society Rules (“Rules”).
2. Under the proposal, the Lawyer admitted that he committed the following misconduct, and that it constitutes professional misconduct pursuant to s. 38(4) of the *Legal Profession Act*:
 - (a) Between May 2016 and January 2018, in the course of acting in 15 matters, he provided legal services or used his firm’s trust account in 129 instances, or both, in circumstances where he failed to the following:
 - i. be on guard against becoming the tool or dupe of an unscrupulous client or other persons;
 - ii. make reasonable inquiries about the circumstances, including, but not limited to:
 - a. the identity of his clients or other parties, or both;
 - b. the relationship between the parties and certain agents or intermediaries;
 - c. the legal or beneficial ownership of certain property and business entities;
 - d. the subject matter and objectives of his retainer;
 - e. the nature and purpose of some or all of the transactions;
 - f. the source of funds received;
 - g. the purpose of the payment of the funds;

- h. the reason for the funds to go through his firm's trust accounts; and
 - iii. make a record of the results of inquiries made.
3. Under the proposal, the Lawyer agreed to be suspended from the practice of law for a period of one month, commencing on February 28, 2025.
 4. In making its decision, the Chair of the Discipline Committee considered an Agreed Statement of Facts dated December 9, 2024, and a letter to the Chair of the Discipline Committee. The Chair also considered that the Lawyer did not have a prior professional conduct record.
 5. This consent agreement will now form part of the Lawyer's professional conduct record.
 6. Pursuant to Rule 3-7.1(5) of the Rules, and subject to Rule 3-7.2 of the Rules, the Law Society is bound by an effective consent agreement, and no further action may be taken on the complaint that gave rise to the agreement.
 7. The admitted facts set out in the Agreed Statement of Facts have been summarized below.

Summary of Facts

Member Background

8. The Lawyer was called and admitted as a member of the Law Society of British Columbia on July 20, 2010. He has worked mostly as a sole practitioner. Between 2016 and 2022, residential real estate files comprised between 25-45% of his practice and commercial real estate files comprised between 0-5% of his practice.
9. The Lawyer has no prior disciplinary history in British Columbia or any other jurisdiction.

Background Facts

10. From May 2016 to January 2018, the Lawyer acted on 15 files with "red flags" evidenced as follows:
 - (a) the involvement of AA, a known fraudster and undischarged bankrupt, in some or all of the 15 files;
 - (b) involvement of numbered companies appearing to be connected to a consortium of corporate entities, which had the effect of concealing the identities of beneficial owners;

- (c) large, complex transactions involving multiple properties, structures and parties;
 - (d) multiple loans on the properties (many of them short-term and/or high ratio and involving private lenders, high interest rates and/or associated fees);
 - (e) competing and/or inconsistent contracts and agreements which were often modified, including verbally, and apparently frequently breached;
 - (f) urgency and/or short notice changes and transaction timelines; and
 - (g) unclear true source of funds used in the transactions.
11. In total, the Lawyer received \$31,516,670.36 into his firm's trust account and disbursed \$31,516,669.87 from his firm's trust account in 129 transactions.
12. In August 2014, the Lawyer met with BB and CC regarding a potential \$2,000,000 loan to DD. The Lawyer advised BB and CC not to proceed and did not open a physical file for the matter.

File 1

13. In May 2016, the Lawyer was retained by a company directed by DD to defend a claim that DD's company failed to complete a contract of purchase and sale on a property with a purchase price of \$1,290,000. According to the Lawyer, DD authorized AA as the primary contact on the file, saying AA was his uncle and he trusted him.
14. The Lawyer received \$3,000 into trust as retainer funds by way of a cheque signed by DD on behalf of a numbered company. The Lawyer did not make inquiries about the source of the retainer funds or the relationship of the numbered company to the file.
15. The Lawyer caused an invoice for \$3,000 to be prepared and addressed to AA, and paid his law corporation out of trust the same day.

File 2

16. In April 2016, the Lawyer was retained by EE and a numbered company, directed by FF, to refinance three mortgages. EE and FF explained to the Lawyer that AA was their friend who had helped them buy and sell properties before, but AA would not be receiving any of the mortgage funds. EE and FF instructed the Lawyer to correspond with AA on their behalf.
17. The loan of \$300,000 was at 50% interest, for a one-month term, guaranteed by FF. The lender required the borrowers to execute Form A transfers on two of the properties in the

event the loan was not repaid on time. Title searches show that the two properties had several recent previous charges.

18. The Lawyer received \$272,274.36 into trust from counsel for the lender, which he described as “Mortgage proceeds”. The next day, as per FF’s signed direction to pay, the Lawyer disbursed \$121,000 from trust to a lawyer who represented the former lender. The underlying loan indicated the interest rate on the one-month loan was 39% and the Form B contained spelling errors and handwritten amendments to change the borrower.
19. The Lawyer also disbursed \$116,123.26 and \$30,000 from trust to a company directed by EE. The company had been incorporated by AA in 2015. A different director had replaced EE for 15 days in 2015. The Lawyer did not understand or make inquiries regarding the relationship, if any, between the company and the file.
20. The three invoices the Lawyer issued on this file included an invoice addressed to EE and his company (undated), an invoice addressed to AA (re: providing an opinion letter for DD), and another invoice addressed to AA. The Lawyer paid his law corporation for the second and third invoices (those addressed to AA) totalling \$1,658.76.

