

**IN THE MATTER OF PART 3 OF THE
LEGAL PROFESSION ACT, RSA 2000, C. L-8**

AND

**IN THE MATTER OF A HEARING REGARDING
THE CONDUCT OF TARANJEET AUJLA
A MEMBER OF THE LAW SOCIETY OF ALBERTA**

Hearing Committee

Sandra Mah – Lawyer Adjudicator and Chair
Linda Long, QC – Benchers
Michael Mannas – Public Adjudicator

Appearances

Shanna Hunka – Counsel for the Law Society of Alberta (LSA)
James Rooney, QC – Counsel for Taranjeet Aujla

Hearing Dates

March 19, 20 and 21, 2018

Hearing Location

LSA office, at 500, 919 - 11 Avenue SW, Calgary, Alberta

HEARING COMMITTEE REPORT

Overview

1. On March 19, 20 and 21, 2018, a Hearing Committee (Committee) convened at the office of the Law Society of Alberta (LSA) to hold a hearing regarding the conduct of Mr. Aujla.
2. The impugned conduct arose in relation to a number of real estate transactions occurring at Mr. Aujla's firm. The transactions also involved two other lawyers, firm staff, several firm clients, as well as a real estate agent. The events occurred in approximately 2010 and 2011. An investigation was commenced by the LSA in 2013 in relation to these events. The LSA discovered a "lapping scheme" being conducted by the real estate agent, using the firm to perpetuate it. A "lapping scheme" is a form of accounts receivable fraud.
3. A redacted Statement of Admitted Facts, Exhibit 6 in this hearing, is attached to this Report as Appendix A and contains additional details of the lapping scheme. It has been redacted to remove personal information of clients and third parties.

4. The two other lawyers involved in these transactions have already gone through the LSA's disciplinary process – one lawyer was suspended¹ and one lawyer resigned.² Additional details related to the relevant transactions involved in the lapping scheme are available in these decisions.
5. After two days of hearing, the parties sought a half-day adjournment, which was granted. When the hearing reconvened, the parties indicated that they had come to an agreement on amended citations. Mr. Aujla also agreed to admit guilt to all of the amended citations. Finally, the parties agreed to make a joint submission on sanction, recommending, among other things, a 12-month suspension, a restriction on future practice and costs.
6. The Committee considered the amendments to the citations and approved them, and also approved the statement of Admission of Guilt, pursuant to paragraph 60(2)(b) of the *Legal Profession Act* (the *Act*). It then heard the joint submission on sanction. For the reasons set out below, the Committee accepted the joint submission on sanction and issued its decision on this matter orally, with these written reasons to follow.

Jurisdiction, Preliminary Matters and Exhibits

7. Mr. Rooney, counsel for Mr. Aujla and Ms. Hunka, counsel for the LSA, were asked whether there were any objections to the constitution of the Committee. There were no objections to the members of the Committee, on the grounds of bias or otherwise, and the hearing proceeded.
8. At the beginning of the hearing, a binder of agreed Exhibits was placed before the Committee and entered as exhibits. Exhibits 1 through 4, consisting of the Letter of Appointment of the Committee, the Amended Notice to Solicitor pursuant to Section 59 of the *Legal Profession Act* (the *Act*), the Amended Notice to Attend, and the Certificate of Status with the LSA established the jurisdiction of the Committee.
9. The Certificate of Exercise of Discretion pursuant to Rule 96(2)(b) of the *Rules of the Law Society of Alberta* (Rules) pursuant to which the Deputy Executive Director and Director, Regulation of the LSA, determined that there were several persons to be served with a private hearing application, was entered as Exhibit 5. Ms. Hunka advised that the LSA did not receive a request for a private hearing.
10. The Chair directed that the hearing be held in public at the beginning of the hearing.

