

2024 LSBC 21
Hearing File No.: HE20210026
Decision Issued: May 1, 2024
Citation Issued: July 23, 2021

THE LAW SOCIETY OF BRITISH COLUMBIA TRIBUNAL
HEARING DIVISION

BETWEEN:

THE LAW SOCIETY OF BRITISH COLUMBIA

AND:

HONG GUO

RESPONDENT

**DECISION OF THE HEARING PANEL
ON FACTS AND DETERMINATION**

Hearing dates: January 23 to February 1, 2024

Panel: Jennifer Chow KC, Chair
Brendan Matthews, Public representative
David Renwick, KC, Lawyer

Discipline Counsel: J. Kenneth McEwan, KC
Saheli Sodhi

No one appearing on behalf of the
Respondent

OVERVIEW

[1] From May to June 2019, the Respondent allegedly practised law while she was administratively suspended. When investigated by the Law Society, she allegedly made misrepresentations about her client files and her involvement in a complex business dealing. The Respondent also allegedly breached a Rule 3-10 order by failing to report her file work to her practice supervisors. In a complex business dealing, the Respondent allegedly acted without integrity and gained financially by acting dishonourably. These allegations are set out in a 11-paragraph citation issued by the Law Society on July 23, 2021 against the Respondent (the “Citation”).

[2] After considering all of the evidence, the Panel found that regarding six allegations, the Respondent’s conduct amounted to professional misconduct and regarding the remaining two allegations, the Respondent’s conduct amounted to conduct unbecoming a lawyer.

PROCEEDING IN THE RESPONDENT’S ABSENCE

[3] At the start of the hearing on January 23, 2024, neither the Respondent nor any other person on her behalf, appeared before the Panel.

[4] Rule 5-6 (2.2) provides that if the Respondent fails to attend the hearing, the Panel may proceed under section 42 of the *Legal Profession Act*, SBC 1998, c.9 (the “Act”). Section 42(2) of the *Act* provides that if the Panel is satisfied that the Respondent has been served with notice of this hearing, the Panel may proceed with the hearing in the absence of the Respondent and make any order that the Panel could have made if the Respondent were present.

[5] In applying section 42(2) of the *Act*, it is well-established that the Panel may consider all relevant factors, including the following (*Law Society of BC v. Sahota*, 2023 LSBC 8 at paras. 50 to 51):

- (a) whether the respondent has been provided with notice of the hearing date;
- (b) whether the respondent has been cautioned that the hearing may proceed in his absence;
- (c) whether the panel adjourned for 15 minutes in case the respondent was merely delayed;

- (d) whether the respondent has provided any explanation for the non-attendance;
- (e) whether the respondent is a former member of the Law Society; and
- (f) whether the respondent has admitted the underlying misconduct.

[6] Regarding the above factors, the Panel was satisfied that the Respondent was served with the Notice of Hearing on November 9, 2023 by email in accordance with Rule 10-(1)(b)(iii) of the Law Society Rules (the “Rules”). The Notice of Hearing expressly set out the January 23 to February 1, 2024 hearing dates, and included wording that if the Respondent failed to appear, the Panel may proceed with the hearing in her absence and make any order that could be made if she were present. On January 18, 2024, the Respondent was sent a follow up email that included a Zoom link for the hearing.

[7] To provide for the possibility of an appearance by the Respondent, the hearing was stood down until approximately 11:00 a.m. At that time, Law Society counsel advised the Panel that they had no information on whether the Respondent would be attending the in-person hearing. The Panel was further advised that: the Respondent was previously represented by counsel but was now self-represented; the Respondent was a former member; and the Respondent had appeared at an unrelated disciplinary hearing on January 8, 2024 by Zoom.

[8] The Law Society also advised the Panel that the Respondent had not provided a response to the Notice to Admit (the “NTA”), despite several reminders. Accordingly, the hearing could proceed on the basis that the contents of the NTA were deemed admissions. The Law Society relied on the NTA to prove the underlying misconduct and conduct unbecoming.

[9] The Panel was satisfied that the Respondent was properly served with the Notice of Hearing. The Panel then ruled that it was appropriate for the hearing to proceed in the absence of the Respondent.

NOTICE TO ADMIT

[10] Under Rule 5-4.8(7) of the Rules, a party who does not respond to a NTA is deemed, for the purposes of the hearing only, to admit the truth of the facts described and the authenticity of the appended documents. The purpose of a NTA is to define and focus the factual and legal issues in dispute: *Law Society of BC v. Ahmadian*, 2022 LSBC 45 at para. 23, 2023 BCCA 470 at para. 12.

[11] On August 12, 2023, the Law Society served the Respondent's counsel with a NTA. Up until the hearing date, the Respondent had not provided the Law Society with a response to the NTA, despite several reminders.

[12] Based on the evidence, the Panel was satisfied that the Respondent was notified in advance of the hearing that the Law Society would seek to have the contents of the NTA deemed as admissions if the Respondent did not provide a response.

[13] Accordingly, pursuant to Rule 5-4.8(7), the Panel proceeded on the basis that the contents of the NTA were deemed to be admissions for the truth of the fact described or the authenticity of the document appended to the NTA.

[14] The Panel has drawn extensively from the deemed facts set out in the NTA and the Law Society's written submissions. The 42-page NTA dated August 12, 2023 contained 228 paragraphs. Together with attachments, the NTA totalled 3,915 pages. The Panel also considered the additional evidence entered as exhibits at the hearing such as translations of the Respondent's Chinese documents. The Law Society provided helpful charts to the Panel regarding the key players and a chronology of events.

THE CITATION

[15] At the hearing, the Panel granted the Law Society's application under Rule 5-4.2 of the Rules to correct the date from May 31, 2019 to June 3, 2019 in allegation 3(d) of the Citation. This is the date on which the Respondent is alleged to have witnessed a client's signature on a marriage agreement. This amendment revised the Citation to conform with a deemed admission in the NTA of a meeting held on June 3, 2019 between the Respondent and her client, JZ. As described above, the Respondent's counsel was served with the NTA on August 23, 2023 and as such the Respondent had notice of the correct date. Furthermore, the Panel notes that the date is not material as both the May 31, 2019 and June 3, 2019 dates were within a period of time that the Respondent is alleged to have been suspended from the practice of law and there would be no prejudice to the Respondent as a result of the amendment.

[16] Law Society Counsel advised the Panel at the hearing that the Law Society was abandoning three allegations and several sub-allegations in the Citation, namely: 5(a) (acting for more than one party), 5(c) (failing to deposit funds into a trust account), 6(c)(iii) (a specific misrepresentation), 7(c) (failure to advise), 7(d) (failure to advise), 9 and 10 (conflict of interest) and 11 (an alternative allegation regarding independent legal advice). The Law Society also advised that it was seeking an order of professional misconduct regarding six of the eight remaining allegations and an order of conduct unbecoming regarding two of the remaining allegations.

[17] The Citation alleges the Respondent engaged in the following conduct:

- (a) practised law while suspended. From May 2019 to June 2019, the Respondent practiced law while suspended in relation to several clients, contrary to the *Act*, section 15 and the *Code of Professional Conduct for British Columbia* (“*BC Code*”), rule 7.1-1);
- (b) failed to comply with a Law Society order. From May 2019 to April 2020, the Respondent breached the duty to comply with an order made under Rule 3-10 of the Rules (contrary to *BC Code*, rule 7.1-1);
- (c) made misrepresentations to the Law Society in the course of its investigation. From June 2019 to March 2021, the Respondent made false or inaccurate representations to the Law Society in its investigations, which the Respondent knew or ought to have known were false or inaccurate (contrary to rules 2.2-1 and 7.1-1 of the *BC Code* and Rule 3-5(7) of the Rules; and
- (d) failed to act with integrity. The Respondent breached the duty to act with integrity in respect of her dealings with her clients or unrepresented parties (contrary to rule 2.2-1 of the *BC Code*).

[18] Before hearing evidence, the Panel was satisfied that the Respondent was served with the Citation at her place of business by courier on July 26, 2021. Accordingly, the Panel ruled that the Citation was properly served as required by Rules 4-19, 5-6(1) and 10-1 of the Rules.

[19] With the exception of Law Society staff, the Respondent’s former counsel and other counsel, the persons and businesses referred to in these reasons have been made anonymous, as is the Tribunals usual practice, in order to protect confidential and privileged information. The anonymization in these reasons is the same as the published Citation with the exception of various numbered companies which were all identified as “[numbered company] BC Ltd.” in the published Citation. For clarity, those companies have been individually identified using an abbreviation of the company name.

BACKGROUND FACTS

[20] The Respondent was admitted as a member of the Law Society of Saskatchewan on September 8, 2000 and then admitted as a member of the Law Society of British Columbia on May 4, 2009.

[21] Since April 2010, the Respondent has practiced as a sole practitioner through her law firm, Guo Law Corporation (“GLC”).

The Rule 3-10 Order

[22] As a consequence of an April 2016 trust shortage, from March 30, 2017 until March 2023, the Respondent was subject to an amended order made by a board of three benchers imposing interim restrictions on her practice (“Rule 3-10 Order”).

[23] The terms of the Rule 3-10 Order included that:

- (a) all trust funds received by the Respondent or GLC were to be handled through one of two trust accounts at TD Canada Trust (para. 1(i));
- (b) the Respondent must not operate a trust account and “must not handle any trust transactions or trust money or in any way be responsible for recording or documenting trust transactions” (para. 1(j));
- (c) the Respondent must not act for any client with respect to any transaction involving property or businesses in which she has a financial interest or directorial or management role (para. 4(i)); and
- (d) the Respondent must enter into and comply with the terms of a practice supervision agreement (para. 4(n)).

The Practice Supervision Agreement

[24] In accordance with the Rule 3-10 Order, on June 13, 2017, the Respondent entered into a practice supervision agreement (“Practice Supervision Agreement”) with ES and RFZ (“Supervisors” or “Practice Supervisors”). The Practice Supervision Agreement provided the Supervisors with the authority to oversee the Respondent’s law practice and GLC including as follows:

- (a) the Supervisors were entitled to rely on information provided by the Respondent, but it was the Respondent’s responsibility and obligation to provide complete and accurate information to the Supervisors (para. 1);
- (b) supervision of the practice would include:
 - (i) reviewing all open files to assess the status and either close the file, supervise the work, or transfer the files to the clients or new counsel (para. 3(a)); and

- (ii) the Respondent providing the Supervisors access to completed or closed files as required (para. 3(c));
- (c) the Respondent would not, in her personal name or capacity, receive or handle any trust funds whatsoever (para. 7(a));
- (d) GLC would only receive or handle funds in its name and through designated trust accounts at TD Canada Trust (para. 7(b)); and
- (e) the Supervisors would meet with the Respondent at least every 10 days to review, (i) each file on which the Respondent provided legal services in the immediately preceding 10 days; and (ii) each file on which the Supervisors are advised that the Respondent provided legal services that have been completed where the file is to be closed (para. 10(a) and (b)).

The Respondent's Administrative Suspension

[25] From 9:00 a.m. on May 30, 2019 to approximately 4:40 p.m. on June 6, 2019, the Respondent was administratively suspended from the practice of law ("Suspension Period"). Similar to a disciplinary suspension, an administrative suspension prohibits a lawyer from practising law. The administrative suspension was imposed due to the Respondent's failure to respond to communications from the Law Society on another disciplinary matter under investigation.

[26] Rule 3-6 of the Rules provides for the suspension of a lawyer who, as in this case, fails to produce records or provide information in an investigation until such time as she has provided information to the investigator or answered the investigator's questions. In order for an administrative suspension to take effect, the Law Society must give at least seven days' notice of the following: (a) the date on which the suspension will take effect; (b) the reasons for the suspension; and (c) the means by which a lawyer can apply to the Discipline Committee for an order that they not be suspended or that the suspension be delayed.

[27] The timeline of the events leading up to the Respondent's administrative suspension are as follows:

- (a) *April 30, 2019*, following an interview with the Respondent, Ms. Driessen of the Law Society wrote to the Respondent in an unrelated investigation file, making requests for information and documents, including banking records from a Chinese bank account held by the Respondent. She requested a response was by May 14, 2019.

- (b) *May 14, 2019*, no response was received by the Law Society. Ms. Driessen sent the Respondent a follow-up email marked with high importance reminding the Respondent of the deadline.
- (c) *May 21, 2019*, having still not received a response to the April 30, 2019 letter, Ms. Driessen wrote to the Respondent providing notice that she would be suspended effective 9:00 a.m. on May 30, 2019 if she failed to provide a response to Ms. Driessen's requests for information and documents. Ms. Driessen's letter also included the reason for the suspension and the means by which the Respondent could apply to not be suspended or for the suspension to be delayed. A copy of that letter was also couriered to the Respondent's office.
- (d) *May 30, 2019 at 9:00 a.m.*, as no response was received from the Respondent to the Law Society's April 30, 2019 letter, the Respondent was suspended from the practice of law.

[28] At approximately 10:37 a.m. on May 30, 2019, Gurprit Bains, then the Manager of Investigations, Monitoring, and Enforcement at the Law Society, wrote to the Respondent by email, confirming her suspension as outlined in Ms. Driessen's May 21, 2019 letter. That letter included an information sheet on a lawyer's prohibited and permitted activities while suspended from practising law. A physical copy of the letter was subsequently couriered to the Respondent's office at 1:30 p.m. that day.

[29] In that same email, Ms. Bains directed the Respondent to contact Michael Rhodes, the Director of Custodianships and Unauthorized Practice, to discuss the management of her practice during her suspension. At approximately 11:30 a.m., Mr. Rhodes phoned GLC's office as he had not yet heard from the Respondent about her suspension. Mr. Rhodes was informed by the Respondent's staff that the Respondent was meeting with a client at the time of his call.

[30] Mr. Rhodes then spoke with the Respondent, who advised him that she had not yet read the suspension notice and did not understand why she would be suspended. Mr. Rhodes told the Respondent to contact Ms. Driessen as soon as possible to find out what she needed to do to lift the suspension, but that in the meantime, she could not practice law, could not meet with clients, and could not close transactions until the suspension was lifted.

[31] Ms. Driessen spoke with the Respondent at approximately 11:55 a.m. Ms. Driessen outlined the events and communications leading to the Respondent's suspension and confirmed that her suspension was effective until she provided Ms. Driessen with a satisfactory response to her questions. The Respondent told Ms. Driessen that she had not

received any correspondence, but when Ms. Driessen advised her that the Law Society had proof of courier delivery of the letter of May 21, 2019, the Respondent advised that she would look at the letter and respond that day.

[32] Between May 30, 2019 and June 3, 2019, the Respondent and her staff sent Ms. Driessen a number of partial responses to the outstanding requests.

[33] During a portion of the Respondent's Suspension Period, TE acted as locum for her practice. The relevant timeline for TE's involvement as locum is as follows:

- (a) *May 31, 2019 ~3:00 p.m.*, Mr. Rhodes spoke with the Respondent about her suspension, during which telephone call the Respondent advised that TE had an office sharing agreement with her and could take care of transactions on a limited basis.
- (b) *May 31, 2019 ~4:30 p.m.*, Mr. Rhodes spoke with TE, who agreed to act as locum over the Respondent's practice.
- (c) *June 3, 2019 1:04 p.m.*, Mr. Rhodes emailed TE and the Respondent a draft locum agreement for their review.
- (d) *June 3, 2019 4:19 p.m.*, TE sent Mr. Rhodes the executed locum agreement. Its terms included that TE would act as the locum from June 3, 2019 until June 14, or until the suspension was lifted; that TE would assume control over real estate and commercial transactions scheduled to complete between June 3 and June 28, 2019; that TE would provide information to the Law Society about the subject files upon request; and that the Respondent could not practice law.

[34] On June 6, 2019 at approximately 4:40 p.m. that day, the Respondent's administrative suspension was lifted. Earlier that day at approximately 4:06 p.m., Ms. Driessen received further documents in response to her outstanding requests from Gerry Cuttler, KC (then counsel for the Respondent). Ms. Driessen accepted the partial materials and response as sufficient and advised Mr. Cuttler by telephone at approximately 4:40 p.m. that the Respondent's suspension had been lifted.

Four Complaints and Investigations

[35] Four separate but related complaints and investigations form the basis for the Citation. Ms. Driessen conducted each of those investigations. As a result of those four complaints, the Law Society commenced an investigation into whether the Respondent had been practising law while suspended. The investigations included the following:

- (a) On June 4, 2019, the Law Society commenced an investigation (file number CO20190466), after the Law Society received information suggesting that the Respondent's law firm, GLC was carrying on normal operations during the Suspension Period.
- (b) On February 28, 2020, DX, a former GLC employee who had recently resigned her position, made a complaint against the Respondent to the Law Society. DX alleged that the Respondent had met with her client, JZ, during the Suspension Period and had instructed her staff to alter and remove client and accounting file documents to conceal those activities as she was suspended by the Law Society. The Law Society commenced an investigation into DX' complaint on March 2, 2020 (file number CO20200202).
- (c) On May 21, 2020, YF through his counsel, made a complaint to the Law Society, alleging that the Respondent had misappropriated his funds in two separate matters (only one of which is in issue in this proceeding). As part of his complaint, YF's counsel sent the Law Society a copy of YF's Notice of Civil Claim (the "YF Action"), together with YF's filed affidavit to support a *Mareva* injunction. In the YF Action, YF alleged that the Respondent, DZ, ML, and WR (including through their companies, 739 Ltd., 053 Ltd., and L Productions) committed deceit, fraudulent misrepresentation, breach of trust, conversion, and conspiracy in respect of YF's acquisition of Lot 60 from ML, and further alleged that the Respondent breached her fiduciary duties to YF, with the knowing assistance of DZ, WR and ML. On June 26, 2020, the Law Society advised the Respondent through counsel that it had commenced an investigation arising from YF's complaint (file number CO20200441).
- (d) On October 17, 2020, ML made a complaint to the Law Society against the Respondent. ML alleged that the Respondent had embezzled funds from YF intended for the purchase of ML's company, and that the Respondent had fraudulently converted shares of ML's company to another person, WR. The Law Society commenced an investigation arising from ML's complaint (file number CO20200965). During those investigations, Ms. Driessen made requests for information and records from several individuals, including the Respondent, the Supervisors, TE, ML, YF, WR, and DX.

