



DISCIPLINE CASE *DIGEST*

[Discipline Case Digest Index](#) ❖ [Law Society Home Page](#)

Case 99-07 (Amended)

RONALD KEITH BLACK
Flin Flon, Manitoba

Called to the Bar
June 28, 1972

Particulars of Charges
Professional Misconduct (28 counts)

- Breach of a trust condition (x 1)
- Failure to discharge duties with integrity (x 2)
- Breach of duty of candour, courtesy and good faith (x 1)
- Payment of fees and disbursements from trust account without sending account to clients (x 2)
- Failure to respond to correspondence from The Law Society (x 5)
- Failure to serve his clients in a conscientious, diligent and efficient manner (x 5)
- Failure to maintain up to date trust records (x 5)
- Payment of fees and disbursements from trust account without client authority (x 1)
- Payment of fees and disbursements from trust account prior to performing significant legal services (x 2)
- Payment of a sum out of trust greater than the client had to their credit in such account (x4)

Date of Hearing
April 28, 1999

Panel H. S. Leonoff, Q.C., Chair D. F. Plett, Q.C. R.A. Dewar, Q.C.

Disposition

- Reprimand;
- Costs of \$7,800.00;
- Member to provide a written undertaking to the Society:
 - i. to permanently withdraw from the practice of law effective June 1, 1999;

- ii. to never apply to resume the practice of law;
- iii. to not apply for membership in any other law society without first advising the Society;
- iv. to acknowledge that any breach of the written undertaking will result in an immediate suspension from the practice of law.

Counsel

C. K. Dangerfield for The Law Society of Manitoba
Member unrepresented

Failure to Serve Clients / Breach of Accounting Rules

Facts

Mr. Black represented the purchasers of a condominium. The solicitor for the vendor provided Mr. Black with a Transfer of Land in trust on the condition that he would register the Transfer of Land and the Mortgage, that he would requisition the loan proceeds, and that he would forward to the vendor's solicitor the full balance due, together with interest thereon at the rate being charged on his clients' Mortgage from the date of possession to the date the funds were provided to the vendor's solicitor. Mr. Black registered the Transfer of Land and Mortgage, received the Mortgage proceeds and forwarded them to the vendor's solicitor. He did not forward any amount on account of interest and, in fact, did not pay the interest until ten months later.

In respect of the same matter, Mr. Black had received from his clients the amount of \$268.15 representing the anticipated interest adjustment. When the Mortgage proceeds were forwarded to the vendor's solicitors, Mr. Black failed to forward the amount already received from his clients on account of the interest adjustment and therefore failed to discharge his duties with integrity.

In respect of the same matter, Mr. Black advised the vendor's solicitor that a cheque on account of the interest adjustment would be forwarded by overnight courier, when in fact the cheque was not forwarded until some two months later. He therefore failed in his duty of candour, courtesy and good faith.

In respect of the same matter, on three separate occasions, Mr. Black transferred from his firm's pooled trust account to his general account funds on account of fees. In each instance, he had neither prepared nor sent a statement of account to his clients at the time the money was drawn and he was therefore in breach of Rule 129(1)(c) of The Law Society Rules.

In respect of the same matter, Mr. Black transferred funds on account of his fees prior to

performing significant legal services in that the Transfer of Land and Mortgage had not yet been registered, and the Mortgage proceeds had neither been received nor forwarded to the vendor's solicitor.

On five occasions, Mr. Black received letters from the Society requesting that he respond in writing within a specified period of time. Mr. Black failed to provide responses to the letters contrary to Rule 34 of The Law Society Rules.

Mr. Black was retained by a financial institution on three occasions for the purpose of preparing and registering a Mortgage. On each occasion, Mr. Black registered the Mortgage against the property but failed to provide to his clients a survey certificate or a declaration thereto as requested by the client within a reasonable time or at all. He therefore failed to serve his client in a conscientious, diligent and efficient manner.

In respect of these same matters, Mr. Black advised his client that he had requested property surveys in respect of the Mortgages. In fact, he had not requested the said surveys and did not do so until nearly four months later. He therefore failed to conduct himself with integrity.