File 3

21. In August 2016, the Lawyer was retained to defend FF and their spouse against a petition of foreclosure brought by GG and HH respecting three properties. The defendants also included EE, two of EE’s companies, and FF’s company. According to the Petition, the underlying loan was secured by a third mortgage against five different properties, and FF was the guarantor. The interest rate was 18%. The loan went into default about five months after the mortgage advance date. In response, FF pled that they did not provide a personal guarantee in respect of the mortgage loan obligations and that their signature was forged by the Petitioners.
22. In February 2017, GG and HH filed a related claim. The action alleges that FF fraudulently transferred FF’s interest in their family home to FF’s spouse. The Lawyer was retained by FF and FF’s spouse and replied, on FF’s behalf, that this was a superficial transfer only to allow FF to deal with the property with the city. GG and HH withdrew their claims before the trial.
23. The Lawyer received funds into trust as a retainer for the file but did not make any inquiries about the source of the funds. He issued an invoice addressed to FF’s spouse and paid his law corporation \$3,000 the same day.

File 4

24. In September 2016, the Lawyer was retained by two companies to loan funds to a company directed by DD (and corporate owner of the JJ property, discussed below). The Lawyer's client was II and lender was II's two numbered companies. II's company A was incorporated July 2016, with the completing party and sole director listed as a third party. The Lawyer's understanding was that the third party was II's partner. II's company B was incorporated in 2015 but, as of February 2016, the sole director was another third party.
25. At no time did the Lawyer receive authorization from either third party directors for II to provide instructions on enter into lending agreements on behalf of either company A or B. The Lawyer corresponded almost exclusively with II. The driver's licenses for both third party directors are in the Lawyer's file but II's is not.
26. The Lawyer registered the mortgage against the JJ property in September 2016, in favour of his two corporate clients, for \$650,000. The interest rate was initially payable at 36% for one month, but would increase at a rate of 5% until it reached a maximum interest rate of 59.9%. This was the fourth mortgage on the JJ property.
27. On September 28, 2016, the Lawyer received two separate deposits into trust of \$300,000 each, totalling \$600,000, which he described as "mortgage funds". The Lawyer did not make inquiries about the source of the funds.
28. The same day, the Lawyer disbursed \$598,064.51 to KK. On the Order to Pay of the same date, signed by DD, payment of \$598,064.51 is indicated to be made to DD's company (the owner of the JJ property), which appears to have then been crossed out and replaced with a handwritten notation which states "[KK] In Trust". The Lawyer did not make inquiries about the relationship of KK to the file or understand how KK was entitled to the \$598,064.51.
29. Unlike the trust ledger for the file, the Order to Pay lists the principal amount as \$650,000 and includes two directions for payment that the trust ledger does not: "First Month's Interest" for \$19,500 and "Lender Fee" for \$30,500. These amounts are similarly indicated on the Trust Reconciliation prepared by the conveyancer. The Lawyer did not make inquiries as to why he received \$600,000 instead of \$650,000 of loan funds. The Lawyer did not make the payments as indicated on the Order to Pay for \$19,500 and \$30,500.
30. The Lawyer issued an invoice to his corporate clients and paid his law corporation \$1,935.49 the same day.

File 5

31. In March 2016 (prior to the Lawyer being retained), DD's company had purchased the JJ property for \$11,500,000, using borrowed funds. Among other lenders, BB and CC loaned \$1,500,000 pursuant to a promissory note signed by both DD and AA, as well as a right of first refusal and assignment of shares. These interests were never registered on title (though they formed the subject of a Certificate of Pending Litigation). The Lawyer was not aware of BB and CC's involvement in the purchase.
32. In August 2016, DD's company resold the property for \$23,000,000 to LL, although the sale contract was initially structured as a loan. The contract (which was registered on title) contained complex options clauses if the transaction did not complete by the closing date. It was also subject to the buyer being satisfied with the status of the property's zoning process by a specific date.
33. The Lawyer understood the August 2016 sale for a "significant profit" involved AA's assistance in structuring the deal, and that part of the reason why many people were eager to work with AA was that AA had significant experience and skill in helping negotiate highly profitable transactions.
34. In November 2016, the first lender commenced foreclosure proceedings, alleging that DD was in default of various payments required and property taxes, and had granted security to other lenders without the first lender's consent. The first lender obtained a receivership over DD's company the next month.
35. On January 16, 2017, a new lender agreed to loan \$17,500,000 on the property, with interest at 9% per year until the expected repayment date, when it increased to 20%. The next day, another company negotiated a "back-up" offer to purchase the JJ property, conditional on LL's August 2016 purchase contract failing to close.
36. On January 19, 2017, the Lawyer was retained by DD and his company to assist in refinancing the JJ property on an urgent basis in order to put a deposit on another property (the MM property., discussed below) before a competing offer was made. The Lawyer corresponded primarily with AA on this file.
37. On January 19, 2017, LL removed the subjects on the August 2016 contract. LL's counsel confirmed to the Lawyer that LL would execute a priority agreement in favour of the new lender on certain conditions. Two days later, counsel for the new lender advised the Lawyer that it had just become aware that DD's company was in receivership, and noted a bankrupt's legal obligation to disclose its status when seeking to borrow more than \$1,000. The Lawyer responded that the foreclosure was basically the same proceeding as the receivership.