BURDEN AND STANDARD OF PROOF

[36] The Law Society bears the onus of proving the alleged misconduct or conduct unbecoming on a balance of probabilities based on evidence that is “sufficiently clear, convincing and cogent”: *F.H. v. McDougall*, 2008 SCC 53.

[37] In *McDougall*, at paras. 46 to 49, the Supreme Court of Canada reaffirmed that there is only one standard of proof in civil cases and that is proof on a balance of probabilities. The Court held that the relevant evidence must be scrutinized with care by the decision maker to determine whether it is more likely than not that an alleged event occurred and that that evidence must always be sufficiently clear, convincing and cogent. The Court also held, however, that there was no objective standard to measure the sufficiency of the evidence and that, if a responsible decision maker finds for the plaintiff, it must be accepted that the evidence was sufficiently clear, convincing and cogent to that judge that the plaintiff had satisfied the balance of probabilities test.

[38] Most of the factual allegations have been resolved by way of deemed admissions. As described in *The Law of Evidence in Canada*, a formal admission (such as one made in response to a Notice to Admit) is made for the purpose of dispensing with proof at trial and is conclusive as to the matters admitted. Other evidence on the matters addressed by the admissions is precluded as irrelevant. If adduced, the court is bound to act on the admission even if there is evidence to contradict it: Sidney N. Lederman, Michelle K. Fuerst, Hamish C. Stewart, *Sopinka, Lederman & Bryant: The Law of Evidence in Canada*, 6th ed (LexisNexis: Quicklaw Online) at §19.

[39] These Reasons are divided into two parts. Part One addresses three client files and the allegations that the Respondent practised law while suspended, breached the Rule 3-10 Order and made misrepresentations to the Law Society investigator about those specific files. Part Two addresses a complex business dealing involving the Respondent, specific individuals, numbered companies, three lots and a lot purchase agreement. Accordingly, the standards of conduct discussed in Part One are also applicable to Part Two, where relevant.

LAW ON PROFESSIONAL MISCONDUCT – ALLEGATIONS 1 TO 6

[40] “Professional misconduct” is not a defined term in the *Act*, the Rules, or the *BC Code*. The test for professional misconduct was established in *Law Society of BC v. Martin*, 2005 LSBC 16 at para. 171 as “whether the facts as made out disclose a marked departure from that conduct the Law Society expects of its members; if so, it is professional misconduct.”

[41] The “marked departure” test does not include or require any subjective element. A panel must consider the appropriate standard of conduct expected of a lawyer and then objectively determine if a respondent falls markedly below that standard in all the circumstances. In determining the appropriate standard of conduct, the Panel must bear in mind the requirements of the *Act*, the Rules, and the *BC Code*, and then consider the duties and obligations that a lawyer owes to a client, to the court, to other lawyers, and to the public in the administration of justice. In determining whether there has been a marked departure from that standard of conduct, the panel must consider all the surrounding circumstances. Each case will turn on its particular facts: *Law Society of BC v. Kim*, 2019 LSBC 43 at para. 45.

[42] The Panel is not to get bogged down in assessments of the respondent’s culpability in determining whether the lawyer’s conduct constitutes a marked departure. The only test is whether in all the circumstances the lawyer’s conduct is a marked departure from the standard expected of lawyers. As set out in *Law Society of BC v. Harding*, 2014 LSBC 52 at para. 79, the presence of *bona fides* will not excuse conduct that is otherwise professional misconduct and advertence or *mala fides* is not required to prove professional misconduct. While this evidence is relevant as part of the circumstances as a whole, the absence of *mala fides* is not an automatic defence to professional misconduct, because the nature of the conduct may nonetheless be aggravated enough that it is a marked departure from the norm.

[43] The panel in *Harding* concluded that prior decisions had blurred the distinction between the degree of fault of the respondent and the nature of the fault: *Harding* at para. 71. The panel concluded that there must be culpability in the sense that the lawyer must be responsible for the conduct that is the marked departure; that it was the nature of the conduct that had to be aggravated enough that it was a marked departure from the norm; and that the words “marked departure” are where one finds the requirement that the nature of the conduct must be aggravated or outside the permissible bounds: *Harding* at paras. 76, 79.

[44] While an isolated breach of the Rules may not automatically constitute professional misconduct, a systemic pattern of disregard may amount to a marked departure from the conduct that the Law Society expects of lawyers. When considering whether a breach of the *Act* or Rules constitutes professional misconduct, rather than simply a breach, the Panel should consider the gravity of the conduct, its duration, the number of breaches, whether there were *mala fides*, and whether the conduct caused harm: *Law Society of BC v. Lyons*, 2008 LSBC 9 at para. 35.

[45] Even when the alleged conduct does not meet the threshold for professional misconduct, it remains open to the Panel to find that the Respondent’s conduct

nevertheless resulted in a breach of the *Act* or Rules where such a breach is alleged in the citation and the conduct is not insignificant and arises from insufficient attention being paid to the administrative requirements of a practice: *Lyons* at para. 32. In the instant case only allegation 6 alleges the Respondent’s conduct constituted professional misconduct or in the alternative a breach of the *Act* or rules. In relation to allegation 6 the Panel must consider whether the proven conduct amounts to a breach of the *Act* or Rules and whether that conduct raises to the level of professional misconduct. The remaining allegations in the Citation either seek a finding of professional misconduct, or a finding of either professional misconduct or conduct unbecoming the profession. In relation to those allegations, if the Panel finds the conduct did not amount to either professional misconduct or conduct unbecoming the allegation must be dismissed.

LAW ON CONDUCT UNBECOMING A LAWYER – ALLEGATIONS 7 TO 8

[46] Section 1(1) of the *Act* defines “conduct unbecoming the profession” as including a matter, conduct, or thing that is considered, in the judgment of a panel (a) to be contrary to the best interest of the public or of the legal profession, or (b) to harm the standing of the legal profession.

[47] While professional misconduct refers to conduct occurring in the course of a lawyer’s practice, conduct unbecoming the profession refers to conduct in the lawyer’s private life: *Law Society of BC v. Gounden*, 2021 LSBC 7 at para. 51. The “common theme” in cases where lawyers are found to have engaged in conduct unbecoming is that there is “conduct in a lawyer’s personal or private capacity that brings discredit upon the legal community”: *Law Society of BC v. Bauder*, 2012 LSBC 13 at para. 9; see also: *Gounden* at paras. 48 to 50; *Law Society of BC v. Berge*, 2005 LSBC 28 (“*Berge 2005*”) at paras. 69 to 72.

[48] Several sections of the *Act* and the *BC Code* provide helpful guidance on the meaning of the words “best interest of the public” and when a lawyer’s off-the-job conduct amounts to conduct unbecoming the profession:

- (a) Section 3 of the *Act* confirms that the object and duty of the Law Society is to “uphold and protect the public interest in the administration of justice”, including by “preserving and protecting the rights and freedoms of all persons” and by “ensuring the independence, integrity, honour and competence of lawyers”; see also *Law Society of BC v. Suntok*, 2005 LSBC 29 at paras. 15 to 16.
- (b) The introductory paragraph of section 2.1 to the Canons of Legal Ethics in the *BC Code* provides that:

A lawyer is a minister of justice, an officer of the courts, a client's advocate and a member of an ancient, honourable and learned profession.

In these several capacities, it is a lawyer's duty to promote the interests of the state, serve the cause of justice, maintain the authority and dignity of the courts, be faithful to clients, be candid and courteous in relations with other lawyers and demonstrate personal integrity.

- (c) In respect of the reputation of the legal profession, rule 2.1-5(f) of the *BC Code* notes that "lawyers should bear in mind that they can maintain the high traditions of the profession by steadfastly adhering to the time-honoured virtues of probity, integrity, honesty and dignity."
- (d) Further, the importance of integrity as a guiding value for lawyers extends to integrity in a lawyer's private life: *BC Code*, rule 2.2-1, Commentary [3] and [4].

[49] The authority to regulate a lawyer's off-the-job conduct arises "because lawyers hold positions of trust, confidence, and responsibility giving rise to many benefits but imposing obligations not shared with most other citizens": *Berge 2005* at para. 78; relying on *Law Society of BC v. Watt*, [2001] LSBC 16 at paras. 19 to 20.

[50] Panels have identified several principles relevant to "conduct unbecoming the profession" and the Law Society's authority to regulate such conduct, including that:

- (a) a lawyer's inappropriate actions, including in private life, may result in a loss of public confidence in the lawyer, the legal profession generally, and the self-regulation of the legal profession if the conduct is not properly penalized in its professional aspect: *Berge 2005* at paras. 77 to 78;
- (b) the high standard of social responsibility and "the consequent intrusion into the lawyer's private life, is the price that lawyers pay for the privilege of membership in a self-governing profession": *Law Society of BC v. Berge*, 2007 LSBC 7 ("*Berge 2007*") at para. 38; put differently, lawyers cannot engage in the practice of law and its attendant responsibilities without being "responsible members of the community": *Suntok*, at para. 16;

- (c) criminal conduct and dishonesty are “obvious examples” of conduct unbecoming, but it also includes “any act of any member that will seriously compromise the body of the profession in the public estimation”: *Berge 2007* at para. 38; and
- (d) dishonesty is “one of the most serious forms of conduct unbecoming or professional misconduct”, as the practice of law is based on honesty and dishonesty undermines the trust that society places on lawyers: *Law Society of BC v. Karlsson*, 2009 LSBC 3 at para. 7.

PART ONE – ALLEGATIONS INVOLVING THREE CLIENT FILES

Law: Standards of Conduct - Integrity

[51] In order to satisfy the objective of section 3 of the *Act* to “uphold and protect the public interest in the administration of justice”, the Law Society must ensure that lawyers act honestly and with integrity in their dealings with the public: *Law Society of BC v. Pham*, 2015 LSBC 14 at para. 46.

[52] Rule 2.2-1 of the *BC Code* confirms that a lawyer has a duty to carry on the practice of law and discharge all responsibilities to clients, tribunals, the public and other members of the profession honourably and with integrity.

[53] As reflected by the Commentary in the *BC Code*, integrity is “the fundamental quality of any person who seeks to practice as a member of the legal profession”: *BC Code*, rule 2.2-1, Commentary [1].

[54] Public confidence in the administration of justice may be eroded by a lawyer’s irresponsible conduct; as such, the lawyer’s conduct should reflect favourably on the profession, inspire the confidence, respect and trust of clients and the community, and avoid the appearance of impropriety: *BC Code*, rule 2.2-1, Commentary [2]. This is true whether the dishonourable conduct occurs in the lawyer’s private life or professional life: *BC Code*, rule 2.2-1, Commentary [3].

[55] The Panel finds that all the allegations in the Citation raise questions about the Respondent’s integrity, either in the course of her legal practice or in dealing with others who knew her as a lawyer.

PRACTISING WHILE SUSPENDED – ALLEGATIONS 1, 2, 3, 5(b), 6(a) and 6(b) –PH, JC, JZ

[56] Allegations 1, 2 and 3 allege that the Respondent practised law while suspended relating to three client files for the following clients: PH, JC, JZ.

Law: Standards of Conduct – Practising While Suspended

[57] Section 15 of the *Act* prohibits a person other than a “practising lawyer” from engaging in the “practice of law” except under specific circumstances. The “practice of law” is broadly defined in section 1(1) of the *Act* as including:

- (a) appearing as counsel or advocate;
- (b) drawing, revising or settling
 - (i) a petition, memorandum, notice of articles or articles under the *Business Corporations Act*, or an application, statement, affidavit, minute, resolution, bylaw or other document relating to the incorporation, registration, organization, reorganization, dissolution or winding up of a corporate body,
 - (ii) a document for use in a proceeding, judicial or extrajudicial,
 - (iii) a will, deed of settlement, trust deed, power of attorney or a document relating to a probate or a grant of administration or the estate of a deceased person,
 - (iv) a document relating in any way to a proceeding under a statute of Canada or British Columbia, or
 - (v) an instrument relating to real or personal estate that is intended, permitted or required to be registered, recorded or filed in a registry or other public office,
- (c) doing an act or negotiating in any way for the settlement of, or settling, a claim or demand for damages,
- (d) agreeing to place at the disposal of another person the services of a lawyer,
- (e) giving legal advice,
- (f) making an offer to do anything referred to in paragraphs (a) to (e), and
- (g) making a representation by a person that the person is qualified or entitled to do anything referred to in paragraphs (a) to (e),

...

[58] A suspended lawyer must not engage in any of the activities described above even if the act is not performed for or in the expectation of a fee, gain or reward, whether direct or indirect: *Act*, section 15(3).

[59] As noted by the hearing panel in *Geller*, the meaning of the “practice of law” is broader than the definition in section 1(1) of the *Act*, as the definition includes but is not limited to the 11 enumerated examples: *Law Society of BC v. Geller*, 2018 LSBC 40 at para. 40. Thus, “giving legal advice” is only one activity that falls within its broad ambit: *Gichuru v. Law Society of British Columbia*, 2010 BCCA 543 at para. 34; *Bauder*, at para. 23.

[60] In this case, the Respondent was provided with an information sheet with a general guideline of prohibited and permitted activities while under suspension. The information sheet explained that a suspended lawyer must not:

- (a) speak to or meet with clients about their files;
- (b) perform any work on client matters;
- (c) advise or suggest the steps to be taken on the file but may advise another lawyer of the status of the file (*i.e.*, work completed before suspension);
- (d) sign any correspondence on letterhead or under the designation of “Barrister & Solicitor,” including email communications;
- (e) supervise staff during the period of the suspension; and
- (f) indicate or imply that they are qualified or entitled to practise law in any communication.

[61] The information sheet also describes the type of activities suspended lawyers are permitted to engage in, including closing client files, signing cheques from the general account to pay practice debts, preparing and issuing bills (as long as the cover letter and bill do not state or infer the suspended lawyer is entitled to practise law), and prepare or maintain books and records of the firm. In other words, “the lawyer may engage in only the most limited business-related activities to keep the machinery of the practice going. No meaningful interactions with clients, including meetings, are to be conducted.” *Geller* at para. 43; see also: *Law Society of BC v. Macdonald Weiser*, 2022 LSBC 50 (“*Weiser*”) at paras. 51 to 53.

[62] The information sheet, while not dispositive of the issue of whether someone was practising while suspended, provides “very cogent evidence of the broad interpretation that the Law Society takes of the definition of practising law, as that term is understood in the context of a suspended lawyer: *Geller* at para. 43; see also *Weiser* at para. 53. Suspended lawyers “must exercise caution and restraint above all” and “must seek clarification and permission in all ventures”: *Geller* at para. 85; see also *Weiser* at para. 53.

[63] As noted in *Weiser*, hearing panels have repeatedly held that significant consequences will flow to lawyers who practise in the face of suspension. This is “misconduct of the most serious nature”, as it goes to the heart of a lawyer’s obligation to comply with directions from the Law Society: *Weiser* at paras. 55 to 56. There is no room in the *Act* for a suspended lawyer to exercise any discretion and independently determine when or when not to comply with the suspension order: *Weiser* at para. 58.

[64] Nor can a lawyer’s staff carry on activities amounting to the practice of law while the lawyer is suspended. Staff are only permitted to engage in these activities under the supervision of a practising lawyer. The definition of practising lawyer is “a member in good standing who holds or is entitled to hold a practising certificate”: *Act*, s. 1(1) “practising lawyer”. Rule 2-2 of the Rules confirms that a member of the Law Society is not a member in good standing when suspended under s. 38(5) of the *Act* or under the rules. It is significant that the Respondent has made statements to the Law Society that her staff and not the Respondent were amending documents and presumably doing legal work while she was under suspension.

[65] The *BC Code* provides that the Respondent has professional responsibility for all business entrusted to them and must directly supervise staff to whom the lawyer delegates particular tasks and functions: *BC Code*, rule 6.1-1 & Commentary [1], [4], and [5].

[66] For example, a lawyer must not permit a non-lawyer to (i) give legal advice; (ii) act without reference to the lawyer in matters involving professional judgment; (iii) conduct negotiations with third parties, other than routine negotiations if the client consents and the results of the negotiations are approved by the supervising lawyer before action is taken; (iv) take instructions from clients, unless the supervising lawyer has directed the client to the non-lawyer for that purpose and the instructions are related to the lawyer as soon as reasonably possible; (v) forward to a client or third party any documents, other than routine, standard form documents, except with the lawyer’s knowledge and direction; and (vi) issue statements of account: *BC Code*, s. 6.1-3.