Mr. Black was retained by another financial institution for the purpose of preparing and registering a Mortgage. His client requested that he provide a final report and certified copy of title showing the financial institution as first registered Mortgage. Mr. Black failed to provide the requested documents and he also failed to respond to requests from his client that he do so. He therefore failed to serve his client in a conscientious, diligent and efficient manner.

Mr. Black was retained by the financial institution to prepare and register a Mortgage. In his preliminary solicitor's report on title, Mr. Black undertook to provide a declaration as to possession and order to pay, to discharge a prior Mortgage and to provide a certified copy of title showing the new Mortgage as the first charge on the property. On three separate occasions, the client requested the certified copy of title and/or the solicitor's report. Mr. Black failed to provide the requested information until nearly three year after his initial retainer.

The Society conducted a spot audit of Mr. Black's trust accounts and records on November 1, 1998. For the period from October 1997 through to and including October 1998, Mr. Black had failed to maintain up to date trust records in connection with his practice contrary to Rule 128(1) of The Law Society Rules. Subsequent to the spot audit, the Complaints Investigation Committee directed that Mr. Black bring his financial records up to date. Once provided, the records disclosed that for the months of October and November 1998, Mr. Black had failed to keep and maintain up to date control account balances, client trust listings and bank reconciliations each month.

During the course of the spot audit, it was determined that for the period from August 19, 1997 up to and including July 31, 1998, Mr. Black had withdrawn money from his pooled trust account to pay for the recovery of fees or disbursements without the authority of his

clients and without a bill for such fees or disbursements being prepared and sent to the clients at the time the money was drawn on twenty-five separate occasions.

While acting for clients with respect to real estate transactions, Mr. Black transferred monies from his pooled trust account for the recovery of fees prior to performing all of the legal services for which he had been retained on seventeen separate occasions.

On four separate occasions, Mr. Black paid out sums from his pooled trust account on behalf of his clients, which were sums greater than the clients had to their credit in such accounts.

On three separate occasions in which Mr. Black represented both the vendor and the purchaser in real estate transactions, Mr. Black maintained only one ledger sheet in respect of the said transactions in the name of the purchasers. He failed to keep a separate trust ledger recording separately and in chronological order the trust money held for the vendors, contrary to Rule 128(2)(d) of The Law Society Rules.

Plea

Prior to the hearing, Mr. Black provided to the Society a written undertaking to:

- a. permanently withdraw from the practice of law effective June 1, 1999;
- b. never apply to resume the practice of law;
- c. not apply for membership in any other law society without first advising the Society; and
- d. acknowledge that the breach of the said undertaking would result in an immediate suspension from the practice of law.

The undertaking to withdraw from practice by June 1, 1999 was subsequently varied to require withdrawal by June 30, 1999.

Mr. Black entered a guilty plea to all of the charges.

Decision

The Committee found that Mr. Black's conduct constituted professional misconduct. The Committee accepted the joint recommendation of Mr. Black and counsel for the Law Society and ordered that:

- a. Mr. Black be reprimanded;
- b. In the event that Mr. Black should ever reapply to resume the practice of law, the entire proceedings before the Discipline Committee including the decision of the Discipline Committee would be provided to the Admissions and Education Committee; and
- c. Mr. Black pay costs in the amount of \$7,800.00.

Note: In July, 2003 Mr. Black made an application to the Discipline Committee seeking to be relieved of the term of his undertaking in which he had agreed to "never apply to resume the practice of law". The Committee concluded that the provision that Mr. Black never apply to resume the practice of law was inconsistent with Rule 5-102(1) of The Law Society Rules which gives a person who has resigned or been disbarred the right to seek reinstatement. Accordingly, pursuant to Section 72(1)(j) of The Legal Profession Act, the Committee varied its order of April 28, 1999 to delete the requirement that Mr. Black never apply to resume the practice of law. It was replaced with a provision requiring that any application to resume the practice of law be brought to the Admissions and Education Committee, which will be entitled to consider the entire proceedings before the Discipline Committee, including any reasons for decision.

[Top of page](#)

[Index](#)