38. The Lawyer's file materials indicate that NN advanced \$135,000 directly to the borrower. The Lawyer's file contains an unsigned promissory note dated February 1, 2017 indicating that \$150,000 would be repaid the following day.
39. On February 1, 2017, the new lender registered a first mortgage on the property. On February 2, 2017, the Lawyer caused \$16,433,371.77 to be deposited into trust from another law firm and indicated the deposit to be "sale proceeds". From February 2 to 8, 2017, the Lawyer made numerous disbursements from trust, including \$150,000 to NN and \$372,500 to each of the two companies associated with II (described above). The Lawyer also issued trust cheques for \$551,250 to the mortgage broker who arranged the financing, and a total of \$694,490.37 to DD's company.
40. On February 2, 2017, the Lawyer transferred \$500,000 to the MM property file. On February 3, 2017, the Lawyer transferred another \$500,000 to the MM property file. On February 8, 2017, the Lawyer transferred another \$5,600 to the MM property file. An unsigned Order to Pay dated February 1, 2017 identified these three payments to the MM property file, but the file materials do not contain an explanation of the inter-file transfers or the Lawyer's written approval of them.
41. The "back-up" offer company registered its option contract on February 3, 2017; however, the new lender argued this was not permitted per the contract's terms. This later became the subject of litigation (see below).
42. The Lawyer issued two invoices dated February 8, 2017 to be prepared on this file; for both, the "Attention:" line is blank. One invoice is for \$10,000 in fees for the refinance; the other invoice is for \$625 in fees for a "sale". The Lawyer paid his law corporation the same day.

File 6

43. In January 2017, the Lawyer was retained to assist AA and DD to purchase the MM property with the sale proceeds of the JJ property (discussed above). This transaction was done on an urgent basis in order to put a deposit on the property before a competing offer was made. DD authorized AA to instruct the Lawyer.
44. At the time the Lawyer was retained, the MM property was subject to foreclosure proceedings by a credit union. The redemption amount was approximately \$8,600,000 and the credit union had obtained an Order for Sale. Another Certificate of Pending Litigation was registered in favour of two corporations.
45. The seller would not work with DD, so DD and AA obtained the assistance of an individual named OO who had credentials in the development community but was

unknown to the seller. OO agreed to present the offer through a numbered company as a favour for AA having introduced OO to other deals. On January 16, 2017, AA completed the incorporation application for a company listing OO as the sole director.

46. After OO's company's offer of \$23,500,000 for the MM property was accepted, OO told the Lawyer that OO had "done his part and would no longer be involved.
47. The seller wanted to complete the transaction with OO's company but the lender intended to present a different offer for court approval. The Lawyer attended court and obtained several adjournments to preserve OO's company's offer.
48. On January 20, 2017, the Lawyer wrote to OO's company acknowledging receipt of \$500,000 from them to the Lawyer's trust account, representing a "stakeholder deposit". However, the file's trust ledger states that on January 24, 2017, the Lawyer deposited three bank drafts totaling \$500,000 into their trust account which they recorded as "[AA] – funds to complete from client". The Lawyer's trust account bank statement confirms a deposit of \$500,000 on January 24, 2017.
49. As discussed below, the trust ledger indicates \$500,000 was returned to the bank on February 2, 2017 and replaced by an inter-file transfer from the JJ property file. The Lawyer's trust account bank statement shows that two certified cheques of \$500,000 each were withdrawn on February 2, 2017, but copies of these cheques, or any cheque showing payment of \$500,000 to the bank, are not in the Lawyer's files.
50. On February 7, 2017, the Lawyer emailed counsel for the credit union regarding the MM property, where he wrote "[t]he syndicate behind this company [OO's company] is a team of highly respected property developers". In DD's affidavit made in 2017 in the credit union foreclosure proceedings, DD referred to a "team behind [him] that [had] substantial experience in property development and in construction and development projects of this nature". The Lawyer's understanding was that the "team" or "syndicate" he and DD had referred to included DD, DD's company, DD's father-in-law PP, PP's company, QQ, EE, and DD's spouse.
51. On February 23, 2017, the directorship of OO's company was changed from OO to EE, then from EE to DD. The Lawyer did not have a role in corporate filings for the company but understood this change to be because DD had not wanted to be a director during the offer stage.
52. The Lawyer caused an invoice dated March 8, 2017 for \$5,600 to be prepared and addressed to DD for "...professional fees for negotiating on [DD's] behalf as well as collecting and holding the deposit". The Lawyer paid his law corporation the same day.