Allegation 1: Practising While Suspended – PH

[67] The Respondent was retained by PH regarding a real property sale. Allegation 1 of the Citation is reproduced as follows:

On May 30, 2019, you engaged in the practice of law while suspended, contrary to section 15 of the [*Act*] or rule 7.1-1 of the [*BC Code*], or both, by doing one or more of the following in relation to a real estate transaction involving your client, PH:

- (a) acting as a Commissioner for Taking Affidavits by signing a Certificate of Residency;
- (b) acting as an officer by signing a Form A Transfer form;
- (c) witnessing a signature on an Assignment of Parking Stall and Storage Locker; and
- (d) signing a letter to BA, Notary Public, enclosing sale transfer documents, and instructing your staff to send the letter and enclosures to BA via email on your behalf.

Factual allegations

[68] The Respondent is deemed to have admitted the following:

- (a) during the suspension period, she met with PH, a client on a real estate transaction, at approximately 10:30 a.m. on May 30, 2019 at her office, to review and execute transaction documents;
- (b) during the meeting, she executed:
 - (i) a Form A – Freehold Transfer form in her capacity as an officer;
 - (ii) a Declaration made by PH in her capacity as a Commissioner for taking Affidavits;
 - (iii) an Assignment of Parking Stall and Storage Locker, as a witness; and
 - (iv) a cover letter to BA, a notary, enclosing the transaction documents; and

- (c) after the meeting, her staff sent the letter and the transaction documents to BA, on the Respondent's instructions and letterhead.

[69] Those deemed admissions establish the factual elements underlying allegation 1. The admissions are also consistent with the exhibited documentary evidence including the Respondent's communications during the investigation as follows:

- (a) the GLC calendar showed a scheduled meeting with PH on May 30, 2019 between 11:00a.m. to 12:00p.m.; the Respondent's statement in her July 9, 2019 letter to the Law Society confirming that she met with PH around 10:00 a.m. prior to receiving the call from Mr. Rhodes, and the Respondent's statement in her August 16, 2019 letter that she met with PH at around 10:30 a.m. to sign off on sale transfer documents;
- (b) the documents were executed by PH and witnessed and notarized by the Respondent; and
- (c) an email from GLC staff to BA, a notary, at 7:54 p.m. on May 30, 2019, enclosed the sale transfer documents and the Respondent's cover letter.

[70] During the Law Society's investigation, the Respondent acknowledged working on PH's file but stated that she was unaware of her suspension at the time of her meeting with PH. She also told Mr. Rhodes that she would complete the real estate transaction given its impending deadlines and the potential hardship on her client.

[71] The Panel was advised that at that time, that was the first time the Respondent faced the prospect of an administrative suspension.

Legal analysis

[72] The Panel finds that the Respondent's impugned activities including those of her staff, amount to practising law while suspended. The Respondent met with the client, reviewed transaction documents, executed documents (including in her capacity as a Commissioner for Taking Affidavits), and affixed her signature to a letter she instructed to be sent later that day to BA, the other party's notary public. All those activities firmly fall within the broad definition of the practice of law.

[73] The Respondent provided no explanation as to why she did not know about the administrative suspension, except to say that she either did not review or did not remember receiving the Law Society's correspondence. The Respondent could have avoided the administrative suspension had she read the Law Society's correspondence. The Respondent, knowing she was under investigation chose to ignore Law Society

correspondence at her own peril. The correspondence clearly stated that the Law Society would require responses to various questions about another investigation. The Law Society also provided reminders about deadlines for a response or she would face suspension. The actual notice of suspension was emailed and couriered to the Respondent's office.

[74] After Mr. Rhodes' phone call where he expressly told the Respondent that she could not close transactions while suspended, the Respondent still instructed her staff to send PH's transaction documents to the opposing notary to close the transaction. During the investigation, the Respondent repeatedly stated to the investigator that she did not understand why she could not use PH's documents to close the transaction.

[75] We accept that the Respondent may not have clearly understood that she could no longer practice law while under administrative suspension. However, given the circumstances, that was no excuse for continuing to work on PH's transaction when the Respondent was told she could not do so while suspended.

[76] The Panel agrees that the only potentially mitigating factor here is the evidence suggesting that the Respondent was not aware of her suspension at the time she met with PH and executed the documents. However, the Panel cannot accept the Respondent's lack of awareness as a mitigating factor since the deemed admissions show that the Respondent's administrative suspension occurred because she ignored Law Society communications, in particular the communications advising her that she would soon be suspended and notice of the suspension, including email reminders and a hard copy of the notice of suspension couriered to the Respondent's office.

[77] For allegations 1 (as well as allegations 2 and 3 to be discussed below), the Respondent's obligation to cooperate with the Law Society's regulation of her practice is fundamental to effective governance and self-regulation. The Panel agrees that the Respondent's failure to cooperate and abide by the administrative suspension, undermines the integrity of the self-regulation model.

[78] The Respondent's impugned activities meet the statutory definition of the practice of law, namely the drawing, revising or settling of an instrument relating to real or personal estate that is intended, permitted or required to be registered, recorded or filed in a registry or other public office and giving legal advice (subsections 1(1) "practice of law" (b)(v) or (e) of the *Act*).

[79] In summary, the Respondent admitted to Mr. Rhodes that she was practising law while suspended. At that time, she was in the middle of completing a real estate transaction when he called. She advised him that she did not know she was suspended but would complete PH's transaction considering the impending deadlines. After being

advised of her administrative suspension, the Respondent did not immediately cease handling PH's transaction but continued to work or have staff work on PH's transaction.

[80] Regarding allegation 1, considering all of the circumstances, the Panel finds that the Respondent's conduct as alleged regarding PH amounts to practising law while suspended and is a breach of section 15 of the *Act*.

Allegation 2: Practising While Suspended - JC

[81] The Respondent was retained by JC regarding an asset purchase of HHC, which also involved the assignment of a lease.

[82] Allegation 2 of the Citation is reproduced as follows:

On May 30 and May 31, 2019, you engaged in the practice of law while suspended, contrary to section 15 of the [*Act*] or rule 7.1-1 of the [*BC Code*], or both, by doing one or more of the following in relation to a business purchase transaction involving your client, JC:

- (a) on May 30, 2019, you instructed or allowed your staff to communicate with opposing counsel SL, including by sending an email attaching a revised Asset Purchase Agreement;
- (b) on May 31, 2019, you met with, or took instructions from JC or both;
- (c) on May 31, 2019, you witnessed JC's signature on an Asset Purchase Agreement; and
- (d) on May 31, 2019, you instructed your staff to send the signed Asset Purchase Agreement to SL via email on your behalf.

Factual allegations

[83] The Respondent is deemed to have admitted that during the Suspension Period:

- (a) she or her staff made amendments to the HHC asset purchase agreement on both May 30, 2019 and May 31, 2019;
- (b) her staff communicated with opposing counsel, SL, including by emailing a revised asset purchase agreement on May 30, 2019, on the Respondent's instructions;

- (c) she met with JC and witnessed his execution of the asset purchase agreement; and
- (d) her staff communicated with opposing counsel, SL, by sending the revised and executed copy of the asset purchase agreement on May 31, 2019.

[84] Those deemed admissions establish the factual elements underlying allegation 2. The admissions are also consistent with the documentary evidence and the Respondent's communications during the investigation, that include:

- (a) the handwritten note delivered by JC at around 10:00 a.m. on May 30, 2019, together with proposed changes to the asset purchase agreement;
- (b) the draft asset purchase agreement, delivered by JC with the handwritten note, sought changes which were reflected in the version executed by JC on May 31, 2019, including paragraphs 2(d) (purchase price and allocation in respect of the pre-sold vouchers), 3.1(a) (payment of the purchase price), 3.2 (deposits), 3.4 (purchase price adjustments), 4.1 (assumed indebtedness), 5.12 (material contracts), and 10 (the subject removal date);
- (c) an email sent by GLC staff to opposing counsel, SL on May 30, 2019 at 4:26 p.m., enclosed a revised asset purchase agreement and noted that the client would be attending GLC's office to sign the agreement the next day, and SL's responding email that sought clarification on certain terms of the agreement;
- (d) an email sent by GLC staff to counsel for the landlord of the property on which the HHC was situated, enclosing a letter dated May 29, 2019 and seeking confirmation that the landlord approved JC's assumption of the tenancy;
- (e) an email sent by GLC staff to SL on May 31, 2019 at 12:02 p.m. enclosing the executed asset purchase agreement, which noted that GLC had added an additional clause;
- (f) an email sent by GLC staff to counsel for the landlord on May 31, 2019 at 2:27 p.m. in respect of the asset purchase agreement; and
- (g) the Respondent's August 16, 2019 letter, where she acknowledged that she met with JC and witnessed his signature on May 31, 2019, although

she provided her view that all legal work in drafting the document was done before her suspension.

Legal analysis

[85] The Panel finds that the Respondent's impugned activities including those of her staff, amount to practising law while suspended. She was facilitating a commercial transaction between JC and the vendor of the HHC, including by making amendments (and presumably receiving instructions on those amendments) to the asset purchase agreement. The fact that the agreement was substantially completed before May 30 and May 31, 2019 is not determinative, since the Respondent and her staff continued to work on the asset purchase agreement and to communicate with opposing counsel during the Suspension Period.

[86] The Respondent's impugned activities meet the statutory definition of the practice of law, namely giving legal advice (sections 1(1) "practice of law" (e) of the *Act*).

[87] The Respondent's explanation to the Law Society's investigator, that she thought she could meet with clients to witness agreements (which she said any adult could do) is not a mitigating factor. The information sheet provided to the Respondent with the Law Society's May 30, 2019 letter, clearly explained that the Respondent could not meet with clients about their files while under suspension. During their telephone call on May 30, 2019, Mr. Rhodes also told the Respondent she could not meet with clients. The Respondent did not provide any acceptable explanation as to why despite being told of her suspension, she chose to amend the asset purchase agreement, or instructed her staff to do so, and meet with JC on May 31, 2019.

[88] In summary, after being advised of her administrative suspension, the Respondent did not immediately cease handling JC's file but continued to work or have staff work on JC's asset purchase transaction.

[89] Regarding allegation 2, considering all of the circumstances, the Panel finds that the Respondent's conduct as alleged regarding JC amounts to practising law while suspended and is a breach of section 15 of the *Act*.

Allegation 3: Practising While Suspended – JZ

[90] The Respondent was retained by JZ regarding a marriage agreement.

[91] Allegation 3 of the Citation is reproduced as follows:

On May 30, 2019, May 31, 2019 and June 3, 2019 [as amended], you engaged in the practice of law while suspended, contrary to section 15 of the [Act] or rule 7.1-1 of the [BC Code], or both, by doing one or more of the following in relation to a marriage agreement for your client JZ:

- (a) on May 30, 2019 and May 31, 2019, you instructed or allowed your staff to communicate with JZ;
- (b) on May 31, 2019, you met with, or took instructions from, JZ, or both;
- (c) on May 31, 2019, you prepared or instructed your staff to prepare a marriage agreement for JZ's signature; and
- (d) on June 3, 2019 [as amended from May 31, 2019], you witnessed JZ's signature on the marriage agreement.

Factual allegations

[92] The Respondent is deemed to have admitted the following:

- (a) she met with JZ on May 30 or 31, 2019, where JZ was asked to provide certain information about her assets in connection with the marriage agreement;
- (b) that during the suspension period, JZ attended GLC's office and provided GLC with date-stamped copies of banking records from TD Canada Trust and Scotiabank on May 31, 2019;
- (c) on May 31, 2019, the Respondent instructed DX to prepare a marriage agreement in respect of JZ; and
- (d) on June 3, 2019, JZ attended GLC's office to sign the marriage agreement, which was witnessed by the Respondent.

[93] Those deemed admissions establish the factual elements underlying allegation 3. The admissions are also consistent with the documentary evidence and the information provided by DX during the investigation, including:

- (a) the GLC calendar entry for "Rush Marriage Agmt preparation" on June 3, 2019 from 10:00a.m. to 12:00p.m.;

- (b) the metadata on the draft marriage agreement, which indicated that the document was created on May 31, 2019 at 5:18 p.m., and last saved and printed on June 3, 2019 around 4:00 p.m.;
- (c) the fact that JZ’s financial information was incorporated into the executed marriage agreement, which was provided to GLC with bank records date-stamped May 31, 2019;
- (d) WeChat messages between DX and TE on May 31, 2019 and June 3, 2019 (On May 31, 2019, DX said, “[t]oday the marriage agent client wanted to come next Monday at 3pm . . . To do ILA”, but the next day said, “Omg the Chinese client kept bugging me and she said she needs to sign the marriage agmt next Monday”; to which TE responded on the morning of June 3, 2019 that he could do the ILA but that DX needed “to check if Guo can act in this matter today”);
- (e) the non-sequential nature of the PCLaw entries as they relate to JZ’s statement of account and payment of funds, when compared with other entries around the same dates; and
- (f) DX’s complaint to the Law Society and her subsequent communications with Ms. Driessen.

Legal analysis

[94] The Panel finds that the Respondent’s impugned activities including those of her staff, amount to practising law while suspended. She was facilitating a marriage agreement for JZ, including by drafting the marriage agreement and any amendments (and presumably receiving instructions on that agreement and any amendments). The fact that the agreement may have been substantially completed before May 30 and May 31, 2019 is not determinative, since the Respondent and her staff continued to work on the marriage agreement and to communicate with JZ during the Suspension Period.

[95] The Respondent’s impugned activities meet the statutory definition of the practice of law, namely the drawing, revising or settling of an instrument relating to real or personal estate that is intended, permitted or required to be registered, recorded or filed in a registry or other public office and giving legal advice (sections 1(1) “practice of law” (b)(v) and (e) of the *Act*).

[96] In summary, after being advised of her administrative suspension, the Respondent did not immediately cease handling JZ’s file but continued to work or have staff work on JZ’s marriage agreement, by meeting with JZ to receive financial information, preparing

a marriage agreement on May 31, 2019 and then executing that marriage agreement with JZ on June 3, 2019.

[97] During the investigation, the Respondent consistently denied performing work for JZ during the suspension period and otherwise denied DX's version of events. The Respondent also provided the Law Society with a copy of an unsworn statement purportedly provided by JZ, in which JZ says she met with the Respondent on May 29, 2019 and did not see her thereafter. The evidence also showed a receipt dated May 29, 2019 purportedly initialled by JZ, a statement of account dated May 29, 2019 for \$500 and a deposit of \$500 made on May 29, 2019 into GLC's general account. Additionally, the evidence shows affidavits filed by TE and others in a Rule 3-10 Application that attested to DX's lack of credibility. However, given the deemed admissions, the Panel gives little to no weight to that conflicting evidence: Sidney N. Lederman, Michelle K. Fuerst, Hamish C. Stewart, *Sopinka, Lederman & Bryant: The Law of Evidence in Canada*, 6th ed (LexisNexis: Quicklaw Online) at §19.

[98] Regarding allegation 3, considering all of the circumstances, the Panel finds that the Respondent's conduct as alleged regarding JZ amounts to practising law while suspended and is a breach of section 15 of the *Act*.

Allegation 5(b): Breach of Rule 3-10 Order – Failure to Advise Practice Supervisors of JC and JZ Files

[99] The Respondent allegedly failed to advise the Practice Supervisors of the JC and JZ files as required by the Practice Supervision Agreement, which agreement was required under a Rule 3-10 Order.

[100] Allegation 5(b) of the Citation is reproduced as follows:

Between approximately May 2019 and April 2020, you breached an Order of Three Benchers made March 30, 2017, contrary to rule 7.1-1 of the *BC Code*, by doing one or more of the following:

- (b) between approximately May 30, 2019 and June 6, 2019, failing to comply with your Practice Supervision Agreement dated June 13, 2019 by failing to advise your Practice Supervisors of your activities while suspended.

Law: Standards of Conduct – Breach of Law Society Orders

[101] The obligation to comply with orders made under the *Act* or the Rules is part of the broader obligation to comply with the Law Society's regulation of one's practice: *BC*

Code, rule 7.1-1. Breaching a Law Society order is serious misconduct. As noted by the hearing panel in *Guo DA 2022*, a lawyer’s failure to comply with such an order undermines both the Law Society’s ability to regulate lawyer’s conduct in the public interest and the public’s confidence in the profession and administration of justice more generally: *Law Society of BC v. Guo*, 2022 LSBC 3 “(*Guo DA 2022*)” at para. 15.

[102] Subparagraphs (e) and (f) of rule 7.1-1 of the *BC Code* provide:

7.1-1 A lawyer must

- (e) comply with orders made under the *Legal Profession Act* or Law Society Rules; and
- (f) otherwise comply with the Law Society’s regulation of the lawyer’s practice.

Factual allegations

[103] Under the Practice Supervision Agreement, the Respondent was required to provide complete and accurate information to the Supervisors, including access to open, completed, and closed files as required. The Rule 3-10 Order required the Respondent to comply with the Practice Supervision Agreement.

[104] The Respondent is deemed to have admitted the following:

- (a) she or her staff acting on her instructions, worked on JZ’s file during the Suspension Period, including by drafting a marriage agreement;
- (b) she did not inform the Supervisors of JZ’s file;
- (c) she or her staff acting on her instructions worked on JC’s file during the Suspension Period, including by revising an asset purchase agreement and by communicating with opposing counsel; and
- (d) she did not inform the Supervisors of JC’s file.