¹ *Law Society of Alberta v. Chhoker*, 2017 ABLS 4 and 2017 ABLS 16 (CanLII)

² *Law Society of Alberta v Singh*, 2017 ABLS 7 (CanLII)

Citations

11. At the outset of the hearing, the Committee reiterated that Mr. Aujla faced the following five citations:
 - (1) It is alleged that you failed to properly supervise support staff and such conduct is deserving of sanction;
 - (2) It is alleged that you signed cheques to disburse trust funds that were received for no legal purpose in contravention of the Rules, and such conduct is deserving of sanction;
 - (3) It is alleged that you failed to conscientiously serve your clients inclusive of failing to get or confirm instructions from or consult with them on matters that were not within your express or implied authority and such conduct is deserving of sanction;
 - (4) It is alleged that you improperly altered a document or documents, or asked other members of your firm to do so, and such conduct is deserving of sanction;
 - (5) It is alleged that you assisted R.V. in an improper purpose and such conduct is deserving of sanction.
12. A Statement of Admitted Facts was entered as Exhibit 6. Mr. Aujla admitted guilt to citations 1, 2 and 3 in his Statement of Admitted Facts. This was confirmed orally by Mr. Aujla at the hearing.
13. Mr. Aujla contested citations 4 and 5.

Oral Evidence

14. In addition to the evidence contained in the Exhibit Book, the Committee heard the testimony of Karen Vanderzweerde, a former LSA forensic investigator, Balraj Chhoker, a former lawyer at Mr. Aujla's firm, Sanjeev Sharma, a former employee at Mr. Aujla's firm and Harmeet Sahota, a current employee at Mr. Aujla's firm, all of whom testified on behalf of the LSA.
15. Ms. Vanderzweerde's testimony provided an overview of the various transactions and documentary evidence, as well as the investigative process used to discover the lapping scheme.
16. Mr. Chhoker, as former lawyer at the firm who had involvement in some of the transactions and with some of other parties involved in the transactions, testified on his knowledge of the events and Mr. Aujla's involvement. Mr. Sharma and Ms. Sahota also provided their testimony as to their recollection of the events.

17. All of these witnesses were cross-examined by Mr. Rooney.
18. Through the course of the testimony of these witnesses, Exhibits 49 to 60.3 were admitted into evidence and added to the Exhibit Book.
19. After a full day of hearings on March 19 and March 20, 2018, counsel for Mr. Aujla and counsel for the LSA requested an adjournment to 1:00 pm on March 21, 2018. The Committee agreed to adjourn the hearing until then.

Amendment to Citations

20. The Committee reconvened at 1:00 pm on March 21, 2018. The Committee was advised that no further evidence would be led by either party. The parties had agreed to further amend the citations, as follows:
 - (1) It is alleged that you failed to properly supervise support staff including on matters which allowed the improper alteration of a document or documents (previous citations 1 and 4 combined);
 - (2) It is alleged that you signed cheques to disburse trust funds that were received for no legal purpose in contravention of the Rules;
 - (3) It is alleged that you failed to conscientiously serve your clients inclusive of failing to get or confirm instructions from or consult with them on matters that were not within your express or implied authority;
 - (4) It is alleged that you assisted R.V. in an improper purpose (previous Citation 5).

Admission of Guilt

21. Mr. Aujla admitted guilt to all four of the amended citations. The Committee accepted the amendments to the citations and the admission of guilt by Mr. Aujla to the amended citations. Pursuant to Section 60(4) of the *Act*, once an admission of guilt is accepted by the Committee, it is deemed for all purposes to be a finding of the Committee that the conduct of the member is conduct deserving of sanction. Accordingly, the Committee moved to the sanction phase of the hearing.

Submission on Sanctions

22. The disciplinary record of Mr. Aujla with the LSA was admitted into evidence as Exhibit 61.1. In 2010, Mr. Aujla had been found guilty of one count of conduct deserving sanction for failing to disclose information to another solicitor, creating a misapprehension and failing to correct the misapprehension and one count of conduct deserving of sanction for failing to honour an undertaking to another solicitor within a reasonable period of time. Mr. Aujla was sanctioned with a reprimand and costs.