53. On March 12, 2017, another lender provided a commitment letter confirming its willingness to acquire the credit union's mortgage and foreclosure action and grant DD an option to purchase for a one-year term. Other fees included an option fee of \$447,500, a referral fee to a company headed by FF of \$20,000, \$90,000 in broker/introduction fees, and a \$50,000 "work fee" for the lender's counsel.
54. On March 13, 2017, the Lawyer opened a trust ledger for a new file titled "Mortgage payment of [MM property]" ("MM Trust Ledger"). The MM Trust Ledger was used to record funds required to complete the option purchase from the lender referred to in the prior paragraph, record received funds from the JJ property file (via inter-file transfer), and record payment of the Lawyer's invoices after March 8, 2017.
55. The receivership of DD's company was discharged in March 2017.
56. The Lawyer caused eight invoices dated March 23, 2017 to be prepared totalling \$40,035.75, referenced to the MM Trust Ledger file. On one of the invoices, the "Attention:" line is handwritten with DD's name and the rest are left blank. On March 27, 2017, the Lawyer paid his law corporation. The same day, the Lawyer transferred a total of \$37,794.25 over eight transactions via inter-file transfer from the JJ property file to the MM Trust Ledger file.
57. As the file was nearing completion, OO said he was going back on their deal with DD "as [DD] had not made good on his promise to pay". The Lawyer then learned that OO had hired counsel. Because he could be a potential witness to the dispute with OO, the Lawyer stopped acting for the purchaser company.
58. In May 2017, the court approved the sale of the property to the purchaser company for a price of \$24,000,000 and a closing date that month.
59. On June 30, 2017, the Lawyer received \$10,000 into trust and recorded it on the trust ledger as "[RR] - Retainer". RR was a company incorporated by AA and directed by DD and PP. The Lawyer did not inquire about the source of the \$10,000 received from RR, or understand or make inquiries regarding the relationship, if any, between RR and the transaction(s) involved on the files.
60. The Lawyer acted for RR in another file (discussed below). RR was a defendant in an action commenced by a bank alleging that AA, DD, and others perpetuated a cheque-kiting scheme, also discussed below.
61. On July 18, 2017, the Lawyer caused \$10,000 to be withdrawn from trust and recorded it on the trust ledger as "Trust Transfer to Pay Bill, payment of invoices ...". After the Law

Society's request for supporting invoices, the Lawyer produced an invoice dated August 9, 2017, with the "Attention:" line left blank, for "Various Matters".

62. Throughout his retainer, the Lawyer took instructions from DD, DD's company, OO's company, PP, EE, and QQ. The Lawyer says all of these individuals were his instructing clients and all authorized AA to provide instructions to the Lawyer on their behalf.

Bank Action

63. The three above-noted bank drafts totalling \$500,000 deposited to the Lawyer's trust account on January 24, 2017 became the subject of a Mareva injunction, in which the bank alleged that AA, DD, DD's company, RR, EE, and EE's company (discussed above) (the "Defendants"), perpetuated a sophisticated scheme to unlawfully obtain funds from the bank.
64. In their supporting affidavit, the bank's Regional Security Manager deposed that they and the Lawyer spoke twice by telephone on February 1, 2017, during which they advised the Lawyer that the drafts totalling \$500,000 were believed to be the proceeds of crime, and that they asked the Lawyer to delay the impending transaction involving the drafts, but the Lawyer declined to do so.
65. The Lawyer had a conversation with the bank's Regional Security Manager, during which he stated that he was unaware that the bank drafts were the proceeds of crime. The Lawyer further stated that he understood that the drafts had not cleared and that the bank would be obtaining a court order for return of the funds, which the Lawyer intended to return.
66. On February 1, 2017, the bank obtained an Order that the Lawyer immediately return \$500,000. On February 2, 2017, the Lawyer issued a trust cheque for \$500,000 payable to the bank, which the Lawyer described on their trust ledger as a "reimbursement". The file materials provided by the Lawyer do not include a copy of this trust cheque, or any other reference to the bank proceeding.
67. In March 2017 and August 2017, the bank obtained a default judgment against the Defendants. In May 2017, the bank obtained an order for damages against the Defendants for \$500,000.
68. On April 3, 2018, the Lawyer wrote to DD stating that some of DD's business partners had failed to provide funding on time resulting in \$500,000 shortfall in the company's bank account, to confirm DD's instructions to the Lawyer to rectify the situation immediately, and that the Lawyer provided the bank a cheque for \$500,000 to fix the

error. The Lawyer emailed this letter to AA asking if that letter was ok and indicated the Lawyer could amend if necessary.

Dispute with OO

69. On February 3, 2017, the Lawyer wrote to OO's company, confirming the receipt of an additional \$500,000 (making a total of \$1,000,000 he was holding in trust) and advised that the Lawyer would, pursuant to OO's company's instructions, designate these funds as an additional deposit for the MM property purchase. The Lawyer's letter does not indicate that he had transferred the funds from the JJ property file.
70. On March 20, 2017, OO's counsel wrote to the Lawyer, alleging that OO (not AA or DD) was the true authorized director for the company. The same day, OO also filed a claim against DD's company, alleging that AA and others owed OO \$865,000 arising from their involvement in various transactions, including having given their guarantee to one of the lenders for the JJ property purchase. OO alleged that DD acted as AA's agent and nominee and at AA's direction. It is unclear when the Lawyer received a copy of OO's claim, but he filed a response on behalf of DD's company in May 2017, denying the allegations.
71. On or about May 10, 2017, the Lawyer received an email from OO's counsel, reiterating their position that OO was the rightful director and shareholder of the company, and would take steps to ensure that the lender and sellers were aware of this position unless AA and DD fulfilled their many promises to OO.
72. The Lawyer says that OO had previously advised the Lawyer that OO's share was too small and OO planned to inquire about a larger share. The Lawyer discussed this conversation, and the May 10, 2017 letter, with DD and AA, who felt that OO was being greedy.
73. OO also alleged that DD and AA had, without authority, changed the director of the company. OO alleged this action was typical of AA's habit of incorporating companies in the names of persons he treats as nominees for the purpose of property transactions, and registering changes of directors and other corporate filings without the required steps needed for those changes to be legally effective.
74. In reply, on behalf of DD and AA, the Lawyer denied OO's allegations, but expressed willingness to resolve both matters and inquired as to what OO wanted with regard to the "previous dealings". The Lawyer's understanding was that DD had authorized AA to manage the corporate records and that a change of directors was often required for the financing and to provide corporate guarantees.