[105] Those admissions establish the factual elements underlying allegation 5(b). The admissions are also consistent with the documentary evidence and communications during the investigation, including:

- (a) the evidence described above in relation to allegations 2 and 3;

- (b) the Supervisors' statements in response to Ms. Driessen's inquiries that they did not recall reviewing either the JC or the JZ files at their office visit on June 10, 2019 following the Suspension Period;
- (c) the Supervisors' statements in response to Ms. Driessen's inquiries that they did not recall either the JC or JZ files being brought to their attention, subject to their review of those files (which, as of April 2020, they had requested from the Respondent but had not received and reviewed);
- (d) the Supervisors' statements in response to Ms. Driessen's inquiries that they only reviewed two files at their June 10, 2019 office visit, which did not include either the JC or JZ files, and that they did not receive a file list (which the Supervisors assumed was because there were only two files); and
- (e) the file list obtained by the Supervisors after the Suspension Period, which did not include either the JC or the JZ files (but did include the PH file).

Legal analysis

[106] The Respondent failed to inform the Supervisors about the JC and JZ files as required by the Practice Supervision Agreement. The Practice Supervision Agreement was a requirement of the Rule 3-10 Order. The evidence does not show any explanation by the Respondent for her failure to comply with the Practice Supervision Agreement or the Rule 3-10 Order.

[107] As discussed above, breaching a Law Society order is serious misconduct. The Respondent's misconduct undermines the Law Society's ability to regulate her conduct and to uphold the public interest and public confidence in the legal profession and administration of justice more generally.

[108] Accordingly, the Panel finds that the Respondent breached her duties under the Practice Supervision Agreement and thus breached her duties under the Rule 3-10 Order, contrary to rule 7.1-1 of the *BC Code*.

Allegation 6(a) and 6(b): Misrepresentations to the Law Society – Practising While Suspended

[109] The Respondent is alleged to have made misrepresentations to the Law Society regarding whether she was practising law while suspended (allegation 6(a)) and in

particular, whether she was practising law while suspended regarding JZ's file (allegation 6(b)).

Law: standards of conduct – duty to cooperate with Law Society investigations

[110] A lawyer has a duty to cooperate with investigations by the Law Society, including a positive duty to respond fully to all questions or requests made in the course of an investigation. A lawyer also has a broader duty to respond fully and completely to communications from the Law Society. This duty is set out expressly in Rules 3-5 of the Rules and rule 7.1-1 of the *BC Code*.

[111] Rule 3-5(7) and (11) of the Rules provide that:

(7) A lawyer must co-operate fully in an investigation under this division by all available means including, but not limited to, responding fully and substantively, in the form specified by the Executive Director

- (a) to the complaint, and
- (b) to all requests made by the Executive Director in the course of an investigation.

(11) A lawyer who is required to produce files, documents and other records, provide information or attend an interview under this rule must comply with the requirement

- (a) even if the information or files, documents and other records are privileged or confidential, and
- (b) as soon as practicable and, in any event, by the time and date set by the Executive Director

[112] Rule 7.1-1 of the *BC Code* provides that:

7.1-1 A lawyer must

- (a) reply promptly and completely to any communication from the Society;
- (b) provide documents as required to the Law Society;
- (c) not improperly obstruct or delay Law Society investigations, audits and inquiries;

- (d) cooperate with Law Society investigations, audits and inquiries involving the lawyer or a member of the lawyer’s firm;
- (e) comply with orders made under the *Legal Profession Act* or Law Society Rules; and
- (f) otherwise comply with the Law Society’s regulation of the lawyer’s practice.

[113] The duty to respond to Law Society communications “is at the heart of the Law Society’s regulation of the practice of law and it is essential to the Law Society’s mandate to uphold and protect the interests of its members”: *Weiser* at para. 67. “Failure to respond is a serious breach of professional obligations; in the absence of substantive responses, the Law Society is unable to meet its regulatory function”: *Weiser*, at para. 69.

[114] Rule 2.2-1 of the *BC Code* provides that:

A lawyer has a duty to carry on the practice of law and discharge all responsibilities to clients, tribunals, the public and other members of the profession honourably and with integrity.

[115] The authorities, and a plain reading of these provisions, impose on lawyers under investigation an unambiguous obligation to make timely and comprehensive response to all Law Society questions and requests. No aspect of this obligation is left to the lawyer’s interpretation or discretion: *Weiser* at para. 70. The failure to respond or cooperate fully with the Law Society and the provision of incorrect or misleading information in an investigation is among the gravest forms of misconduct: *Law Society of BC v. Guo*, 2022 LSBC 30 (“*Guo F&D 2022*”) at para. 226.

[116] As the Respondent should clearly know, the lawyer’s positive obligation to cooperate with an investigation by the Law Society is a necessary feature of effective self-regulation: *Guo F&D 2022* at para. 161. The hearing panel in that case referred to the Ontario Court of Appeal’s decision in *Law Society of Ontario v. Diamond*, 2021 ONCA 255, where the court described the duty to cooperate as (*Guo F&D 2022* at para. 162):

... designed to ensure that there is a complete response and no inordinate delays in investigations by the self-regulated authority. It requires nothing more than prompt and complete responses when requested, which are essential to moving investigations forward. Delays in doing so can only serve to shake the public’s confidence in the Law Society’s self-regulatory authority ... As the Law Society points out in their factum, the “reputation of the ability of the profession to self-

regulate would quickly be diminished if the obligation to cooperate could be subverted by a ‘cat and mouse game’ (as described by the Hearing Panel), that fell short of a clear refusal.”

[117] In *Weiser*, at para. 66, the hearing panel considered the factors identified in *Diamond* in assessing an allegation of failure to cooperate, including:

- (a) all of the circumstances must be taken into account when determining whether a lawyer has acted responsibly and in good faith to respond promptly and completely to the Law Society’s inquiries;
- (b) good faith requires the lawyer to be honest, open, and helpful to the Law Society;
- (c) good faith is more than an absence of bad faith; and
- (d) a lawyer’s uninformed ignorance of their record-keeping obligations cannot constitute a “good faith explanation” of the basis for the delay.

[118] There are several cases where panels have found that misleading the Law Society amounts to professional misconduct and have commented on the importance of being honest with the Law Society as regulator. A common element of *mala fides* in these cases is evidence that the lawyer intentionally provided false or misleading evidence, but that is not essential as a misrepresentation can occur in the absence of an intent to deceive.

[119] That was the case in *Liggett*, where the panel found that the lawyer misrepresented that he was unavailable for a discipline hearing due to a trial which the Law Society subsequently learnt had been adjourned: *Law Society of BC v. Liggett*, 2011 LSBC 22. The panel found that the lawyer had at a minimum acted recklessly and that sufficed to meet the marked departure test, based on the lawyer’s gross culpable neglect of his duties as a lawyer and a member of the Law Society: *Liggett* at paras. 26 to 30. Recklessness involves knowledge of a danger or risk and persistence in a course of conduct which creates a risk that the prohibited result will occur: *Liggett* at para. 27.

[120] Similarly, in *Botting*, the panel found that though the respondent’s representation might not be characterized as “lying” to the Law Society, his conduct displayed gross negligence, recklessness and a casual disregard for the truth sufficient to find professional misconduct. The panel held that, in order for the regulation of the members of the legal profession to work properly, lawyers must be strictly obligated during an investigation to take care to be factual, honest and prompt in their representations to the Law Society: *Law Society of BC v. Botting*, [2000] LSBC 30 at para. 66

[121] In *McKinley*, the lawyer was found to have made representations to the Law Society in an attempt to mislead or improperly obstruct or delay the investigation into a client matter: *Law Society of BC v. McKinley*, 2019 LSBC 20 at paras. 93 to 94. Amongst other things, the lawyer misled the Law Society by providing false information surrounding her receipt and handling of client trust funds and her operation of a trust account. The panel noted the particular importance of honesty and integrity when dealing with the Law Society, in light of its public interest mandate, and held that any attempt to deliberately undermine the Law Society’s ability to regulate the profession should be strongly discouraged and met with a clear message that there is no tolerance for lawyers attempting to undermine the investigation of complaints: *McKinley* at paras. 93, 95.

[122] The Law Society’s position is that it was unable to rely on the Respondent to provide a complete and accurate account of her activities while suspended and that if the Respondent was unclear, she should have sought clarification or reviewed the materials sent by the Law Society regarding suspensions.

Allegation 6(a): Misrepresentations to the Law Society

[123] Allegation 6(a) of the Citation is reproduced as follows:

Between approximately June 2019 and March 2021, in the course of Law Society investigations into your conduct (Law Society file numbers CO20190466, CO2020020200202, CO20200441, CO20200965), you made representations to Anneke Driessen, Staff Lawyer, that you knew or ought to have known were false or inaccurate, or both, contrary to one or more of Rule 3-5(7) of the [Rules] and rules 2.2-1 and 7.1-1 of the [*BC Code*], in one or more of the following instances:

- (a) in relation to your administrative suspension from May 30, 2019 to June 6, 2019 (the “Suspension Period”), you made one or more of the following representations:
 - (i) that, after receiving a telephone call from Michael Rhodes, Director of Custodianships and Unauthorized Practice on May 30, 2019, you provided no further legal services during the Suspension Period;
 - (ii) that you did not sign or witness any documents related to the practice of law during the Suspension Period; and
 - (iii) that no money was paid to you during the Suspension Period,

...

Factual allegations

[124] In her July 9, 2019 letter, the Respondent represented to Ms. Driessen that:

- (a) she was not aware of her suspension until Mr. Rhodes' phone call on May 30, 2019;
- (b) after Mr. Rhodes' phone call, she provided no further legal services during the Suspension Period;
- (c) she did not sign any documents relating to the practice of law and did not witness any documents during the Suspension Period; and
- (d) no money was paid to her during the Suspension Period.

[125] The evidence also shows that during the Respondent's interview by Ms. Driessen on October 3, 2019 ("October 2019 Interview), the Respondent advised Ms. Driessen that she did not do any legal work after being informed by Mr. Rhodes of her suspension.

[126] The Panel agrees with the Law Society that the Respondent's representations were false or inaccurate, which the Respondent knew or ought to have known, as demonstrated by:

- (a) the information sheet about suspension, delivered to the Respondent, which expressly indicated that she could not meet with clients or perform any work on client matters while suspended;
- (b) the deemed admissions and evidence demonstrating that the Respondent completed work during the Suspension Period for JC and JZ, as discussed above in allegations 2 and 3, which included witnessing JC's signature on the asset purchase agreement and witnessing JZ's signature on the marriage agreement; and
- (c) the deemed admissions that JZ attended the Respondent's office on June 3, 2019, at which time a statement of account was prepared and paid.

[127] The Law Society's position is that it was unable to rely on the Respondent to provide a complete and accurate account of her activities while suspended and that if the Respondent was unclear about what she was required to do, she should have sought clarification or reviewed the materials sent by the Law Society regarding suspensions.

[128] Regarding allegation 6(a), the Panel finds that the Respondent made misrepresentations to the Law Society which she knew or ought to have know were false

or inaccurate when she told the Law Society investigator that: she stopped providing legal services after Mr. Rhodes' phone call to her; she did not sign or witness any documents related to the practice of law; and that she was paid no money during the Suspension Period.

Allegation 6(b): Misrepresentations to the Law Society – JZ

[129] The Panel notes that this allegation regarding JZ overlaps to some extent with allegation 6(a).

[130] Allegation 6(b) of the Citation is reproduced as follows:

Between approximately June 2019 and March 2021, in the course of Law Society investigations into your conduct (Law Society file numbers CO20190466, CO2020020200202, CO20200441, CO20200965), you made representations to Anneke Driessen, Staff Lawyer, that you knew or ought to have known were false or inaccurate, or both, contrary to one or more of Rule 3-5(7) of the [Rules] and rules 2.2-1 and 7.1-1 of the [BC Code], in one or more of the following instances:

...

- (b) In relation to a marriage agreement for your client JZ, you represented that, on May 29, 2019, one or more of the following took place:
 - (i) your staff prepared a marriage agreement for JZ's signature;
 - (ii) you met with JZ at your law office;
 - (iii) JZ signed the marriage agreement during the meeting at your law office;
 - (iv) your Statement of Account was provided to JZ; and
 - (v) you received \$500 in fees from JZ.

Factual allegations

[131] In her July 9, 2019 letter, the Respondent advised Ms. Driessen that she did not work on a "Rush marriage Agmt preparation" during the Suspension Period that was recorded in her calendar on June 3, 2019. She advised the Law Society investigator that she believed DZ made the entry.

[132] The evidence also shows the following:

- (a) during the October 2019 Interview, the Respondent represented that after having received instructions to prepare a marriage agreement from JZ before May 29, 2019, she met with JZ on May 29, 2019 to review and sign the marriage agreement and sign a certificate of independent legal advice;
- (b) in her November 29, 2019 letter, the Respondent represented that JZ attended GLC, reviewed and signed the marriage agreement, and made payment on a statement of account on May 29, 2019; and
- (c) finally, in her July 3, 2020 letter, the Respondent represented that on May 29, 2019, JZ attended the GLC office, signed the marriage agreement, and paid \$500 representing the entire fee charged to JZ.

[133] The Panel agrees with the Law Society that the Respondent's representations were false or inaccurate, as demonstrated by:

- (a) the deemed admissions outlined above in respect of allegation 3, which are conclusive as to the matters admitted and prove that the marriage agreement was prepared on May 31, 2019 and executed on June 3, 2019; and
- (b) the other evidence outlined above in respect of allegation 3, including evidence of the Respondent's attempts to conceal her activities while she was suspended (e.g. the metadata).

[134] As in allegation 6(a) discussed above, the Law Society's position is that it was unable to rely on the Respondent to provide a complete and accurate account of her activities while suspended and that if the Respondent was unclear about what she was required to do, she should have sought clarification or reviewed the materials sent by the Law Society regarding suspensions.

[135] Regarding allegation 6(b), the Panel finds that the Respondent made misrepresentations to the Law Society that she knew or ought to have known were false or inaccurate when she told the Law Society investigator that: her staff prepared a marriage agreement for JZ's signature; she met with JZ at her law office; JZ signed the marriage agreement during the meeting at her law office; her Statement of Account was provided to JZ and she received \$500 in fees from JZ, all on May 29, 2019 rather than June 3, 2019.

Legal Analysis – Allegations 6(a) and 6(b)

[136] The evidence is clear that the Respondent made false or inaccurate statements to the Law Society investigator about her work on JC and JZ's agreements. In making the incorrect or misleading answers that she did, the Respondent failed to fulfill her positive obligation to cooperate with the Law Society.

[137] As discussed above, the Respondent breached her duty to cooperate in a Law Society investigation, as required by Rule 3-5(7) of the Rules and rule 7.1-1 of the *BC Code*. The Respondent's breach is a grave form of misconduct, as it strikes at the root of the protection of the public and the heart of the Law Society's regulation of the practice of law.

PART TWO: COMPLEX BUSINESS DEALING – ML, YF, WR, DZ, NUMBERED COMPANIES, LOT 60, THREE LOTS

General Factual Allegations Regarding Allegations 4, 6(c) to (e), 7(a) to (b) and (e), and 8

[138] The remaining allegations in the Citation all relate to a complex business dealing involving the Respondent, a proposed cannabis farm, three neighbouring lots for sale on Vancouver Island, British Columbia, several sellers, agents, business associates or shareholders, one overseas buyer and three numbered companies. Specifically, the allegations are that while suspended from the practice of law, the Respondent acted fraudulently, dishonestly and converted property to her own use in her business dealings with ML, DZ, WR and YF and made misrepresentations to the Law Society about that involvement.

[139] The Law Society alleges that the Respondent acted as counsel for YF in the business dealings. However, the Law Society acknowledges that the available evidence in support of this contention is limited. Nonetheless, the evidence shows that the Respondent's dealings with the parties, even if done in her personal capacity, demonstrated a fundamental and concerning lack of integrity, as reflected in her subsequent misrepresentations to the Law Society.

[140] The evidence shows that in dealing with the Law Society, the Respondent made repeated efforts to distance herself from YF and ML to conceal her involvement in the business dealings. Accordingly, the evidence before the Panel does not necessarily show a detailed or accurate picture of the entire business dealings but it does provide sufficient facts to support the various allegations against the Respondent.

[141] The Respondent is deemed to have admitted the following:

- (a) The Respondent met ML in early 2019. WR and DZ were business associates of the Respondent at that time, and YF was a former tenant of the Respondent.
- (b) Beginning in at least March 2019, the Respondent and ML discussed purchasing, developing, and reselling three lots on Vancouver Island: Lot 59, Lot 60, and Lot 61 (together, the “Three Lots”).
- (c) The Respondent was assisting ML in identifying a potential purchaser for the Three Lots and connected ML with DZ in this respect.
- (d) ML executed contracts of purchase and sale dated May 7, 2019 (the “Contracts of Purchase and Sale”), pursuant to which he or his assignee would acquire:
 - (i) Lot 59 for \$750,000, \$680,000 of which would be funded through a vendor take-back mortgage and the remainder of which would be paid as a deposit;
 - (ii) Lot 60 for \$550,000, \$540,000 of which would be funded through a vendor take-back mortgage and the remainder of which would be paid as a deposit; and
 - (iii) Lot 61 for \$500,000, \$490,000 of which would be funded through a vendor take-back mortgage and the remainder of which would be paid as a deposit.
- (e) Prior to entering into these agreements, ML and the Respondent discussed the terms of the offer to purchase, including a potential vendor take-back mortgage on the properties. The Respondent also reviewed the agreements before they were executed by ML. Based on the communications between ML and the Respondent, they planned to acquire and flip these properties for a significant profit, while paying only minimal funds up front due to the vendor take-back mortgages.
- (f) Around the same time, in May 2019, ML and DZ entered into an agreement pursuant to which DZ’s company, 739 Ltd., would act as the agent for the sale of Lot 60 in exchange for commissions totalling \$400,000 (“Lot 60 Commission Agreement”). The Respondent witnessed this agreement.