23. Exhibits 61.2 and 61.3 were introduced, being a copy of the Hearing Committee Report, dated June 2, 2010, pertaining to Mr. Aujla's 2010 hearing and an Excerpt of Proceedings, dated April 21, 2010, with respect to the oral reprimand.

Joint Submissions on Sanctions

24. The Committee heard submissions from counsel for the LSA and from counsel for Mr. Aujla in support of a joint submission on sanction. The joint submission proposed the Committee order that:
- (1) Mr. Aujla be suspended from the practice of law for 12 months, commencing on July 1, 2018;
 - (2) Between March 21, 2018 and June 30, 2018, inclusive, Mr. Aujla's practice be restricted to immigration work;
 - (3) Mr. Aujla be restricted from practicing real estate permanently;
 - (4) Costs in the amount of \$50,000 be payable to the LSA;
 - (5) Payment of costs to be made to the LSA within one (1) calendar year of the date on which Mr. Aujla returns to practice and payable within three (3) years from July 1, 2018, in any event;
 - (6) Notice to the Profession to be issued no earlier than July 1, 2018.

Law on Joint Submissions

25. The Supreme Court of Canada in *R. v Anthony-Cook*³ has established that a joint submission should not be lightly disregarded and should be accepted unless the joint submission on sanctions would bring the administration of justice into disrepute or is otherwise contrary to the public interest.
26. Ms. Hunka submitted that the joint submission on sanction is reasonable. Mr. Aujla has been under Practice Review since 2015 and is subject to unannounced visits by the LSA. Reports from the Practice Review indicate Mr. Aujla's other practice areas are going well and he is already restricted from practicing real estate. Ms. Hunka also advised that Mr. Aujla can seek to have the permanent restriction from practicing real estate relaxed or amended through a future application to the LSA. Counsel for the LSA further referenced the strong admonishment received by Mr. Aujla on April 21, 2010 by a previous Hearing Committee.

³ 2016 SCC 43 (Can LII)

27. Counsel for Mr. Aujla advised the events that relate to these citations occurred seven years ago and ended with the death of the real estate agent, R.V. Since then, Mr. Aujla has entirely changed the management and computer systems in his office. He has been subject to the LSA's Practice Review since 2015 and to practice restrictions relating to real estate since then. In addition, Mr. Aujla submits trust accounts monthly and his financial records quarterly to the LSA. Overall, Mr. Aujla has been diligent and compliant with his current obligations with the LSA. Mr. Rooney highlighted Mr. Aujla's cooperative and productive experience with the Practice Review and that a suspension of one year is significant for a small practice.
28. Mr. Rooney and Ms. Hunka both noted that Mr. Aujla did not display any integrity issues, he was cooperative during the lengthy LSA investigation, he did not misappropriate funds, and that this was not a case of disgraceful or reprehensible conduct.
29. Counsel for the LSA referred the Committee to the Hearing Committee Reports for Mr. Aujla's former partners, Mr. Chhoker and Mr. Singh. Mr. Chhoker was suspended for 6 months and Mr. Singh resigned as a member of the LSA. Counsel for the LSA then referred the Committee to other Hearing Committee Reports that sanctioned lawyers for periods between 6 months and 14 months, and 18 months in the situation where there was a misappropriation of funds by the lawyer.
30. Given the facts in evidence before this Committee, Mr. Aujla's cooperation with the LSA and Practice Management, and the range of sanctions applied in similar cases, in these circumstances, the Committee accepts the joint submission on sanction is reasonable, and it would not bring the administration of justice into disrepute, nor be contrary to the public interest. Accordingly, it is our decision that:
- (1) Mr. Aujla be suspended for 12 months commencing July 1, 2018;
 - (2) Between March 21, 2018 and June 30, 2018 inclusive, Mr. Aujla's practice be restricted to immigration work;
 - (3) Mr. Aujla be restricted from practicing real estate permanently;
 - (4) Costs in the amount of \$50,000 be payable to the LSA;
 - (5) Payment of costs to be made within one (1) calendar year of the date on which Mr. Aujla returns to practice and payable within three (3) years from July 1, 2018, in any event;
 - (6) Notice to the Profession shall be issued, but no earlier than July 1, 2018.
31. The Committee delivered its decision orally and indicated that written reasons would follow.