75. In response, OO's counsel explained that at the time the offer was made, AA represented that they were only acting as an intermediary on the transaction in exchange for a \$100,000 finder's fee, which they told OO would be split between them. Now, OO believed that AA was a principal in the transaction and expected all along to derive a larger profit from it for themselves than they had represented to OO.
76. The Lawyer received another letter from OO's counsel, alleging that DD and AA had, the previous afternoon, without authority, changed the director of the company to PP. They demanded that the Lawyer cease taking steps on behalf of the company and to deliver the minute book by the next day. A subsequent letter from OO's counsel enclosed resolutions affirming OO as director and shareholder and replacing the Lawyer as counsel. OO's counsel also confirmed they had tried, unsuccessfully, to review the corporate minute book at its registered office and at the Lawyer's office, and asked for the Lawyer's file.
77. In reply, the Lawyer responded that they would be withdrawing as counsel in light of the arising conflict of interest between OO and DD and AA. The Lawyer explained their understanding that OO was merely acting as a nominee for the company and would have no beneficial interest in the transaction, as OO's name was "merely being used as a front" as "the company wanted an individual of Chinese heritage". OO's counsel replied, reiterating their client's position that AA had falsely represented AA's interest and role in the transaction with the intent of misleading OO.
78. The Lawyer informed OO's counsel that they had seen all the company's minute books since their first meeting with the clients, until the signed resignation of OO as director (purportedly dated January 23, 2017). OO's counsel replied with a request that the Lawyer provide the corporate records immediately, including the original of OO's alleged "resignation", which OO denied having signed. The Lawyer further responded by email of May 21, 2017, but the attached letter indicated on the email has not been produced by the Lawyer.

Files 7 and 8

79. The Lawyer opened two files regarding a parcel assembly on two properties. Both anticipated transactions were meant to be completed on an urgent basis.
80. The Lawyer understood that DD, PP, QQ, and SS all had a financial interest in the transactions and AA was the lead person arranging with the realtors and the mortgage brokers.
81. RR and TT had entered into a contract of purchase and sale dated February 17, 2017 for RR to purchase one of the properties. RR was directed by PP. An addendum increased

the purchase price and extended the closing date. RR's financing for the purchase was to be provided by UU.

82. The property was legally owned by TT, but beneficially owned by another corporation with an almost identical name – the corporate name was different by only one character. The Lawyer's understanding was that the beneficial ownership was meant to provide a "clean shell" to hold the property.
83. RR did not provide the balance of funds for closing, and the sale failed. The Lawyer received \$1,461,500 into his trust account from counsel for UU on June 23, 2017 and returned it to them on June 26, 2017.
84. PP was intended to be the shareholder and director of TT after the share sale. For one day on September 28 or 29, 2017, QQ was appointed an agent of TT with authority to apply for financing. On October 2, 2017, QQ was appointed director of TT. Between October 2 and 8, 2017, SS was also appointed a director.
85. On October 2, 2017, DD, PP, QQ, and SS (the "Borrowers") purchased TT, with financing from NN. The Lawyer acted for a company directed by NN as lender for the purchase funds. The Lawyer had known NN for many years and he believed him to run a well-established private lending company with NN's spouse. The Lawyer's understanding was that NN was a notary public. NN's notary license expired in 2012.
86. NN's company's loan to the Borrowers was for \$1,800,000 for a term of six months with interest at 12% for the first two months and 18% for the balance, guaranteed by QQ.
87. On October 2, 2017, the Lawyer received \$1,798,800 into his trust account and caused the receipt to be recorded "funds in" from NN/NN's company. The Lawyer did not inquire as to the source of funds. The same day, the Lawyer disbursed \$1,758,282.28 from trust to the Borrowers' lawyer, paid title insurance, and disbursed what he indicated was a "lender fee" to NN's son in the sum of \$36,000.
88. On October 2, 2017, the Lawyer paid his law corporation \$3,648.72. The Lawyer caused an invoice dated October 3, 2017 for \$3,648.72 to be prepared and addressed to the file. An "Account" on the Lawyer's file, also dated October 3, 2017 for \$3,648.72, is addressed to TT.
89. RR and two other individuals entered into a contract of purchase and sale dated February 27, 2017 for RR to purchase another property. A copy of the contract is not on the Lawyer's file. RR then assigned the contract to TT for the deposit price. DD's spouse and PP's offspring was both the seller's and buyer's agent in relation to the transaction.