- (g) Also in early May 2019, the Respondent was communicating with YF, who had been identified as a potential overseas purchaser of Lot 60. Among other things, the Respondent discussed the cannabis growing potential and subdivision of the property with YF and the purchase price proposed by ML. The Respondent arranged for YF and DZ to visit Lot 60 and meet with ML.
- (h) On May 16, 2019, the Respondent's firm incorporated three numbered companies on ML's instructions, 049 Ltd., 053 Ltd., and 057 Ltd. (together, the "Numbered Companies"). GLC was listed on the incorporation documents as the registered and records office for each company.
- (i) In mid to late May 2019, ML and YF entered into an agreement whereby YF would purchase Lot 60 from ML (or his assignee) for \$1,500,000 to be paid in three instalments ("Lot 60 Purchase Agreement"). Prior to the execution of this agreement, the Respondent reviewed and amended the agreement at ML's request and advised him on its terms. The Respondent also reviewed the Lot 60 Purchase Agreement with YF and gave him advice in respect of the agreement.
- (j) After several requests by YF for bank account information for payments under the Lot 60 Purchase Agreement, the Respondent instructed YF to make payments to a TD account held by L Productions Inc. ("L Productions TD Account").
- (k) The Respondent knew that the L Productions TD Account did not belong to nor was associated with ML. She knew however, that the account belonged to her friend and business associate, WR. At some point in June 2019, ML and YF entered into a supplementary agreement with respect to Lot 60 (the "Lot 60 Supplementary Agreement"), which designated the L Productions TD Account as the account for payments for Lot 60 and indicated that ML was the owner of the account. The only version of that agreement provided to the Law Society was written in Chinese. The Respondent witnessed that agreement, and knew that the account belonged to her business associate, WR and not ML as indicated.
- (l) YF made payments totalling \$590,000 into the L Productions TD Account between May and September 2019. The Respondent and YF discussed these payments on several occasions in their correspondence.

- (m) The Respondent did not advise ML that YF had signed the Lot 60 Purchase Agreement, or that YF had made payments under that agreement, despite ML raising the issue of payments with the Respondent on several occasions beginning in late May 2019.
- (n) On June 3, 2019, during the Suspension Period, the Respondent or her staff prepared three assignments of interest in the Contracts of Purchase and Sale executed by ML, pursuant to which he assigned his interest in Lot 59 to 049 Ltd., Lot 60 to 053 Ltd., and Lot 61 to 057 Ltd. The Respondent or her staff also prepared directors resolutions for each of the Numbered Companies approving these assignments.
- (o) On June 5, 2019, the Respondent arranged for L Productions Inc. to issue cheques totalling \$90,000, which GLC couriered to ML's realtor as deposits for the Three Lots.
- (p) TE acted for ML in the closing of the Contracts of Purchase and Sale in respect of the Three Lots, which ultimately proceeded on July 4, 2019.
- (q) The Respondent provided funds to close the Three Lots purchase totalling \$62,639.39.
- (r) On July 4, 2019, the Respondent and ML entered into shareholder agreements in respect of each of the Numbered Companies, which recorded the Respondent as having made \$90,000 shareholder loans to each company, set out terms for repayment, and set out the terms of the parties' ownership of the Three Lots. In respect of Lot 60, the Respondent was to have a 60 per cent interest and ML was to have a 40 per cent interest in the property.
- (s) In July 2019, after YF visited Lot 60 with the Respondent and DZ, he became concerned about ML's ability or intention to close the Lot 60 Purchase Agreement. As a result of this concern:
 - (i) YF asked if he could make the remaining payments under the Lot 60 Purchase Agreement directly to the Respondent instead of the L Production TD Account, to which the Respondent agreed; and
 - (ii) the Respondent and DZ signed a guarantee in favour of YF, agreeing to each indemnify one third of his losses if ML sold Lot 60 to another person.

- (t) Between August and October 2019, YF made payments totalling approximately \$413,507.30 directly into the Respondent's personal account at the Bank of China (Canada) ("BOC Personal Account"), which were part of the purchase price payable to ML under the Lot 60 Purchase Agreement.
- (u) The Respondent did not advise ML about the payments made into the BOC Personal Account by YF, nor did she transfer these funds to ML or 053 Ltd. Instead, she transferred \$220,000 of these funds to 739 Ltd. (DZ's company), \$110,000 to GLC, \$40,000 to her sister, \$10,000 to a third party, and \$100,000 to herself.
- (v) The Respondent was also paid "introduction fees" by both DZ (through 739 Ltd.) and WR (through L Productions Inc.) in relation to the Three Lots, totalling \$220,000, but did not advise either YF or ML of those introduction fees.
- (w) Beginning in October 2019, the Respondent and WR attempted to remove ML as a director of 053 Ltd. and have him transfer his shares to WR. In furtherance of this objective, the Respondent appears to have:
 - (i) prepared and filed several (internally inconsistent) corporate documents purporting to remove ML as a director and add WR;
 - (ii) prepared several documents purporting to record the transfer of shares from ML to WR, which documents were not signed by ML;
 - (iii) sent ML a letter from WR in which he offered to purchase the Three Lots for \$1,880,000; and
 - (iv) attempted to convince ML to execute the share transfer documents and sell the Three Lots to her and WR.
- (x) During this period, ML repeatedly requested that the Respondent provide him with copies of corporate documents for the Numbered Companies, requests the Respondent appears to have avoided or ignored.
- (y) After the Lot 60 transaction fell apart, in April 2020, YF commenced a civil claim in BC Supreme Court against the Respondent, ML, 053 Ltd., WR, L Productions Inc., DZ, and 739 Ltd., alleging that the defendants conspired to defraud him in relation to the Lot 60 Purchase Agreement and seeking to recover the approximately \$1 million paid to the Respondent and L Productions Inc.

- (z) The Respondent, WR, L Productions Inc., DZ, and 739 Ltd. jointly filed their response to YF's civil claim on January 27, 2021.

[142] The Respondent's dealings with YF and ML, whether done in her personal capacity or while acting as a lawyer, reveal a serious failure to act honourably and with integrity in relation to the Lot 60 transaction. The evidence shows that the Respondent received and retained at least \$325,000 in the course of these dealings (\$225,000 in "introduction fees" paid to her through GLC and \$100,000 of the purchase price under the Lot 60 Agreement paid by YF to her personally). Additionally, the Respondent paid \$110,000 of YF's funds to GLC and transferred \$40,000 to her sister. At the same time, L Productions Inc. received at least \$590,000 directly from YF. DZ (or 739 Ltd.) received payments characterized as "commissions" from the Respondent. These payments from the Respondent to DZ included \$220,000, paid from the funds received from YF, and according to the Respondent \$150,000 from L Productions Inc.

Law: Standards of Conduct - Establishing the Lawyer-Client Relationship - Allegation 4 and 6(c)(i)(ii)(vi)(vii) and (d)

[143] Rule 1.1-1 of the *BC Code* defines "client" as any person who consults a lawyer if: (1) the lawyer agrees to render legal services to that person; or (2) that person reasonably concludes that the lawyer has agreed to render legal services on their behalf. The Commentary [1] to that section makes clear that a lawyer-client relationship may be established without formality.

[144] The overall test for whether a solicitor-client relationship exists is whether a reasonable person in the position of a party with knowledge of all the facts would reasonably form the belief that the lawyer was acting for a particular party. Relevant factors include:

- (a) a contract or retainer;
- (b) a file opened by the lawyer;
- (c) meetings between the lawyer and the party;
- (d) correspondence between the lawyer and the party;
- (e) a bill rendered by the lawyer to the party;
- (f) a bill paid by the party;
- (g) instructions given by the party to the lawyer;

- (h) the lawyer acting on the instructions given;
- (i) statements made by the lawyer that the lawyer is acting for the party;
- (j) a reasonable expectation by the party about the lawyer's role;
- (k) legal advice given; and
- (l) legal documents created for the party.

Not all of these factors need to be present in order for a solicitor-client relationship to be established: *Law Society of BC v. Spears*, 2017 LSBC 29 at paras. 41 to 43, citing *Milverton Capital Corp. v. Thermo Tech Technologies*, 2002 BCSC 773 at para. 74, adopting *Jeffers v. Calico Compression Systems*, 2002 ABQB 72 at para. 8.

[145] In *Spears*, two allegations of professional misconduct turned on the question of whether the respondent was acting as a lawyer for the potential clients. The respondent argued that the Law Society had failed to prove that he was acting as a lawyer when he borrowed money from the potential clients and assisted them in their efforts to subdivide their property, rather than as a marine consultant. The hearing panel found that there was no evidence that the respondent made any effort to advise the potential clients that the work he was doing was not in his capacity as a lawyer, and that the numerous loan security documents the respondent prepared on their behalf to evidence and secure the personal loans he received from them was clearly the practice of law. On these bases, the panel concluded that the individuals were clients: *Spears* at paras. 45 to 58.

[146] In *Farkas*, a hearing panel considered allegations that the respondent lawyer failed to competently serve a number of clients, who were Roma refugees from Hungary, and failed to properly supervise his non-lawyer staff who were delegated to prepare the refugee claims. *Law Society of Upper Canada v. Farkas*, 2016 ONLSTH 149. The respondent argued that he did not have a solicitor-client relationship with several of the complainants and the corresponding allegations that he had failed to competently serve them and/or supervise his staff should be dismissed for those individuals. The panel was not persuaded and held that once counsel undertakes to provide legal services for an individual, whether there is a financial retainer or not, a solicitor-client relationship is created. The panel further held that the existence of a financial retainer, or a good-willed decision to voluntarily assist *pro bono*, has no impact on a lawyer's professional obligations: *Farkas* at paras. 198 to 200.

Allegation 4: Practising While Suspended – ML and YF and the Numbered Companies

[147] Allegation 4 of the Citation is reproduced as follows:

Between approximately June 3, 2019 and June 6, 2019, you engaged in the practice of law while suspended, contrary to section 15 of the [Act] or rule 7.1-1 of the [BC Code], or both, in relation to one or more of your clients [049 BC Ltd.], [057 BC Ltd.] (“together, Number Companies”), ML, and YF, in connection with transactions involving real property on Vancouver Island, BC (the “Transactions”);

- (a) between June 3, 2019 and June 6, 2019, you communicated with one or both of ML and YF in relation to the Transactions;
- (b) on June 3, 2019 you prepared or instructed your staff to prepare Directors’ Resolutions for one or more of the Numbered Companies;
- (c) on June 3, 2019, you signed Directors’ Resolutions for one or more of the numbered Companies;
- (d) on June 3, 2019, you prepared or instructed your staff to prepare one or more Assignments of Interest in the Contract of Purchase and Sale between ML and each of the Numbered Companies (the “Assignments”); and
- (e) on or about June 3, 2019, you instructed or allowed your staff to meet with [ML] to affix his signature on one or more of the Assignments.

Specific factual allegations

[148] The Respondent is deemed to have admitted the following:

- (a) on May 15 or 16, 2019, ML instructed GLC to incorporate three numbered companies with GLC as the registered and records office;
- (b) on May 16, 2019, GLC incorporated the Numbered Companies, each with GLC as their registered and records office, as follows:
 - (i) 049 Ltd., with ML and the Respondent as directors and shareholders (49 per cent and 51 per cent respectively);
 - (ii) 053 Ltd., with ML as the sole director and shareholder; and

- (iii) 057 Ltd., with ML and the Respondent as directors and shareholders (49 per cent and 51 per cent respectively);
- (c) on June 3, 2019, the Respondent or her staff prepared three assignments of interest, pursuant to which ML's interest in contracts of purchase and sale for each of the Three Lots were assigned to the Numbered Companies (Lot 59 to 049 Ltd., Lot 60 to 053 Ltd., and Lot 61 to 057 Ltd.);
- (d) on June 3, 2019, the Respondent or her staff prepared directors' resolutions on behalf of each of the Numbered Companies, agreeing to their respective assignments; and
- (e) ML executed the assignments and the directors resolutions on June 3, 2019 at GLC's offices.

[149] The Panel agrees with the Law Society that the factual elements of allegation 4 are proven by way of the deemed admissions set out above. The deemed admissions are also consistent with the documentary evidence and communications during the investigation. In particular the Panel notes the following:

- (a) the fact that GLC was, and was intended to be, the registered and records office for the Numbered Companies;
- (b) the fact that the directors' resolutions and the assignments were located on GLC's computers, and were last modified on June 3, 2019 according to their metadata;
- (c) TE's advice to Ms. Driessen that he was not involved in corporate matters for the Numbered Companies, that he had no involvement in the June 3, 2019 resolutions or assignments, that he only later became counsel for the Numbered Companies in respect of the closing of the Three Lots transaction, and that he believed the Respondent's firm was responsible for maintaining the corporate records of the Numbered Companies;
- (d) DX's advice to Ms. Driessen that LK, a legal assistant at GLC, prepared the assignments;
- (e) LK's June 5, 2019 email sending ML the assignments, along with copies of the deposit cheques;

- (f) the Respondent's July 17, 2020 letter (and the amended letter sent on July 21, 2020), where she stated that she may have drafted the directors' resolutions and the assignments, but not as a lawyer;
- (g) the Respondent's July 20, 2020 letter, where she said that DX "may have prepared the directors resolution" and that the Respondent "may have prepared the assignment for the three companies";
- (h) in the Respondent's March 5, 2021 letter, where she said that it was possible that ML asked a member of her office to prepare the three assignments, based on WR's instructions at some point in time for two of the assignments; and
- (i) in the Respondent's March 17, 2021 letter, where she said that WR thought ML asked a member of GLC staff for their assistance with the three assignments.

[150] The Law Society is not pursuing allegations of professional misconduct arising from the Respondent's relationship with ML and the Numbered Companies in respect of the Three Lots and Lot 60 transactions. However, the Panel finds that as a whole, the evidence demonstrates that at a minimum, the Respondent was acting as corporate counsel for the Numbered Companies as of June 3, 2019. Additionally, the Panel finds the following facts:

- (a) ML gave GLC instructions to incorporate the Numbered Companies, and GLC acted on those instructions;
- (b) GLC issued a statement of account addressed to the Numbered Companies for fees and disbursements associated with their incorporation, which statement of account referenced a file number and described services including: taking instructions; analyzing legal issues; drafting incorporation agreement, resolutions, central securities and directors and officers registers, and other corporate documents; and preparing the incorporation applications;
- (c) the Respondent's staff met with ML to review and execute the incorporation documents, which were prepared by her office and submitted by DX;
- (d) GLC was the registered and records office for each of the Numbered Companies and was therefore responsible for maintaining the corporate records;

- (e) the Respondent's office prepared directors' resolutions for the Numbered Companies for a meeting held at the GLC offices, and LK met with ML to execute the documents;
- (f) TE made the statement to Ms. Driessen that, to his knowledge, the Numbered Companies were incorporated and maintained through the Respondent's office, and that he had nothing to do with the June 3, 2019 resolutions; and
- (g) in her March 5, 2021 letter, although the Respondent denied providing legal advice to the Numbered Companies or acting as their registered and records office; she stated that "[t]he only service that provided to [ML] by GLC was incorporation of" the Numbered Companies, for which she issued a statement of account.

[151] Based on the discussion above, it should have been clear to the Respondent that on being advised that she was suspended, she could no longer meet with clients; authorize, execute or witness documents, real estate and asset purchase agreements to be amended or delivered to other counsel or parties. Additionally, the Respondent could not allow her staff to attend to those matters while she was suspended, as she no longer had the ability to supervise their work.

Legal analysis

[152] Regarding allegation 4, based on all of the evidence and applying the law regarding practising law while suspended, the Panel finds that the Respondent's conduct as alleged amounts to practising law while suspended. The Respondent acted as corporate counsel, including providing or causing GLC to provide corporate legal work to the Numbered Companies or ML as clients on June 3, 2019. That work included drawing, revising, or settling a resolution or a document relating to the organization of a corporate body. Moreover, the Respondent allowed her staff to meet with ML during the Suspension Period to execute these documents.

[153] In addition to the discussion above in allegations 1 to 3, a lawyer practising law while suspended will attract serious consequences. A lawyer must comply with directions from the Law Society. Section 15 of the *Act* does not permit a suspended lawyer to independently determine whether to comply with a suspension order. The lawyer cannot delegate particular tasks and functions to her staff and then claim she is not practising law, since she has the duty to directly supervise the work of her staff. As discussed in allegations 1 to 3, the Panel also finds that the Respondent breached section 15 of the *Act* as described in allegation 4.