32. Just prior to adjourning, Mr. Aujla's counsel sought clarification in relation to the restriction from practicing real estate permanently. The Committee noted that the restriction on Mr. Aujla to practice real estate law permanently is subject to any further application that may be made by Mr. Aujla to the LSA to relax or remove such restriction, as was noted in the LSA's submissions on sanction (referred to in paragraph 26, above).
33. There will be no notice to the Attorney General.
34. Hearing exhibits shall be made available to the public, with the exception that they shall be redacted to prevent the disclosure of the identity of third parties and to prevent disclosure of confidential or privileged information.

Dated at Calgary, Alberta, April 16, 2018.

Sandra Mah

Linda Long, QC

Michael Mannas

Appendix A

IN THE MATTER OF THE LEGAL PROFESSION ACT IN THE MATTER OF A HEARING INTO THE CONDUCT OF TARANJEET AUJLA, A MEMBER OF THE LAW SOCIETY OF ALBERTA

STATEMENT OF ADMITTED FACTS

INTRODUCTION

1. I am a member of the Law Society of Alberta (the “LSA”) admitted on November 28, 2002.
2. I have been a member of the LSA at all times relevant to these proceedings.
3. The following citations were directed to a hearing by a Conduct Committee Panel:
 1. It is alleged that you failed to properly supervise support staff and such conduct is deserving of sanction.
 2. It is alleged that you signed cheques to disburse trust funds that were received for no legal purpose in contravention of the Rules and such conduct is deserving of sanction.
 3. It is alleged that you failed to conscientiously serve your clients and such conduct is deserving of sanction.
 4. It is alleged that you failed to get or confirm instructions from or with your clients on matters that were not within your express or implied authority and such conduct is deserving of sanction.
 5. It is alleged that you improperly altered a document or documents, or asked other members of your firm to do so, and such conduct is deserving of sanction.
 6. It is alleged that you assisted R. V. in an improper purpose and such conduct is deserving of sanction.

BACKGROUND and FACTS about the above citations

1. These citations arose out of a complaint by the LSA. The LSA made the complaint after becoming aware of a Statement of Claim filed against all the lawyers of [SP] (the “Firm”), as well as two legal assistants of the Firm and other third parties. (Exhibit 6 of the investigation Report by the LSA)
2. I was a partner at the Firm at all relevant times for which the above investigation was conducted. I started working at the Firm on February 16, 2005 and continue to work there. I am and continue to be the Responsible Lawyer for the Firm under the Trust Safety Rules since January 1, 2011.
3. The Statement of Claim was filed by [TT]. It relates to two residential real estate transactions that were handled by the Firm. They are the purchase of 139 [property]. The

purchase transaction closed in May 2010, followed by the subsequent sale of that property in August 2011.