90. On November 3, 2017 the Lawyer received \$41,504.22 and \$10,000 into his trust account, both described as relating to RR. The Lawyer says the \$41,504.22 was the funds that would have been required for closing and \$10,000 would have been an additional sum due to the vendor if completion was late. The Lawyer did not inquire as to the source of the funds.
91. On November 10, 2017, the Lawyer caused \$51,504.22 to be disbursed from trust to a company directed by SS. The Lawyer did not understand, or make inquiries regarding, the relationship, if any, of the company to the transaction(s) or what interest they had in the trust funds.
92. The Lawyer says that SS and DD authorized the \$51,504.22 disbursement to SS's company for another transaction. The Lawyer considered this disbursement as "returning" the funds to RR/TT as the company was "run by [DD]".

File 9

93. In February 2017, the Lawyer was retained to act for two lenders – a company directed by NN and an individual VV – on a private mortgage. The file spanned five days from initial client contact to closing. The Lawyer did not have an understanding of, and did not make inquiries regarding, VV's relationship, if any, with NN or NN's company.
94. The borrower on the private mortgage was a numbered company, with a personal guarantee provided by DD. The company was incorporated January 30, 2017 by AA with DD as director. Both the company and DD were represented by KK. The mortgage of \$2,040,000 included an advance of \$2,000,000 and a \$40,000 referral/lender fee. The mortgage was secured by another property. The term was for six months, with interest for the first four months at 8% and the last two at 16%.
95. On February 3, 2017, the Lawyer received \$1,490,000 and \$510,000 into his trust account, both described as related to NN's company, "...funds to complete from client". The Lawyer did not inquire as to the source of the funds. The same day, the Lawyer disbursed \$1,998,002.93 from trust to KK.
96. The Lawyer caused an invoice dated March 8, 2017 for \$1,997.07 to be prepared and with the "Attention:" line left blank. An "Account" also on the Lawyer's file, dated February 6, 2017, for \$1,997.07 is addressed to the borrower company. The Lawyer paid his law corporation the same day.

File 10

97. In April 2017, the Lawyer was retained by two company (involved in a previous file related to II, discussed above) and an individual, in a private second mortgage. The

Lawyer's understanding that II controlled the three lenders. II had become the director of the first company in March 2017 and it was not in good standing on April 18, 2017 but II brought it up to date that day. In April 2017, the other company was still directed by II's partner.

98. The borrower company had been incorporated by AA. It required secondary financing to purchase the property. It was represented by KK and the financing was guaranteed by QQ and DD. The mortgage was for \$400,000, for a term of two months, at four percent interest payable monthly (48% annually).
99. On April 18, 2017, the Lawyer received three deposits into his trust account of \$150,000, \$150,000, and \$100,000 which he described as related to the borrower company "...Funds to Complete". The Lawyer did not inquire as to the source of the funds. The Lawyer disbursed \$335,953.14 to be disbursed from trust to KK.
100. The next day, April 19, 2017, the Lawyer caused \$61,612.03 to be disbursed from trust to DD's company. The Lawyer did not understand or make inquiries into the relationship, if any, that DD's company had with the borrower company or what entitlement it had to the funds held in trust.
101. The Lawyer caused two invoices dated April 18, 2017, for \$1,322.83 and \$1,112.00, to be prepared "Attention: [QQ]". An "Account" also on the Lawyer's file, undated, for \$1,322.83 is addressed to the borrower and referenced to "File...[QQ]". The next day, the Lawyer paid his law corporation the total of the two invoices.

File 11

102. In May 2017, the Lawyer was retained to assist RR to purchase a property from an individual. RR had assigned the contract to another company. The company was incorporated May 30, 2017 by AA, with DD as the sole director and shareholder. In June 2017, QQ replaced DD as director and shareholder.
103. AA signed the purchase contract for \$2,850,000 on behalf of RR. This contract was then assigned for \$1, plus \$335,000 representing the deposit to the company, which AA also signed on behalf of RR. The Lawyer's understanding was that QQ, DD, and SS all had financial interests in the purchase of the property.
104. A first mortgage of \$2,000,000 was advanced by a financial management corporation, less a \$50,000 lender and underwriting fee and a \$45,000 broker fee. Interest was at 10% interest to August 1, 2018 and 18% per annum thereafter.
105. On July 21, 2017, the Lawyer received \$1,900,876.71 into his trust account which he described as relating to another individual, as well as RR.

106. A second mortgage of \$550,000 was advanced by another individual, represented by WW. The Form B filed July 21, 2021 indicates the principal was \$600,000, with interest of 12%. The loan was guaranteed by a company incorporated by AA and directed by QQ.
107. On July 21, 2017, the Lawyer received \$550,000 into his trust account which he described as relating to WW and RR, purchase of the property. The same day, the Lawyer deposited a cheque for \$134,216.21 into his trust account, which he described as relating to RR and the purchase of the property. The Lawyer says these funds were from “the client”. The Lawyer did not inquire as to the source of funds.
108. The Lawyer caused an invoice for \$4,280.22 dated August 24, 2017 to be prepared and addressed to AA and paid his law corporation the next day.