Allegations 6(c), (d) and (e) – Misrepresentations – Law Society Submissions

[154] In respect of each of allegations 6(c), (d), and (e), the Law Society submits that the Respondent made misrepresentations in the course of Law Society investigations to Law Society staff that amount to professional misconduct. The Law Society submits there is no explanation for her apparent failure to cooperate with and provide accurate and truthful responses to the Law Society. Insofar as it relates to the Three Lots and Lot 60 Purchase Agreement matters, the Respondent's statements to the investigator appear to be contrived with a view to obscuring her involvement from the Law Society.

[155] Though the Respondent did not attend the hearing to defend her conduct, it is difficult to see what explanations the Respondent could provide for her misrepresentations that could possibly mitigate their seriousness. As noted in *Guo F&D 2022* at para. 221:

The Respondent is expected, and obligated, to be aware of events occurring within her practice. If she is unsure of such events, she has an obligation, when faced by a Law Society investigation, to provide responsive and truthful answers, even if it requires further correspondence to do so. This cannot be accomplished by denying the Law Society's allegations, and then only subsequently, upon being provided with documentary evidence of the truth of a fact, acknowledging that fact. Such behaviour merely extends any investigation, and acts contrary to the public interest by prolonging investigations into which, based on an accurate documentary record produced by the lawyer, should be relatively straightforward. The Respondent sought, whether consciously or otherwise, to avoid the obligation to answer fully, truthfully and completely, only acknowledging a delict when the Law Society could produce documentary evidence of it. This Panel finds such behaviour to be a marked departure from that expected of a lawyer. The Respondent's actions were repeated, flew in the face of available evidence, were repeated throughout the course of the Investigation, and unnecessarily lengthened the Investigation by requiring Mr. Forstrom to repeatedly ask the same questions in respect of the interactions between the various clients and corporations. Unnecessarily lengthening investigations is contrary to the public interest as it presents the image of lawyers avoiding sanction by avoiding responding to the regulator. This undermines the effectiveness of the Law Society's investigations, and consequently the public interest in a timely and effective investigation. ...

[156] The Law Society submits that, in the present case, the Respondent likewise sought to avoid her obligation to respond fully, truthfully and completely to the Law Society, and prolonged and obstructed the investigations as a result. The Law Society submits that

this was a marked departure from the standard expected of a lawyer and amounts to professional misconduct.

[157] Notably, the Respondent never provided the Law Society with copies of communications between her and ML. The Respondent told Ms. Driessen that (i) she had no correspondence with ML in respect of the Lot 60 Purchase Agreement; and (ii) she only communicated verbally with ML on behalf of WR in respect of the transactions. Had ML not provided copies of his text messages with the Respondent to the Law Society, the depth of the Respondent's involvement with the Three Lots and Lot 60 Purchase Agreement may not have come to light.

[158] In respect of each of allegations 6(c), (d), and (e), the evidence as discussed further below shows that the Respondent provided no valid explanation for her apparent failure to cooperate with, and provide accurate and truthful responses to, the Law Society investigator. Regarding the Three Lots, the evidence shows that the Respondent's statements to the investigator were evasive, general and obscured her involvement. The Panel agrees with the Law Society that throughout the Law Society's investigation, the Respondent sought to deny, downplay, and conceal her involvement in the business dealings as described above.

Allegation 6(c) - Misrepresentations to the Law Society – ML and 049 Ltd.

[159] Allegation 6(c) of the Citation is reproduced as follows:

Between approximately June 2019 and March 2021, in the course of Law Society investigations into your conduct (Law Society file numbers CO20190466, CO20200202, CO20200441, CO20200965), you made representations to Anneke Driessen, Staff Lawyer, that you knew or ought to have known were false or inaccurate, or both, contrary to one or more of Rule 3-5(7) of the [Rules] and rules 2.2-1 and 7.1-1 of the [BC Code], in one or more of the following instances:

- (c) In relation to one or more of [049 BC Ltd.], [053 BC Ltd.], [057 BC Ltd.] (together, the "Numbered Companies") and ML in connection with the purchase of real property on Vancouver Island, BC (the "Transactions"), you made one or more of the following representations:
 - (i) that the Numbered Companies were never your clients;
 - (ii) that Guo Law Corporation was not the registered and records office for the Numbered Companies;

...

- (iv) that ML was not your business partner;
- (v) that you had no dealings or contact with ML after June 3, 2019 and July 6, 2019;
- (vi) that you knew nothing about one or more of the following:
 1. [049 BC Ltd.], which you claimed was TE's client;
 2. one or more Contracts of Purchase and Sale, before they were signed by ML on May 7, 2019 and May 9, 2019;
 3. one or more Assignments of Interest in Contracts of Purchase and Sale between ML and each of the Numbered Companies, each dated June 3, 2019; and
- (vii) that you had no involvement in the negotiations or drafting of any agreements and provided no input in relation thereto...

Allegation 6(c)(i) – Misrepresentation – Numbered Companies Were Never Clients

Specific factual allegations

[160] The Respondent repeatedly denied that the Numbered Companies were her clients during the investigation including the following communication to the Law Society:

- (a) in her September 16, 2019 letter, in response to a request for the client file in relation to the assignment between ML and 049 Ltd., the Respondent stated: “This is not my file. This is [TE]’s Irish client”;
- (b) in her March 15, 2020 letter, the Respondent stated that she had never provided legal services to 049 Ltd.;
- (c) in her August 17, 2020 letter, the Respondent stated that GLC was not the registered and records office of 053 Ltd., that ML and WR used the office address as a “convenient mailing address”, that the Respondent was not their lawyer, and that the Respondent did not take care of their company resolutions; and
- (d) in her March 5, 2021 letter, the Respondent denied that GLC was the registered and records office for the Numbered Companies, and denied providing any legal advice to the Numbered Companies.

[161] Based on the evidence outlined in respect of Allegation 4 above, most notably the evidence that the Respondent incorporated the Numbered Companies with GLC as the registered and records office on ML's instructions, the Law Society submits that the Respondent's denials of acting for the Numbered Companies were false. The Panel finds that the Numbered Companies were the Respondent's clients and agrees with the Law Society's submissions that the representations were false.

[162] The Panel also finds that the Respondent made those false representations with the intention of deceiving the Law Society or obscuring her involvement in the Three Lots matters. Regarding allegation 6(c)(i), the Panel finds that the Respondent breached rule 3-5(7) of the Rules and acted contrary to rule 7.1-1 of the *BC Code*.

Allegation 6(c)(ii) – Misrepresentation – GLC was not the Registered and Record Office for the Numbered Companies

Specific factual allegations

[163] In her August 7, 2020 letter, the Respondent told Ms. Driessen that GLC was not the registered and records office of 053 Ltd. The Respondent repeated this representation in her August 17, 2020 letter, and further stated that GLC did not take care of 053 Ltd.'s company resolutions.

[164] In her March 5, 2021 letter, the Respondent denied that GLC was the registered and records office for the Numbered Companies, and said that they were tenants.

[165] The Panel agrees with the Law Society that the Respondent's representations were false, as demonstrated by:

- (a) the deemed admissions, pursuant to which the Respondent has admitted that ML instructed GLC to incorporate the Numbered Companies with GLC as the registered and records office for each;
- (b) the "BC Incorporation Questionnaire & Planner" filled out in respect of each of the Numbered Companies, all of which expressly provided that GLC was to act as the registered and records office;
- (c) the corporate documents listing the GLC office as the registered and records office for each company; and
- (d) the June 3, 2019 assignments of interest in contracts of purchase and sale, each of which were prepared by the Respondent's office and referred to the GLC office as the "registered and records" office.

[166] Regarding allegation 6(c)(ii), the Panel finds that the Respondent's representations made during the Law Society investigation that GLC was not the registered and records office of 053 Ltd. were false. Further, the Panel also finds that the Respondent made those false representations with the intention of deceiving the Law Society or obscuring her involvement in the Three Lots matters. Regarding allegation 6(c)(ii), the Panel finds that the Respondent breached rule 3-5(7) of the Rules and acted contrary to rule 7.1-1 of the *BC Code*.

Allegation 6(c)(iv) – Misrepresentation: ML Was Not a Business Partner

Specific factual allegations

[167] During the October 2019 Interview, while initially stating that she and ML were “trying to do some business together”, the Respondent advised Ms. Driessen that ML was not her business partner; rather, WR was ML's business partner and the Respondent coordinated between them. Further, throughout the investigation, the Respondent repeatedly denied involvement with ML except “on behalf of” WR, who she said was ML's actual business partner in these matters.

[168] The Panel agrees with the Law Society that the Respondent's denial of her relationship with ML as business partners is inconsistent with the evidence as a whole about her role in the transactions.

[169] Regarding allegation 6(c)(iv), the Panel finds that the Respondent's representations made during the Law Society investigation that she did not have a business relationship with ML were false. Further, the Panel also finds that the Respondent made those false representations with the intention of deceiving the Law Society or obscuring her involvement in the Three Lots matters. Regarding allegation 6(c)(iv), the Panel finds that the Respondent breached Rule 3-5(7) of the Rules and acted contrary to rule 7.1-1 of the *BC Code*.

Allegation 6(c)(v) – Misrepresentation: No Dealings with ML after June or July 2019

Specific factual allegations

[170] The evidence shows that the Respondent made false representations to the Law Society investigator as reflected in both the October 2019 Interview and subsequent correspondence, as set out as follows:

- (e) during her interview, the Respondent told Ms. Driessen that she had not dealt with ML since June 3, 2019;
- (f) in her August 17, 2020 letter, the Respondent stated that neither she nor WR had seen ML after the July 6, 2019 site visit, and that they were unable to contact him upon attempting to do so in February 2020;
- (g) in her September 9, 2020 letter, the Respondent stated that she had not seen “hide nor hair” of ML since the July 6, 2019 site visit, and that WR was unable to contact ML upon attempting to do so in February 2020;
- (h) in her October 19, 2020 letter, the Respondent stated that neither she nor WR had seen or heard from ML after the July 6, 2019 site visit, and that they were unable to contact him upon attempting to do so in February 2020;
- (i) in her March 5, 2021 letter, the Respondent again stated that neither she nor WR saw or heard from ML after the July 6, 2019 site visit, and that they were unable to locate him upon attempting to do so in February 2020; and
- (j) in her March 17, 2021 letter, the Respondent stated that neither she nor WR had seen ML again after the July 6, 2019 site visit.

[171] The Respondent is deemed to have admitted that she repeatedly made false representations to Ms. Driessen that she had not dealt with ML after June 3, 2019 or July 6, 2019. The Respondent’s representations about not having any contact with ML after July 6, 2019 were false. The Respondent is also deemed to have admitted that she continued to communicate with ML after these dates until at least November 2019. Their ongoing communication during this period is reflected in copies of text messages between the Respondent and ML that continued through at least November 2019, and an email from GLC staff to ML on August 1, 2019.

[172] As discussed above, the Respondent did not provide the Law Society with copies of her communications with ML. Ultimately the extent of the Respondent’s involvement with the Three Lots transactions was revealed through copies of the text messages provided to the Law Society by ML.

[173] Regarding allegation 6(c)(v), the Panel finds that the Respondent’s representations made during the Law Society investigation that she had not seen or had any further contact with ML after July 6, 2019 to be false. Further, the Panel also finds that the Respondent made those false representations with the intention of deceiving the Law Society or obscuring her involvement in the Three Lots matters. Regarding allegation

6(c)(v), the Panel finds that the Respondent breached Rule 3-5(7) of the Rules and acted contrary to rule 7.1-1 of the *BC Code*.

Allegation 6(c)(vi) – Misrepresentation: No Knowledge about 049 Ltd.

Specific factual allegations

[174] The evidence shows that during the October 2019 Interview, the Respondent was asked at some length about her knowledge of and involvement with ML, 049 Ltd. and the assignment of contract of purchase and sale. During that interview, the Respondent advised Ms. Driessen:

- (a) that she was not involved with the assignment of contract of purchase and sale in respect of 049 Ltd.;
- (b) that the assignment was prepared by TE, who she said was ML's lawyer;
- (c) that she did not know anything further about the assignment, ML's business dealings, or 049 Ltd.; and
- (d) that she was not involved with the assignment.

[175] Further, in her March 5, 2021 letter, the Respondent told Ms. Driessen that: she had no knowledge of the Contracts of Purchase and Sale signed by ML in respect of the Three Lots before the agreements were signed; she did not provide any input or encouragement to ML in respect of the intended purchases; she did not discuss the terms of the purchases with ML, and that ML did not tell her that he had signed the contracts.

[176] Based on the evidence, the Panel finds that the Respondent's representations to the Law Society, denying any knowledge of 049 Ltd., the assignment, and the contract of purchase and sale were false. In particular the Panel notes the following evidence:

- (a) the Respondent is deemed to admit that she communicated with ML in respect of his intention to purchase the Three Lots before the agreements were executed, gave ML advice on how to structure the offer, and reviewed the agreements before they were executed;
- (b) the Respondent's communications with ML in this respect begin as early as March 2019, and are reflected in their text messages and emails;
- (c) the Respondent is deemed to admit that, on ML's instructions, GLC incorporated 049 Ltd. with her and ML as directors and shareholders,

which is also supported by the incorporation and company share documents;

- (d) the Respondent is deemed to admit that she or her staff prepared the assignment in respect of 049 Ltd., which is also supported by the documentary evidence; and
- (e) TE was not involved in any matters relating to the Numbered Companies before he was engaged for the closing of the transactions, and was not involved in preparing the Assignments, which the Respondent would have known since her office prepared the Assignments.

[177] Regarding allegation 6(c)(vi), the Panel finds that the Respondent's representations made during the Law Society investigation that she had no involvement in the assignment of contract of purchase and sale in respect of 049 Ltd. were false. Further, the Panel also finds that the Respondent made those false representations with the intention of deceiving the Law Society or obscuring her involvement in the Three Lots matters. Regarding allegation 6(c)(vi), the Panel finds that the Respondent breached Rule 3-5(7) of the Rules and acted contrary to rule 7.1-1 of the *BC Code*.

Allegation 6(c)(vii) – Misrepresentation: No Involvement in Negotiations or Drafting

Specific factual allegations

[178] In her March 5, 2021 letter, the Respondent denied all of the following: providing any input or encouragement to ML about the purchase of the Three Lots; discussing the terms of the potential purchases with ML; being aware of the Contracts of Purchase and Sale for the Three Lots before they were signed; and reviewing the Contracts of Purchase and Sale for the Three Lots.

[179] Based on the evidence, the Panel finds that the Respondent's denials were false. Whether the Respondent was acting as a lawyer, acting in her personal capacity, or acting as an agent for WR, the evidence shows that the Respondent had input into the negotiations and drafting of the Contracts of Purchase and Sale for the Three Lots.

[180] Regarding allegation 6(c)(vii), the Panel finds that the Respondent's representations made during the Law Society investigation that she had no involvement in the negotiations or drafting in relation to the purchase of the Three Lots including the Contracts of Purchase and Sale, were false. Further the Panel also finds that the Respondent made those false representations with the intention of deceiving the Law Society or obscuring her involvement in the Three Lots matters. Regarding allegation

6(c)(vii), the Panel finds that the Respondent breached Rule 3-5(7) of the Rules and acted contrary to rule 7.1-1 of the *BC Code*.

Allegation 6(d): Misrepresentations: Lot 60 Purchase Agreement

[181] Allegation 6(d) of the Citation is reproduced as follows:

Between approximately June 2019 and March 2021, in the course of Law Society investigations into your conduct (Law Society file numbers CO20190466, CO20200202, CO20200441, CO20200965), you made representations to Anneke Driessen, Staff Lawyer, that you knew or ought to have known were false or inaccurate, or both, contrary to one or more of Rule 3-5(7) of the [Rules] and rules 2.2-1 and 7.1-1 of the [*BC Code*], in one or more of the following instances:

- (d) in relation to YF’s purchase of real property on Vancouver Island, BC (the “YF Transaction”), you made one or both of the following representations:
 - (i) that you did not provide legal advice or make representations to YF in connection with the YF Transaction or a Purchase Agreement signed by YF in approximately May 2019 (the “Purchase Agreement”), or both; and
 - (ii) that you had no knowledge of the Purchase Agreement before it was signed, and only became aware of its content after February 2020,

Specific factual allegations

[182] The evidence shows that the Respondent repeatedly represented to the Law Society that she did not provide legal advice or make representations to YF in connection with YF’s purchase of real property and the Lot 60 Purchase Agreement and she had no knowledge of the Lot 60 Purchase Agreement before it was signed. In particular the Panel notes the following evidence:

- (a) In her July 17, 2020 letter, the Respondent stated that:
 - (i) “the only person who made representations about the Farm [comprised of the Three Lots] was [ML] and [YF] never relied on me to represent [YF]’s interests or to conduct any form of due diligence”;

- (ii) the Lot 60 Purchase Agreement was “private and strictly confidential” and negotiated between ML and YF; and
 - (iii) she never explained the Lot 60 Purchase Agreement to YF, she did not participate in its drafting or negotiations, and did not give any advice to YF in relation to the agreement.
- (b) In her August 17, 2020 letter, the Respondent stated that:
- (i) she had no knowledge of the “secret and confidential” Lot 60 Purchase Agreement while it was happening;
 - (ii) the only matters she discussed with YF related to the removal of garbage and the building of a fence on the Lot 60 property in the fall of 2019 and the possibility of securing a mortgage;
 - (iii) she was not involved in the preparation of the Lot 60 Purchase Agreement;
 - (iv) she did not review and edit the Lot 60 Purchase Agreement before it was finalized;
 - (v) she did not explain the terms of the Lot 60 Purchase Agreement to YF; and
 - (vi) she had no knowledge of the sequence of events leading up to the signing of the Lot 60 Purchase Agreement and had little by way of correspondence.
- (c) In her October 19, 2020 letter, the Respondent stated that:
- (i) she had no knowledge of the Lot 60 Purchase Agreement before it was signed and was not involved in any of the negotiations;
 - (ii) she learned the details of the Lot 60 Purchase Agreement in February 2020; and
 - (iii) she did not communicate with YF about the Lot 60 Purchase Agreement or the related negotiations.
- (d) In her March 5, 2021 letter, where the Respondent stated that:
- (i) YF did not seek her input before agreeing to sign the Lot 60 Purchase Agreement;

- (ii) she was never involved in the negotiations or drafting of any agreements;
 - (iii) the only person who made representations about the Farm (the site of the Three Lots) was ML; and
 - (iv) she never explained the Lot 60 Purchase Agreement to YF, as it was “strictly confidential” between the parties and she did not participate in the discussions or negotiations that led to its execution.
- (e) In her March 17, 2021 letter, where the Respondent stated that:
- (i) she had “absolutely nothing to do with providing any advice or input on the” Lot 60 Purchase Agreement; and
 - (ii) she did not know ML and YF had signed the Lot 60 Purchase Agreement.