4. [TT's] realtor on the transactions was [RV]. [RV] referred a fair amount of work to the Firm and had formed personal relationships with lawyers and staff at the Firm. On or around October 14, 2011, [RV] committed suicide. After [RV'S] death, I have heard from other realtors and his acquaintances that the mismanagement of his financial affairs and the trusted image he had lost among his clients including [TT], may have been the reasons for [RV] committing suicide.
5. [TT] filed her Statement of Claim on October 27, 2011. She alleges that a mortgage had been fraudulently registered against her title without her knowledge or consent. She had paid the entire purchase price in April 2010, by providing the bank drafts to [RV]. The bank drafts were purchased by [TT] from her Line of Credit on or about the same time (April 21, 2010 TAB 2.01)) when she (purportedly) signed the offer to purchase with [RV] to buy the subject property.
6. From the review of the purchase file and the produced documents in the LSA reports, it is confirmed that the original offer to purchase the subject property was made by [JC]. The firm received the conveyancing instructions from [CB] Realty. The firm opened the purchase file in the name of [JC] as per the conveyance instructions. Just two days prior to the closing, [TT] was appointed as assignee /nominee by [JC] to take over his interest in the original purchase contract.
7. On February 26, 2013, the LSA commenced an investigation due to the allegations in the Statement of Claim. The LSA investigators discovered that [RV] had been conducting a "lapping scheme" and was using the Firm to perpetrate it. The LSA advises that it discovered at least 16 improper transactions on at least 8 different properties all involving [RV].
8. A "lapping scheme" is a form of accounts receivable fraud. Upon review of the investigation report and the circumstances of these transactions, I admit that [RV] was successful to perpetrate his "lapping scheme" by doing the following:
 - a. [RV] would bring the bank drafts to the firm and would advise the receiving firm staff/members about the transaction for which he has brought the drafts.
 - b. The receiving firm member would write the file number and clients name on the draft as they were advised by [RV].
 - c. The firm member receiving the draft would then give these drafts with his/her notations to the firms' bookkeeper ([LP]). The Bookkeeper would then enter the funds in the client ledger as per the notations on the drafts. The copies of the drafts were recorded/stamped and are kept with the regular deposit slips of that day when these funds were received.

- d. The transactions themselves were closed as normal and this is confirmed from the review of these investigated files. Except for one [B] purchase file, the drafts brought to the firm by [RV] were of the same amount which the firm has requested the client to bring in as the cash difference.
 - e. The client's interview transcripts confirm that these clients provided the drafts directly to [RV]. It should be noted that [RV] received the drafts from his clients on or about the same dates when their offer to purchase was made. The dates on these investigated drafts confirms that they were purchased weeks or months in advance of their closing dates.
 - f. [RV] could hide his scheme from the firm members as the drafts did not have the client's name and were brought by him. [RV] was advising the receiving member about the transaction for which he had brought the draft. His client's transactions were closing about the same time and it never looked suspicious. It was a normal practice for other realtors to bring their client's drafts to the firm.
 - g. With the help of this investigation report, I now recognize that depending on the closing dates, [RV] was using one client's funds to complete the other client's transaction.
 - h. The investigation Report and the interview questions of all these clients and the circumstances of closing of their transactions have helped me to understand [sic] this scheme.
 - i. I admit that [RV] had perpetrated his scheme and the [TT] funds were used by [RV] as part of his scheme.
- 9. The chronology of the funds paid by [TT] and received/recorded by the firm to the client transactions are described in TAB reference 4.A 24. (page 10 of the investigation report)
 - 10. I acknowledge that all [TT] funds were received and recorded by the different members of the firm as per the notations made on the drafts. [RV] brought these funds to the firm on different dates and advised the receiving firm members about the client and their transactions.
 - 11. The practice of the firm in 2010 was that the firm members, who would receive the drafts from the clients, or their realtors would write the file number and the client's name on the drafts and would then give the drafts to the accounting clerk. Accounting clerk (who was not doing the actual transactional work), would then enter the funds as per the notations made on the drafts.
 - 12. I acknowledge that such funds were improperly allocated from their original source and were entered into other client's files. However, this conversion happened in [RV's] hands and only he knew about it when he was advising about the client matters for which he has

brought the drafts. Now I can understand that he knew the process of our firm [sic] receiving the drafts and used his knowledge to perpetrate his scheme.

13. The funds paid by the original clients for their respective transactions were brought in as “cash difference” for other purchase transactions. All the investigated drafts were brought to the firm by [RV]. He would have received the drafts from his clients prior to their closing. Thus, he was able to divert the original client’s funds to another client’s transactions.
14. I respectfully submit that at the relevant time of closing for all the transactions referred in the investigations report, there was never a shortage of the funds in any client’s ledger. No client except [TT] has suffered any loss in the below mentioned transactions.