File 12

109. In May 2017, the Lawyer was retained by two individuals to provide a mortgage of \$1,250,000 to a company. The company was directed by DD (who also guaranteed the loan) and was represented by WW. The Lawyer copied AA on most of his emails with his clients but did not understand or inquire on what AA’s interest was in the file.
110. The mortgage was in the form of a one-year loan at 12% interest, and was secured by a fourth mortgage on another property. The three prior charges were registered in June 2015, March 2016, and May 2016.
111. On May 8, 2017, the Lawyer received \$1,236,711.50 into trust which he described as “...bank draft- closing funds from client”. The Lawyer did not inquire as to the source of funds.
112. Initially, the Lawyer suggested to his conveyancer that the proceeds would be used to pay out the second or third charges. However, on May 9, 2017, the Lawyer caused \$1,234,226.01 to be disbursed from trust to DD’s company. The Lawyer did not understand or make inquiries into the relationship, if any, that DD’s company had to the borrower company, or what entitlement it had to the funds held in trust.
113. The Lawyer caused an invoice for \$2,485.49 dated August 24, 2017 to be prepared and addressed to one of the clients and paid his law corporation the next day.

File 13

114. On August 18, 2017, the Lawyer was retained by two individuals as lenders on a short-term loan to a company directed by SS (and guarantor of the loan). From its incorporation on August 27, 2015 to the time the loan was guaranteed in 2017, the company’s

directorship changed from FF to DD, to NN, to DD, to OO, to DD, to FF, and then added SS as a director with FF.

115. The Lawyer's understanding was that his clients were mortgage brokers who wanted to help SS secure mortgage financing for the purchase of a property on which they stood to gain lucrative commissions. The clients attended the Lawyer's office along with SS and AA, and AA appeared to be the "middle person". The Lawyer advised his clients, SS, and AA that he could only act for either the borrowers or the lenders. The borrower company proceeded to retain WW to act on their behalf.
116. The Lawyer's understanding was that the loan was to be repaid using the proceeds of other financing on the property, which was set to fund around September 11, 2017 (and which is the subject of a file described below). A Mortgage Commitment Letter dated August 18, 2017, purportedly signed by the clients, indicated that funds of \$120,000 had been advanced on August 17, 2017. However, the funds were not advanced until August 18, 2017. The term was for one month, at 10% interest. The Letter was unsigned by the borrower company.
117. On August 21, 2017, the Lawyer received \$75,000 and \$25,000 into trust, both described as "mortgage funds" from one of the clients. The Lawyer did not inquire as to the source of funds.
118. An Order to Pay, signed by SS on behalf of the borrower company on August 8, 2017, indicated payment of \$97,722.93 was directed to KK, which appears to have then been crossed out and replaced with a handwritten notation which indicated payment to be made to another company. On September 8, 2017, the Lawyer caused \$97,722.93 to be disbursed from trust to that company. The Lawyer did not understand or inquire into the relationship, if any, that the company had to the borrower company.
119. The Lawyer caused an invoice dated September 18, 2017 for \$2,277.08 to be prepared and addressed to his clients and paid his law corporation the same day.

File 14

120. In August 2017, the Lawyer was again retained by a company to record a third mortgage on the property on which he had previously represented in the conveyance (see *File 12*, above).
121. The loan was for \$300,000 from UU at 20% interest, for a term of one month. The Lawyer prepared and witnessed a promissory note from RR, guaranteed by DD and the client company, on the same terms. In addition, RR assigned a contract of purchase and sale for another property, to be assigned back to RR upon repayment of the loan.

122. On August 31, 2017, the Lawyer received \$244,500 into trust from UU's counsel. The same day, the Lawyer caused \$243,186.01 to be disbursed from trust to another company. The undated Order to Pay contains a handwritten note signed by QQ on behalf of the client company, directing the loan proceeds to the other company. The Lawyer did not understand or make inquiries into the relationship, if any, that client company had with the other company.

123. The Lawyer caused an invoice dated August 31, 2017 for \$1,313.99 to be prepared, with no addressee. An "Account" also on the Lawyer's file, also dated August 31, 2017 for \$1,313.99, is addressed to the client company. The Lawyer paid his law corporation the same day.

File 15

124. In September 2017, the Lawyer was retained by a company to refinance six mortgages on one property. A week prior, the Lawyer had acted in relation to the same property for clients in securing a loan against it (see *File 13*, above). The lender charged a fee of \$88,000. The loan was for \$2,200,000 at 12% interest, for a term of just under 10 months.

125. A letter on the Lawyer's file dated September 11, 2017 from mortgage brokers to SS/the client company confirming the broker fee of \$44,000, was also signed by SS.

126. On September 13, 2017, the Lawyer received correspondence from KK enclosing a discharge for a mortgage in favour of II's company (discussed above) from the property. KK stated that "no payment is required provided all mortgages preceding the one that I am now going to file should [not] exceed the amount of \$3 million". The Lawyer did not receive confirmation of a subsequently filed mortgage as referred to by KK.

127. On September 14, 2017, the Lawyer received \$2,063,312.09 into his trust account from the lender's counsel.

128. From September 14 to 15, 2017, the Lawyer caused the following disbursements from trust: \$1,026,019 to KK (representing some of the lenders), \$200,000 to the client company, \$272,527.91 to the client company, \$327,500 and \$750 to counsel to other lenders, \$44,000 to the mortgage brokers, \$82,500 to and \$27,500 individual lenders/previous clients on *File 13*, and paid outstanding taxes to the City of Vancouver. On September 18, 2017, the Lawyer filed the six discharges on the property.