[183] The Panel agrees with the Law Society that the Respondent’s representations were demonstrably false. In particular the Panel notes the following evidence:

- (a) The Respondent is deemed to admit that she gave advice to YF about the cannabis growing potential, possible subdivision, and purchase price of Lot 60, including by representing that the purchase price for Lot 60 was a good deal and cheaper than comparable properties. This is confirmed by the Respondent’s WeChat messages with YF.
- (b) The Respondent is deemed to admit that she and GLC reviewed and amended the Lot 60 Purchase Agreement at ML’s request and advised him on its terms.
- (c) On May 15, 2019, ML emailed the Respondent the draft text of the Lot 60 Purchase Agreement for her review. ML and the Respondent discussed the agreement in their text messages.
- (d) On May 17, 2019, ML and the Respondent discussed the draft Lot 60 Purchase Agreement and the Respondent noted she would make changes. GLC staff subsequently sent ML a revised draft of the agreement.
- (e) The Respondent is deemed to admit that she reviewed the Lot 60 Purchase Agreement with YF.

- (f) YF and the Respondent discussed the Lot 60 Purchase Agreement by WeChat, and YF signed the agreement after seeking and receiving the Respondent's input on whether he should accept the terms.

[184] Regarding allegation 6(d), the Panel finds that the Respondent made several misrepresentations to the Law Society regarding YF's purchase of real property and the Lot 60 Purchase Agreement. The Panel also finds that the Respondent's misrepresentations were aimed at concealing her involvement in the complex business dealing. In other words, the Respondent was protecting herself against self-incrimination because there were no explanations for her conduct that would put her conduct in a good light.

[185] Regarding allegation 6(d), the Panel finds that the Respondent breached Rule 3-5(7) of the Rules and acted contrary to rule 7.1-1 of the *BC Code*.

Allegation 6(e) – Misrepresentation: BOC Personal Account

[186] Allegation 6(e) of the Citation is reproduced as follows:

Between approximately June 2019 and March 2021, in the course of Law Society investigations into your conduct (Law Society file numbers CO20190466, CO20200202, CO20200441, CO20200965), you made representations to Anneke Driessen, Staff Lawyer, that you knew or ought to have known were false or inaccurate, or both, contrary to one or more of Rule 3-5(7) of the [Rules] and rules 2.2-1 and 7.1-1 of the [*BC Code*], in one or more of the following instances:

- (e) in relation to your Bank of China (Canada) Account [account number], you made statements to the effect that the Bank of China closed your account on April 1, 2020.

Specific factual allegations

[187] The evidence shows that on July 22, 2020 and August 18, 2020, Ms. Driessen requested the Respondent provide "details about the payments you made to each of [DZ] and [WR] and provide the respective supporting documents/bank records."

[188] On August 18, 2020, the Respondent advised Ms. Driessen that the Bank of China closed all her accounts "on the same day [YF] filed civil claim against me and a few others" and that as a result she did not have bank records from the Bank of China.

[189] The Panel agrees with the Law Society that the Respondent's statement was false. The evidence shows that the YF Action was filed on April 1, 2020, and the Respondent's

BOC Personal Account was closed on March 23, 2020. The closure date is reflected in both the deemed admissions and the account closure records obtained directly from the bank during the investigation.

[190] Regarding allegation 6(e), the Panel finds that the Respondent made false misrepresentations to the Law Society regarding the BOC Personal Account. The Panel also finds that the Respondent's misrepresentations were aimed at concealing her involvement with ML and YF more broadly. Regarding allegation 6(e), the Panel finds that the Respondent breached Rule 3-5(7) of the Rules and acted contrary to rule 7.1-1 of the *BC Code*.

Legal analysis – allegation 6(c) and all its sub-allegations

[191] As discussed regarding allegations 6(a) and (b), the Respondent has a positive duty to cooperate with the Law Society investigation, including providing accurate and full answers to all questions or requests made in the course of an investigation. The Panel finds that the Respondent gave false or inaccurate answers when she responded to the Law Society investigator regarding her legal work for JC and JZ while suspended, and the complex business dealing involving the Three Lots and the Lot 60 Purchase Agreement.

[192] The Panel finds that the Respondent repeated her misrepresentations over the entire course of the Law Society's investigation and her false, inaccurate and misleading statements were provided to the Law Society to conceal her involvement in the complex business dealing. In other words, the Respondent was protecting herself against self-incrimination because there were no explanations for her conduct that would put her conduct in a good light.

[193] Regarding allegation 6(c) and all its sub-allegations, the Panel finds that the Respondent has acted contrary to rule 2.2-1 of the *BC Code* which requires a lawyer to carry on the practice of law and discharge all responsibilities to clients honourably and with integrity.

[194] The Respondent's responses to the Law Society's investigation are so misleading that it was a clear failure to act honestly and with integrity. The Citation also contained allegations of the Respondent failing to act honourably or with integrity, not only in dealing with the Law Society, but with others as discussed in the next two allegations.

Allegation 7: Dishonesty / Misrepresentations to Others – YF and ML

Allegation 7(a) and (b): Dishonesty / Misrepresentations to Others – YF payments to L Productions

[195] The following allegations relate to the Respondent's diversion of YF's purchase funds to someone other than ML, the seller, and the Respondent's receipt of part of YF's purchase funds which she did not disclose to either YF or ML. Regarding allegation 7(a) and (b), the Law Society submits that the issue before the Panel is whether the Respondent's conduct is conduct unbecoming the legal profession.

[196] Allegation 7(a) and (b) of the Citation is reproduced as follows:

Between approximately May 2019 and November 2020, in relation to transactions involving real property on Vancouver Island, BC, involving one or more of your clients [049 BC Ltd.], [053 BC Ltd.], [057 BC Ltd.], ML and YF (the "Transactions"), you did, or failed to do, in one or more of the seven (7) instances set out in Schedule "A", one or more of the following contrary to rule 2.2-1 of the [BC Code]:

- (a) you advised YF to make some or all of \$590,000 in payments to L Productions Inc., a third party, when you knew or ought to have known that YF believed his payments were being provided to ML or [053 BC Ltd.], and was unaware that L Productions Inc. was unrelated to ML or [053 BC Ltd.];
- (b) you failed to advise ML, the shareholder and director of [053 BC Ltd.], of some or all of the \$590,000 in payments made by YF to L Productions Inc.;

[197] Schedule "A" of the Citation is reproduced as follows:

SCHEDULE "A"

Funds paid by, or on behalf of, [YF] to [L Productions Inc.]

Ref.	Date of Payment	Amount paid to [L Productions Inc.]
1	May 27, 2019	\$10,000.00
2	June 3, 2019	\$200,000.00
3	June 5, 2019	\$100,000.00

4	June 10, 2019	\$200,000.00
5	June 17, 2019	\$40,000.00
6	Sept. 24, 2019	\$20,000.00
7	Sept. 25, 2019	\$20,000.00
	Total	\$590,000.00

Factual allegations

[198] The Respondent is deemed to have admitted the following that:

- (a) she instructed YF to pay funds in respect of the Lot 60 Purchase Agreement to the L Productions TD Account;
- (b) between May 27, 2019 and September 25, 2019, YF made payments totalling approximately \$590,000 to the L Productions TD Account as part of the purchase price payable to ML under the Lot 60 Purchase Agreement;
- (c) she did not advise YF that the L Productions TD Account was not ML's bank account;
- (d) in June 2019, the Respondent witnessed ML and YF's execution of the Lot 60 Supplementary Agreement, which stated that ML was the owner of L Productions Inc. and designated the L Productions TD Account as the bank account for payments in respect of Lot 60 when she knew that WR, not ML, was the owner of L Productions Inc. but did not advise YF of this fact; and
- (e) she did not advise ML of YF's payments totalling \$590,000 to the L Productions TD Account.

[199] The evidence shows various WeChat messages between the Respondent and YF, and text messages between the Respondent and ML that support allegations 7(a) and (b). In particular the Panel notes the following evidence:

- (f) Beginning in at least May 8, 2019, YF repeatedly requested the Respondent provide YF with the bank account number to make payments for Lot 60, and made those requests with express reference to the Lot 60 Purchase Agreement once signed.

- (g) The Respondent led YF to believe that the L Productions TD Account was ML's account, including by doing the following: stating to YF that "[t]he elderly man" sent the void cheque for L Productions TD Account; by providing YF with ML's address and telephone number; and by repeatedly suggesting that YF needed to make payments as soon as possible because ML did not particularly want to sell and that ML could not walk away after receiving the first payment. The Respondent's statements may have led to YF's subsequent concerns about making payments to ML, whom he described as "risky".
- (h) ML repeatedly sought updates from the Respondent over several months about the lack of payments by YF and whether YF intended to go through with the Lot 60 transaction, in response to which the Respondent appears to have led or allowed ML to believe that no funds had been paid by YF.

[200] The evidence shows that YF should not have made payments to L Productions Inc. based on the Lot 60 Supplementary Agreement.

[201] First, only a Chinese language version of the Lot 60 Supplementary Agreement was prepared and ML was relying on the Respondent for advice on what that agreement contained. The evidence suggests that ML did not know that the document contained a representation that he was the owner of the L Productions TD Account. The evidence suggests that ML did not know Chinese and relied on the Respondent for any required translations. The Respondent knew that the L Productions TD Account belonged to WR, her associate, and not ML. The Respondent witnessed the agreement without advising YF or ML that the document contained a false representation, so that any further funds from YF would not be paid directly to ML.

[202] Further, in communications between the Respondent and ML, to the extent he knew about L Productions Inc., ML believed it was the Respondent's company, and was not aware of WR's involvement. In either case, the Respondent acknowledged to Ms. Driessen that she did not advise ML of any payments that were made into the L Productions TD Account.

[203] Second, given the internally inconsistent corporate filings and the unexecuted share transfer agreements, it is not at all clear that WR was, at any time, the majority shareholder of 053 Ltd. If he was the majority shareholder, it could only be after October 1, 2019, after the last of YF's payments to the L Productions TD Account.

[204] Finally, the Respondent did not provide any supporting evidence to the Law Society to support her assertion that she was a shareholder acting "on behalf of" WR. In

any event, her assertion is inconsistent with the following: the central securities register for 053 Ltd. in TE's file as of June 21, 2019; the shareholder agreement executed July 4, 2019, which make no reference to the Respondent acting on anyone's behalf, and the exchanges between the Respondent and ML in which ML expresses surprise at WR's involvement in the Lot 60 transaction. All but two of YF's payments to the L Productions TD Account (totalling \$40,000) were made before the Respondent became a shareholder of 053 Ltd.

Allegation 7(e): Dishonesty / Misrepresentations to Others Regarding "Introduction Fees"

[205] Allegation 7(e) of the Citation is reproduced as follows:

Between approximately May 2019 and November 2020, in relation to transactions involving real property on Vancouver Island, BC, involving one or more of your clients [049 BC Ltd.], [053 BC Ltd.], [057 BC Ltd.], ML and YF (the "Transactions"), you did, or failed to do, in one or more of the seven (7) instances set out in Schedule "A", one or more of the following contrary to rule 2.2-1 of the [BC Code]:

- (e) you failed to advise YF or ML, or both, of some or all of the approximately \$225,000 in payments from L Productions Inc. and [DZ], to you, in connection with the purchase transaction.

Factual allegations

[206] The Panel finds that the Respondent is deemed to have admitted the following:

- (a) she received fees into her TD General Account recorded as "introduction fees" from 739 Ltd. (DZ's company) totalling \$160,000, and from L Productions Inc. (WR's company) totalling \$65,000, in connection with the Three Lots;
- (b) she did not advise YF about the \$225,000 of "introduction fees" she received from 739 Ltd. and L Productions Inc.; and
- (c) she did not advise ML about the \$225,000 of "introduction fees" she received from 739 Ltd. and L Productions Inc.

[207] The Panel agrees that the deemed admissions establish the factual elements underlying allegation 7(e). The deemed admissions are also consistent with the documentary evidence:

- (a) on June 25, 2019, the Respondent received \$75,000 as an “introducing fee” from 739 Ltd. into her TD General Account, for which she issued a statement of account;
- (b) on July 30, 2019, the Respondent received \$65,000 as an “introduction fee” from L Productions Inc. into her TD General Account, for which she issued a statement of account;
- (c) on September 18, 2019, the Respondent received \$85,000 as an “introduction fee” from 739 Ltd. into her TD General Account, for which she issued a statement of account on August 26, 2019; and
- (d) in mid-July 2019, ML expressed surprise to the Respondent at WR’s involvement in the Three Lots/Lot 60 transactions and the fact that L Productions Inc. is WR’s rather than the Respondent’s company.

Legal analysis - allegations 7(a), (b) and (e)

[208] Regarding allegation 7(a) and (b), the Panel finds that the Respondent failed to act honourably and with integrity when advising or failing to advise YF and ML. The Respondent advised YF to make payments to L Productions Inc. when she knew or ought to have known YL believed his payments were being provided to ML, or 053 BC Ltd., and was unaware that L Productions Inc. was unrelated to ML. The Respondent failed to advise ML of YF’s payments. The Respondent also failed to advise YF or ML, or both, of payments to the Respondent. The Respondent knew that ML did not know the Lot 60 Supplementary Agreement directed YF to pay purchase funds to a bank account that he did not own. The Respondent benefitted from YF’s purchase funds being redirected to WR through his company, L Productions Inc., as she was WR’s business associate. Similarly, at that time, YF did not know that his purchase funds would be directed to anyone other than the seller, ML. Both YF and ML relied on the Respondent as a member of the legal profession to have knowledge relevant to the transactions and to act with integrity and not to redirect purchase funds to her or her business associate’s financial interests.

[209] The Respondent’s dishonourable conduct in redirecting funds between the purchaser and seller in respect to the Lot 60 Purchase Agreement and related agreements is egregious conduct that brings discredit on the legal profession. The Panel agrees with the Law Society that the Respondent’s conduct in dealing with YF and ML indicates a serious lack of integrity.

[210] Regarding allegation 7(e), the Law Society submits that the issue before the Panel is whether the Respondent’s conduct is conduct unbecoming the profession.

[211] The Law Society, as a professional regulator, typically does not regulate the “purely private or extra-professional activities” of a lawyer. However, professional regulation will apply if there is a sufficient relationship between the impugned conduct and the profession to engage the regulator’s obligation to protect the public interest. If the conduct is such that it would have a sufficiently negative impact on the ability of the lawyer to carry out their professional duties or on the legal profession generally, it will constitute conduct unbecoming the profession.

[212] The Law Society submits that the Respondent’s conduct in her dealings with the Three Lots and Lot 60 Purchase Agreement, even if not performed in her capacity as a lawyer, is the precise sort of dishonourable conduct that undermines public confidence in the profession, negatively impacts the Respondent’s ability to carry out her professional duties and amounts to conduct unbecoming. Several features of these dealings, including the following, lead to this conclusion:

- (a) The overall character of the dealings, particularly with respect to ML and YF, demonstrates a lack of honesty and integrity, which are fundamental prerequisites to being a lawyer. Dishonesty has been described as an “obvious example” of conduct unbecoming.
- (b) The fact that the Respondent was providing legal advice to ML and YF which, even in her personal capacity, necessarily implicates her legal knowledge, training, and expertise, and lends credibility to the advice given.
- (c) The fact that the conduct in issue relates to the Respondent’s handling of or direction of funds that were the subject of a commercial transaction, and that the Respondent’s lack of candour relates to her handling or use of funds.
- (d) The fact that she involved her firm and her staff in matters relating to ML and the Numbered Companies at various points in time, which again lends credibility to the dealings even if not strictly done in her professional capacity.
- (e) The fact that the Respondent prepared and filed internally inconsistent, contradictory, and likely false corporate documents on behalf of 053 Ltd., for which GLC was the registered and records office, again using her firm’s staff to do so.
- (f) She reviewed, made suggestions and gave advice on, and often witnessed, various agreements in the course of her dealings with the

parties. The Lot 60 Supplementary Agreement expressly identified her as a lawyer witnessing the agreement.