CITATION #1 - ALLEGATION OF FAILING TO PROPERLY SUPERVISE SUPPORT STAFF

Circumstances of [TT] Purchase Transaction.

15. When I reported this matter to ALIA, I provided a detailed chronology of the events of this purchase transaction. I enclose herewith as “Exhibit 1” and request the panel to review the same to understand the closing of this transaction from a view point of a real estate conveyancing lawyer and the normal procedure in these circumstances to conduct such transaction in Alberta.
16. After the closing of the [TT] purchase transaction, I never heard from anyone relating to the transaction. The first time we pulled the file was only when the [TT] claim was served in October 2011.
17. The [TT] purchase file (7227) was not opened in my name.
18. According to the Conveyancing Instructions from the broker [CB] Realty, the purchase file was opened in the name of our associate lawyer [BC] as the lawyer to have the conduct of the file. In the year 2010, most of the real estate transactions were handled by [BC]. [BC] was hired by the firm primarily to work on the real estate transactions.
19. However, upon review of the file (7227) and during a meeting between the lawyers, I took the responsibility of the above purchase file. In taking the responsibility of the purchase file, we considered these aspects of the purchase transaction:
 - a) I had acted for [TT] in the past and was familiar with them and their relationship with [RV];
 - b) At the time of transaction, I believed that [RV] and [TT] had a joint venture relationship where [RV] would find the profitable deals and they would work together. [TT] had also confirmed this understanding during her interviews with the investigators;
 - c) I had direct discussions with [RV] about the closing of this transaction;

- d) I made notes on the file in relation to the estimated cash difference calculations and the closing funds required from the lender;
 - e) I was informed by [RV] that his relative [JC] (the original purchaser) had assigned his interest in the contract to [TT]. [JC] signed the nomination appointing [TT] to close the transaction;
 - f) [RV] told me about the closing funds and that a private mortgage was arranged with the lender (who was also named in the civil claim);
 - g) I instructed the assistant, [SS], to prepare the mortgage and to have it reviewed with other lawyers in the firm.
20. Although the purchase file (7227) was conducted in parts by all three lawyers in the firm, I took the responsibility of this transaction because of the above listed factors. I did not try to pass this on to the other lawyers of the firm.
21. I instructed the assistant, [SS], to prepare the mortgage documents in accordance with the instructions from the lender. It should be noted that [RV] provided me a signed copy of the mortgage commitment letter between [TT] and the lender.
22. It was the practice of the firm that in the absence of the responsible lawyer, one of the other two lawyers would meet with the client. I also instructed [SS] to have any one of the other lawyers to conduct the meeting with [TT] to sign the mortgage documents.
23. I admit that I failed to follow up with the assistant or with [TT] to determine if a meeting had indeed taken place or if [TT] had any questions or concerns regarding the mortgage.
24. Upon review of the investigation report, I now understand that the mortgage documents were purportedly signed by [TT] on May 26, 2010.
25. In the last week of February 2010, my father was diagnosed with Pancreatic cancer. He started his first chemo treatments in Calgary on April 13, 2010. My father was hospitalized many times between April to October 2010 and I was regularly with him at the hospital. The [TT] transaction proceeded to close with the help of other lawyers and this was a normal practice of the firm. The firm members were cooperative with me due to my personal situation. It was our understanding that should there be any issue, the lawyers or staff would call me on my cell phone to clarify. I never received any concern from anyone with respect to this purchase file or about the mortgage until the claim was served.
26. I admit that despite all my personal reasons of being away from the office, I should have made some proper arrangements with my colleagues for supervision of staff. I admit that I relied on the mutual understanding that all lawyers are looking after client matters when one member is away. This fact that any one of us lawyers would attend the matters/clients as needed is evident from hundreds of transactions, we closed in years 2009 to 2010.