129. The Lawyer caused an invoice dated September 19, 2017 for \$4,546.01 to be prepared with the "Attention:" line left blank. An "Account" also on the Lawyer's file, undated, for \$4,546.01, is addressed to the client company. On September 15, 2017, the Lawyer had paid his law corporation.

130. The Lawyer's file includes the following:
- (a) Unsigned Order to Pay dated September 15, 2017 indicating a \$500 charge for the Lawyer's fees for a "New [lenders] Mortgage";
 - (b) Unsigned resolution effective August 24, 2017 indicating that QQ's company (see *File 13*, above) had borrowed \$4,300,000 from the lenders against a property that was assessed at \$3,700,000 a month prior; and
 - (c) Documentation indicating that QQ was providing a guarantee of all debts and liabilities of DD and a company directed by OO.
131. The Lawyer caused an invoice dated September 18, 2017 for \$500 to be prepared with the "Attention:" line left blank. The Lawyer caused the withdrawal of \$500 from trust on September 15, 2017 for payment to his law corporation, which he described as "Legal fees for new [lender] mtg".

The Specific Performance Actions

132. On July 6, 2017, a company filed a claim alleging that DD's company had granted it an option for a contract of purchase and sale for the JJ property in August 2016, but failed to close this transaction. The claim identifies the Lawyer's involvement in obtaining the company's agreement to grant the back-up offer company from *File 5* priority over its option.
133. The company's claim was joined with a claim filed by BB and CC in February 2017 for specific performance of a right of first refusal on the JJ property made in March 2016. The Lawyer filed a Response to Civil Claim to the company's claim, and DD's supporting affidavit, on behalf of DD's company, during the summary trial for the joined specific performance actions. The Response to Civil Claim was drafted and executed by another lawyer and executed by the Lawyer.
134. On November 17, 2017, the Lawyer received an email from the other lawyer, copied to AA, advising that DD's company should attend the new lender's foreclosure hearing respecting the JJ property the following week. The Lawyer did not attend. On December 11, 2017, the Lawyer and the other lawyer discussed that, owing to the Lawyer's involvement in the back-up offer and the company's priority agreement, the Lawyer may be a witness to a key transaction at issue in the litigation. On December 14, 2017, the other lawyer advised AA that DD's company should seek a different counsel other than the Lawyer, to support an application in the specific performance actions.

135. The Lawyer did not issue an invoice or receive any fees for their assistance in this matter. In January 2018, another lawyer replaced the Lawyer as counsel of record for DD's company.

The Mareva order

136. In December 2017, XX (a lender to SS's company on *File 15*) obtained a Freezing Order over the assets of DD, AA, and five of their corporations (including three referenced in the transactions above). The Freezing Order identified five properties (including four referenced in the transactions above), and any money in the accounts of the Lawyer, WW, and KK.
137. The materials in support of the application for a Freezing Order set out details of AA's history of alleged fraud and the bank action against AA. They indicate that QQ takes direction from and is a nominee of AA. The supporting affidavit attaches a long list of all the court actions involving AA.
138. The Lawyer did not know of the Freezing Order or of XX's allegations until the Law Society brought them to his attention during its investigation into the Lawyer's conduct.

Lawyer's Explanation

139. The Lawyer says that, as a part of their development projects, AA and AA's associates incorporated numbered companies which usually contained a single property as their only asset. The Lawyer believes that it is not unusual in real estate development to create companies for the sole purpose of a single property venture.
140. The Lawyer explained that AA was a consultant on these projects due to what the Lawyer describes as his vast business and real estate experience. The Lawyer understood that many of AA's associates were related to him through blood or marriage. At the time, the Lawyer was not aware that AA was an undischarged bankrupt who may have been using the transactions to circumvent *Bankruptcy Act* restrictions. The Lawyer also believed that AA's funds were not involved in the transactions and that other individuals had raised the initial capital.
141. The Lawyer provided further explanation for the nature of the transactions at issue. For example, he stated that property valuations can fluctuate dramatically as they are a function of the market dynamics, and valuation opinions can vary between assessors. The Lawyer also advised that the funds at issue were typically borrowed from banks rather than from private lenders.
142. With respect to his recording-keeping and difficulty locating documentation in several of his files, the Lawyer states that he often took verbal instructions. The Lawyer says he also

had significant staff turnover in 2017-2018 which resulted in file management issues. Since this investigation, the Lawyer has worked on improving his office practices, and particularly on good record-keeping practices and keeping detailed written notes of conversations.

143. The Lawyer acknowledges and agrees that the above explanations do not excuse his conduct and, specifically, his failure to make reasonable inquiries in the face of numerous red flags, and records of those inquiries.

Mitigating Factors

144. The Law Society notes that there were significant periods of delay during its investigation of the Lawyer. The Law Society accepts responsibility for this delay, and acknowledges that its delay in investigating the Lawyer has impacted him personally and professionally.
145. The Law Society's investigative delay is a significant mitigating factor which has affected the length of the Lawyer's suspension in this matter.