



DISCIPLINE CASE *DIGEST*

Case 12-04

Member:	Ranjit Singh Walia
Jurisdiction:	Winnipeg, Manitoba
Called to the Bar:	May 15, 1997
Particulars of Charges:	Professional Misconduct (1 Count): <ul style="list-style-type: none">▪ Breach of Chapter 5 of the <i>Code of Professional Conduct</i> [conflict of interest]
Plea:	Guilty
Date of Hearing:	July 4, 2012
Panel:	<ul style="list-style-type: none">▪ Donald Knight, Q.C. (Chair)▪ Jon van der Krabben▪ Lorne Gibson (Public Representative)
Counsel:	<ul style="list-style-type: none">▪ C. Kristin Dangerfield for The Law Society of Manitoba▪ Steve Vincent for the Member
Disposition:	<ul style="list-style-type: none">▪ Fine of \$3,000.00▪ The Member is to continue practising under the conditions that he:<ul style="list-style-type: none">(a) Practise law under the supervision of a lawyer approved of by the Law Society;(b) Retain an accountant to certify to the Law Society on a monthly basis that his trust reconciliations are complete;(c) Not practise in the area of criminal and family law;(d) Not represent family members; and(e) Not work for more than one party to a transaction.▪ Costs of \$1,500.00

Conflict of Interest

Facts

In November 2008, Mr. Walia acted for three clients T.A., H.S.T. and D.G. on the incorporation of a company ("the Company") in which his clients were equal share holders. The Company was to purchase and become the registered owner of commercial property that was the subject of an offer to purchase made by T.A. The purchase was to be financed through contributions from each of Mr. Walia's three clients and they were to seek mortgage financing for the balance of the purchase price which would be secured by the Company. Mr. Walia received from each of the three clients contributions for the purchase of the property totalling \$228,000.00, with T.A. contributing only \$5,000.00 of that amount.

Mr. Walia became aware that mortgage financing had not been secured by the Company but that it could be secured by a company solely owned by T.A. ("T.A.'s Company"). Mr. Walia failed to disclose to H.S.T. and D.G. the fact that the mortgage financing for the purchase would be secured by T.A.'s Company and not the Company in which T.A., H.S.T. and D.G. were equal shareholders. Mr. Walia also failed to disclose to H.S.T. and D.G. that title to the property would be registered solely in the name of T.A.'s Company. Neither H.S.T. nor D.G. knew that the title to the property would be registered solely in the name of T.A.'s Company and that the mortgage financing was secured by T.A.'s Company rather than their Company. Mr. Walia failed to disclose to either H.S.T. or D.G. the nature of the conflicting interest that arose between the three clients and failed to obtain the consent of T.A., H.S.T. and D.G. to his continued representation.

Mr. Walia prepared a Trust Declaration dated December 17, 2008 purportedly to secure the interests of H.S.T. and D.G. in the property, but took no steps to register it as a caveat against title to the property. Mr. Walia prepared a second Trust Declaration dated May 13, 2009 purportedly to secure the interests of H.S.T. and D.G. in the property, but he failed to register it as a caveat against title to the property until September 29, 2009, by which time other encumbrances had been registered against title to the property.

Plea

Mr. Walia entered a plea of guilty to the charge.

Decision and Comments

Based on his admission to the charge the panel found Mr. Walia guilty of professional misconduct. The panel expressed concern that the conduct in question had occurred during a period of time in which Mr. Walia was being supervised, yet neither Mr. Walia nor the supervisor had reported the incident to the Law Society. The panel noted the importance of the supervisor complying with his or her professional obligation to supervise the member's practice.

Penalty

The panel accepted a joint recommendation made by the Society and counsel for Mr. Walia and ordered that he:

- (i) Be fined \$3,000.00;
- (ii) Continue to practise under the conditions that he:
 - (a) Practise law under the supervision of a lawyer approved by the Law Society;
 - (b) Retain an accountant to certify to the Law Society on a monthly basis that his trust reconciliations are complete;
 - (c) Not practise in the area of criminal and family law;
 - (d) Not represent family members; and
 - (e) Not work for more than one party to a transaction.
- (iii) Pay \$1,500.00 to the Society as a contribution towards the costs of the investigation, prosecution and hearing of the matter.