27. A private mortgage is an important legal document that should be drafted or at least reviewed by a lawyer to ensure that the document was created properly and is made pursuant to the directions of both parties. I admit I failed to review the terms of private mortgage prior to its signing.
28. It is Firm's policy that a lawyer is to meet with their client regarding the signing of a mortgage to ensure the client/borrower understands the financing terms and implications of a breach. I admit that despite the firm policy and my specific instructions to the members of the firm, no lawyer met with [TT] to sign and discuss the mortgage documents.
29. I admit I failed to properly supervise my support staff or to confirm with other lawyers at the firm by delegating legal work and failed to confirm whether instructions were carried out.
30. I respectfully submit that I did not advance the [TT] funds to close the transaction. It should be noted that [BC] sent the cash to close and the final statement of account. It was my understanding that [BC] must have reviewed the file prior to sending the cash to close.
31. I admit and take the responsibility of my failure. I submit that the investigation report has helped us in making updates to the firm procedures about the supervision of the staff and active review/participation of another lawyer in the transaction when the responsible lawyer is away.

CITATION #2 -ALLEGATION OF SIGNING A CHEQUE TO DISBURSE TRUST FUNDS FOR NO LEGAL PURPOSE

32. On April 21, 2010, [TT] purportedly signed a contract to purchase 139 [property] for \$320,000. She paid a \$10,000 deposit and purchased 4 bank drafts payable to the Firm, in the amount of \$280,000 on her TD Credit Line. As I understand now the remaining \$30,000 was to be paid by [RV] who already owed [TT] money on a loan made in 2008. From [TT] funds [RV] brought only one CIBC draft for \$33,000, to be applied to the purchase of the property. [TT] gave all these drafts dated April 21, 2010 to [RV]. It should be noted that [TT] did not have a proper purchase contract signed with the actual seller for this property on April 21 when she purchased these drafts. The firm did not have a file in her name on April 21, 2010.
33. [RV] brought other [TT] drafts to the firm on the very next day and advised the receiving firm members that these drafts are the cash difference for other transactions which were scheduled to close prior to the [TT] purchase transaction. The deposit slips of receiving these drafts confirm the dates and receiving member's initial on the drafts.
34. The largest of these bank drafts, was for \$218,000. This draft was received by an assistant on April 22, 2010 who initialed/ noted on the draft and put the client's name and posted the funds in the purchase of 88 [property] by [B]. This caused the [B's] trust account to have \$164,122 in excess of the cash needed to close. I now acknowledge that the excess

was missed by the members of the Firm. The [B] purchase was scheduled to close on April 30, 2010.

35. Out of the [B's] purchase file and excess funds, I signed two cheques from the trust account to third parties unrelated to the transaction. The first cheque was made out to [PH] for \$121,000. [PH] is owned by [BD], who had ongoing financial matters with [RV]. At that time when I signed this cheque I looked at the cheque and noted the reference on the cheque and understood [RV] is repaying the loan he owes to [BD].
36. I signed these cheques despite not being the responsible lawyer on the [B's] file. I also signed them without consulting the responsible lawyer on the file, without reviewing the file for a Direction to Pay, or confirming the direction with the [Bs]. I also never questioned why these parties were being paid despite being unrelated to the transaction.
37. I acknowledge this was not my file and I should have sought clarification from the [Bs] and/or [BC], being the responsible lawyer on the file. I admit that I should have seen the actual file. I submit that I have explained the circumstances of signing these cheques to the investigator and about my understanding of the matters at that time.
38. I admit that signing of these cheques was a bad practice. It was the practice in the office at the time, that any of the three lawyers could sign cheques on other lawyer's files. The firm policy was that the lawyer signing the cheque on other lawyer's file would review the nature of the payment to confirm that the cheque is related to cash to close, real estate commission, or payout of loan, mortgages etc. This practice was done as a matter of efficiency and to save late interest charges for the clients. This practice was developed with some mutual understandings between the lawyers because of the unique nature of the real estate clients. The majority of our clients were from different cultures and were expecting lawyers in the firm to work like a team. Our firm was known as a team of three lawyers in the North-East Community who would attend to the clients when they would walk in for their matters.
39. I admit that I signed a cheque to disburse trust funds for no legal purpose of [B's] own Transaction in contravention of the Rules of the Law Society of Alberta ("Rules").