- (g) The Respondent's receipt of referral fees, for which, although claiming not to be providing legal services, the Respondent issued statements of account from GLC and received the funds into her general account, thus giving the transactions an air of legitimacy and the impression that her dealings with 739 Ltd. and L Productions Inc. occurred in the course of her practice.

[213] The Law Society submits that the Respondent's fundamental lack of integrity in her dealings with YF and MF, even if not done in her capacity as a lawyer, amounts to conduct unbecoming the profession as it may lead to a loss of public confidence in the lawyer, the profession, and self-regulation of the profession if unaddressed: *Berge 2005* at paras. 77 to 78, relying on *Watt* at paras. 19 to 20.

[214] Regarding allegations 7(a), (b) and (e), the Panel finds that the Respondent acted dishonourably regarding the Three Lots and the Lot 60 Purchase Agreement. She failed to disclose that she would directly benefit from "introduction fees" in her dealings involving YF and ML and made misrepresentations about YF's funds, including how those funds would be distributed. The Panel agrees with the Law Society that the Respondent's failure to advise ML and YF that YF's purchase funds would not be going to ML, but to L Productions Inc. instead was dishonest and completely lacking in integrity. Both ML and YF placed confidence in the Respondent because she was a lawyer and would presumably act with integrity.

[215] Further, the Respondent's conduct is conduct that is contrary to the best interest of the public and the legal profession as she has not conducted herself honestly or with integrity and her conduct also harms the standing of the legal profession. The Panel finds that the Respondent failed to maintain the high traditions of the profession by failing to act with integrity and honesty in her private life. The Respondent's dishonourable conduct is so egregious as to have seriously compromised the public estimation of the legal profession.

Allegation 8: Funds Paid by YF to the Respondent's Personal Account

[216] This allegation relates to the Respondent directing YF to pay purchase price funds directly to her personal bank account, rather than to ML, the seller's account, to be credited towards the purchase price in the Lot 60 Purchase Agreement.

[217] Allegation 8 of the Citation is reproduced as follows:

Between approximately August 2019 and November 2020, in relation to transactions involving real property on Vancouver Island, BC, involving one or more of your clients [049 BC Ltd.], [053 BC Ltd.], [057 BC Ltd.], ML and YF (the "Transactions"), you did, or failed to do, in one or more of the six (6) instances set out in Schedule "B", one or both of the following contrary to rule 2.2-1 of the [BC Code]:

- (a) you failed to apply some or all of \$413,507.30 in payments made by YF into your personal Bank of China (Canada) Account [account number] (the "Personal Account") towards YF's purchase of property from ML or [053 BC Ltd.], when you knew or ought to have known that YF made some or all of those payments for that purpose; and
- (b) you failed to advise ML, the shareholder and director of [053 BC Ltd.], of some or all of the \$413,507.30 in payments made by YF into your Personal Account.

[218] Schedule "B" of the Citation is reproduced as follows:

SCHEDULE "B"

Funds paid by, or on behalf of, [YF] to Hong Guo's Personal Account

Ref.	Date of Payment	Amount paid to Hong Guo Personal Account
1	August 20, 2019	\$50,000.00
2	August 23, 2019	\$40,000.00
3	August 23, 2019	\$177,537.30
4	August 26, 2019	\$50,000.00
5	September 26, 2019	\$60,000.00
6	October 3, 2019	\$36,000.00
	Total	\$413,507.30

Factual allegations

[219] The Respondent is deemed to have admitted the following:

- (a) she received \$413,507.30 into her BOC Personal Account from YF between August 20, 2019 and October 3, 2019;

- (b) the funds were intended to be part of the purchase price payable to ML under the Lot 60 Purchase Agreement;
- (c) she did not transfer the \$413,507.30 received from YF to 053 Ltd. or ML, but rather she transferred these funds to 739 Ltd. (\$220,000 total), her sister (\$40,000), herself (\$100,000), a third party (\$10,000), and GLC (\$110,000); and
- (d) she did not advise ML about the \$413,507.30 received from YF.

[220] The Panel agrees with the Law Society that those admissions establish the factual elements underlying allegation 8. As set out in the NTA, the deemed admissions are also consistent with the documentary evidence and the Respondent's communications during the investigation. In particular the Panel notes the following evidence:

- (a) the Respondent's banking records show the receipt of funds paid from multiple individuals on behalf of YF, and which show that none of those funds were paid to ML;
- (b) the communications between the Respondent and YF, in which it is clear that YF believes (and that the Respondent has led YF to believe) that his payments are being provided to ML as part of the purchase price under the Lot 60 Purchase Agreement, and that ML had agreed to let her handle the payments from YF;
- (c) the communications between the Respondent and ML in which it is clear that the Respondent had led ML to believe that YF had not made payments under the Lot 60 Purchase Agreement and did not intend to close;
- (d) the Respondent's acknowledgment in her July 17, 2020 and August 20, 2020 letters that the funds paid to her were part of the purchase price under the Lot 60 Agreement payable to ML; and
- (e) the Respondent's statements in response to questions during the investigation about whether she informed ML of YF's payments to her BOC Personal Account, which are not fully responsive but indicate that the Respondent claims that on WR's instructions she did not advise ML about the funds paid to her by YF.

Legal analysis

[221] Regarding allegation 8, the Law Society submits that the issue before the Panel is whether the Respondent's conduct is conduct unbecoming the profession.

[222] The evidence demonstrates that the Respondent failed to apply the funds she received from YF to their intended purpose: the purchase price payable to ML under the Lot 60 Purchase Agreement. Instead, the Respondent used those funds for personal expenses: to third parties (including her sister), to her law firm, and to 739 Ltd. (DZ's company), purportedly as "commissions". Despite knowing the intended purpose of these funds, the Respondent did not pay these funds to ML or even inform him that she had received them. The Respondent instead repeatedly left ML with the impression that YF had not paid any amounts owing under the Lot 60 Purchase Agreement.

[223] The Panel finds that the Respondent failed to apply YF's payments, made to the Respondent's BOC Personal Account, towards YF's purchase of Lot 60 from ML when she knew that YF made some or all of those payments for that purpose. Further, the Panel finds that the Respondent failed to advise ML and YF of the amounts she was being paid in connection with their transactions.

[224] The Respondent's dishonourable conduct in failing to apply YF's payments towards the Lot 60 purchase without ML's knowledge is particularly serious. Both YF and ML relied on the Respondent's honesty and integrity to ensure that she would forward YF's purchase funds to ML's account. Her failure to do so, and to benefit from YF's funds without his or ML's knowledge was inappropriate and does not meet a lawyer's high standard of social responsibility. As discussed above regarding allegation 7, dishonesty is one of the most serious forms of conduct unbecoming or professional misconduct. The practice of law is based on honesty and dishonesty undermines the trust that society places on lawyers: *Law Society of BC v. Karlsson*, 2009 LSBC 3, at para. 7.

[225] Dishonourable or questionable conduct by a lawyer in her private life, will reflect adversely on the profession and the administration of justice: *BC Code*, s. 2.2-1.

DECISION

[226] As discussed above, the Panel agrees that the factual elements of the allegations are conclusively resolved by the deemed admissions, and the only question is whether the conduct amounts to professional misconduct, or alternatively and as applicable, conduct unbecoming the profession or a breach of the *Act* or Rules.

Part One – Specific Client Files – PH, JC and JZ

Allegations 1, 2, 3 – practising while suspended - PH, JC and JZ

[227] Regarding allegations 1 to 3, as discussed above, the Panel finds that the Respondent's conduct in practising law while suspended in relation to PH, JC and JZ amounts to professional misconduct. The Respondent's failure to read her communications from the Law Society and then continuing to practice law once advised by the Law Society by phone of her suspension, is a marked departure from the conduct expected of lawyers.

[228] The Respondent cannot justify practising while suspended on the basis that she did not read the Law Society's letters warning and notifying her of her suspension. The Respondent ignored the Law Society communications at her own peril.

[229] Law Society staff spoke with the Respondent about her administrative suspension on the day she was suspended. Despite this, the Respondent did not stop practising law, did not exercise caution and restraint during the Suspension Period and did not seek any clarification on what she was permitted to do as a suspended lawyer. Instead, she appears to have largely carried on business as usual, until TE's appointment as locum. The Respondent demonstrated little insight or appreciation of her obligations and did not take steps to ensure she was acting appropriately.

Allegation 5(b) – breach of Law Society order – failure to advise supervisors – JC and JZ

[230] Regarding allegation 5(b), as discussed above, the Panel finds that the Respondent's failure to report to the Supervisors about her work on client files relating to JC and JZ is conduct that constitutes professional misconduct. The Respondent's failure to abide by the terms of a Practice Supervision Agreement which was ordered pursuant to a Law Society Order is a marked departure from conduct expected of lawyers.

Allegations 6(a) and 6(b)– misrepresentations to the Law Society - JZ

[231] Regarding allegations 6(a) and 6(b), as discussed above, the Panel finds that the Respondent's misrepresentations to the Law Society about her work on a client file for JZ during the Suspension Period is conduct that constitutes professional misconduct. As discussed earlier, when considering whether a breach of the *Act* or Rules constitutes professional misconduct, rather than simply a breach, the Panel should consider the gravity of the conduct, its duration, the number of breaches, whether there were *mala fides*, and whether the conduct caused harm: *Lyons*, at para. 35. The Respondent's failure

to cooperate with and to provide accurate and truthful responses to the Law Society is serious misconduct, which was repeated over time throughout the Law Society's investigation. We find that the Respondent's failure to cooperate and to provide accurate and truthful responses were her attempts to shield herself from possible adverse consequences arising from the investigation. The Law Society was required to expend further time and resources to address the Respondent's failure to cooperate and to verify the accuracy and truthfulness of her representations. The Panel finds that the Respondent's misrepresentations amount to a marked departure from conduct expected of lawyers. The Respondent's failure to respond fully, truthfully and completely to the Law Society, prolonged and obstructed the investigations.

Part Two: Complex Business Dealing – ML, YF, WR, DZ, Numbered Companies, Lot 60, Purchase Agreement, Three Lots

Allegation 4: practising while suspended – ML, YF, Numbered Companies

[232] Regarding allegation 4, as discussed above, the Panel finds that the Respondent's acting as corporate counsel and performing legal work for the Numbered Companies during the Suspension Period is conduct that constitutes professional misconduct. The Respondent's refusal to cease practising law during an administrative suspension is a marked departure from conduct expected of a lawyer.

Allegation 6: misrepresentations to the Law Society – ML and Numbered Companies

[233] Regarding each of allegations 6(c), (d), and (e), the Panel finds that the Respondent's misrepresentations made to the Law Society regarding her business dealings with ML and the Numbered Companies is conduct that constitutes professional misconduct. In terms of the factors set out in *Lyons*, at para. 35, the Respondent's misrepresentations made to the Law Society were serious misconduct, which were repeated over time throughout the Law Society's investigation. We find that the Respondent made those misrepresentations to shield herself from possible adverse consequences arising from the investigation. The Law Society was required to expend further time and resources to verify the accuracy and truthfulness of the Respondent's representations. The Respondent's failure to cooperate with and provide accurate and truthful responses to the Law Society amount to a marked departure from conduct expected of lawyers. The Respondent's failure to respond fully, truthfully and completely to the Law Society, prolonged and obstructed the investigations.

[234] Specifically, the Panel finds as follows:

- (a) Allegation 6(c)(i): The Panel finds that the Respondent made representations that she knew or ought to have known were false statements to the Law Society about the Numbered Companies not being her clients. The Respondent made those misrepresentations with the intention of deceiving the Law Society or obscuring her involvement in the Three Lots;
- (b) Allegation 6(c)(ii): The Panel finds that the Respondent made false statements about GLC not being the registered and records office of 053 Ltd. The Respondent made those misrepresentations with the intention of deceiving the Law Society or obscuring her involvement in the Three Lots;
- (c) Allegation 6(c)(iv): The Panel finds that the Respondent made false statements to the Law Society that ML was not her business partner. The Respondent made these representations with the intention of deceiving the Law Society or obscuring her involvement in the Three Lots;
- (d) Allegation 6(c)(v): The Panel finds that the Respondent made false statements to the Law Society about her dealings with ML after June/July 2019. The Respondent made these representations with the intention of deceiving the Law Society or obscuring her involvement in the Three Lots. In particular, based on the Respondent's representations, the Law Society expended further time and resources to obtain copies of text messages from ML that demonstrated the depth of the Respondent's involvement with the Three Lots;
- (e) Allegation 6(c)(vi): The Panel finds that the Respondent made false statements to the Law Society about her involvement and knowledge of 049 Ltd., the contracts of purchase and sale and the assignments. The Respondent made these misrepresentations with the intention of concealing her dealings with ML; and
- (f) Allegation 6(c)(vii): The Panel finds that the Respondent made false statements to the Law Society regarding her involvement in the negotiations, purchase and drafting of agreements relating to the Three Lots. The Respondent made these misrepresentations with the intention of concealing her dealings with ML.

Allegation 6(d) and 6(e): misrepresentations to the Law Society – Lot 60 Purchase Agreement and BOC Personal Account

[235] Regarding allegation 6(d), the Panel finds that the Respondent made statements that she knew or ought to have known were false statements to the Law Society about providing legal advice or making representations to YF in connection with YF's purchase of real estate and the Lot 60 Purchase Agreement and this conduct is conduct that constitutes professional misconduct. Regarding allegation 6(e), the Panel finds that the Respondent made statements that she knew or ought to have known were false statements to the Law Society about the payments she made to each of DZ and WR and closure of her BOC Personal Account and this conduct is conduct that constitutes professional misconduct. In terms of the factors set out in *Lyons*, at para. 35, the Respondent's misrepresentations made to the Law Society were serious misconduct, which were repeated over time throughout the Law Society's investigation. We find that the Respondent made those misrepresentations to shield herself from possible adverse consequences arising from the investigation. The Law Society was required to expend further time and resources to verify the accuracy and truthfulness of the Respondent's representations. The Respondent's misrepresentations to the Law Society investigator are a marked departure from the conduct expected of lawyers.

Allegations 7(a) and (b): dishonesty / misrepresentations to others – YF Payments to L Productions

[236] Regarding allegations 7(a) and 7(b), the Panel finds that the Respondent acted dishonourably and without integrity, including toward YF and ML regarding the ownership of the L Productions TD Account. Additionally, the Panel finds that YF and ML each relied on the Respondent as a lawyer to provide accurate advice about the legal ownership of the L Productions TD Account. In advising YR to make payments to L Productions Inc. and failing to advise ML about YF's payments, the Respondent's conduct amounts to conduct unbecoming the profession.

[237] The Respondent demonstrated a serious lack of integrity when dealing with YF and ML in that she knew that YF and ML relied on her for advice and trusted her because she was a lawyer.

Allegation 7(e): dishonesty / misrepresentations to others – “introduction fees”

[238] Regarding allegation 7(e), the Panel finds that the Respondent acted dishonourably and without integrity by failing to advise YF and ML about “introduction fees” she personally received during their business dealings involving Lot 60. The Panels finds that

in the circumstances, the Respondent's failure to advise ML and YF of amounts that she was being paid in connection with their transactions when she knew they trusted her because she was a lawyer, amounts to conduct unbecoming the profession.

Allegation 8: funds paid by YF to the Respondent's personal account

[239] Regarding allegation 8, the Panel finds that the Respondent acted dishonourably and without integrity by failing to apply funds received from YF to ML for the purchase of Lot 60; and failed to advise ML of YF's payments for the purchase of Lot 60. The Respondent's conduct in failing to apply YF's funds towards their intended purpose, the purchase price payable to ML under the Lot 60 Purchase Agreement and failure to advise ML accordingly, when she knew they trusted her because she was a lawyer amounts to conduct unbecoming the profession.

[240] The Respondent's fundamental lack of integrity in her dealings with YF and ML, even if not done in her capacity as a lawyer, is capable of undermining the trust that society places on lawyers and must be penalized.

ORDERS

[241] The Law Society has, on a balance of probabilities, proven the facts underlying the allegations in the Citation as follows:

- (a) allegation 1(a), (b), (c) and (d);
- (b) allegation 2(a), (b), (c) and (d);
- (c) allegation 3(a), (b), (c) and (d);
- (d) allegation 4(a), (b), (c), (d) and (e);
- (e) allegation 5(b);
- (f) allegation 6(a)(i) to (iii), (b)(i) to (v), (c)(i), (ii), and (iv) to (vii), (d)(i) to (ii) and (e);
- (g) allegation 7(a), (b) and (e); and
- (h) allegation 8.

Professional Misconduct

[242] Regarding allegations 1, 2, 3, 4, 5(b), 6(a) to (b), 6(c)(i), (ii), and (iv) to (vii), 6(d) to (e), the Panel finds that the Respondent's conduct constitutes a marked departure from the conduct expected of lawyers. That is, the Panel finds that regarding each of these allegations, the Respondent's conduct amounts to professional misconduct under section 38(4)(b)(i) of the *Act*.

Conduct Unbecoming

[243] Regarding allegations 7(a) to (b), 7(e) and 8, the Panel finds that the Respondent's conduct constitutes conduct unbecoming the profession. That is, the Panel finds that regarding each of these allegations, the Respondent's conduct amounts to conduct unbecoming the profession.