CITATION #3 -ALLEGATION OF FAILING TO CONSCIENTIOUSLY SERVE YOUR CLIENTS

[TT's] Purchase of 139 [property]

40. I was informed by [RV] that the purchase was being financed through a private mortgage. I never confirmed the accuracy of this information with my client, [TT]. Instead of confirming this with [TT], I relied on the signed mortgage commitment letter between the private lender and [TT] which [RV] brought to the office.

41. I admit that had I confirmed the instructions of a private mortgage with [TT], no private mortgage would have been placed on the property, and [TT] would not have suffered a direct and detrimental impact upon her sale of the property fifteen months later.
42. As it was the firm practice I personally did not send the final reporting letter to [TT] directly or coordinate another process for [TT] to receive it. It was left for pick-up for long time and eventually was given to [RV]. The original reporting letter was never delivered to [TT].
43. I accepted the funds provided by [K] for the private mortgage on behalf of [TT] without ever personally discussing this with [TT]. I relied on [RV] and the lender and on my firm member's statements about the mortgage.
44. I admit I failed to serve my client and keep my client informed of the information which affected her financial position.

[B's] Sale of 88 [property] (file 7287)

45. On the [B's] sale, I admit that I signed one cheque in the amount \$11,272(Tab 7B.13) This payment was made few days after the sale closing and represented the net sale proceeds. [B] confirmed that he signed the direction to pay but understood that it related to the transfer of his equity from his sale to his purchase (Reference page 7 of the Report and Tab 7.B 13)
46. I admit that prior to signing this cheque I should have confirmed this with [B] or with [BC]. I signed this cheque without contacting the responsible lawyer or the [B] or taking other precautions such as reviewing the file.
47. I admit I failed to serve the Firms' client [B] by signing a trust cheque without confirming the directions or confirming his understanding of this payment with the responsible lawyer or the client.
48. It should be noted that [B] have not complained against me about this transaction and have not suffered any loss from his sale transaction.

[SB] Sale of 205 [property]

49. In April 2011, [SB] retained the Firm to sell their property at 205 [property] Calgary.
50. I signed a cheque to [TV] ([RV's] father) in the amount of \$150,000 from the sale proceeds. I admit that in signing this cheque I relied on the signed but unwitnessed Direction to pay and on [RV] and his past transactions with these clients who were working with [RV] and [PH]. This direction to pay was confirmed by these brothers to the investigator.
51. It should be noted that these [SB] have not complained against me and have not suffered any loss.

Failure to Follow Firm Practices

52. As a partner, I helped establish a system of processes and procedures. The firm members were to follow the procedure. I have now realized that these procedures were not performed properly by myself, other lawyers and assistants particularly in transactions involving [RV].
53. As of January 1, 2011, I became the Responsible Lawyer for the Firm under the Trust Safety Rules. I failed to ensure that a separate user IDs and passwords were assigned to each staff with PC Law access which promoted a lack of accountability and contravened the Trust Safety Rules. At that time in 2010, there was only one password for one Assistant who would close and open the PC Law accounting everyday. Now every user of firm PC Law has their own password and to use the system they must enter their own password.
54. I admit I failed to conscientiously serve my clients and the Firm's clients by not properly following and allowing others to not follow proper procedures and protocols.

CITATION #4 -ALLEGATION OF FAILING TO CONFIRM INSTRUCTIONS WITH YOUR CLIENT ON MATTERS NOT WITHIN YOUR EXPRESS OR IMPLIED AUTHORITY

55. On the [TT] purchase. I failed to confirm instructions from [TT], but acted on the instructions of [RV] without confirming his instructions with my client at any point in the transaction. I therefore acted on matters for [TT] that were not within my express or implied authority.
56. On the [B's] sale, I failed to confirm instructions with [Bs], but acted on the instructions of [RV] without confirming with the client. I therefore acted on matters for the [Bs] that were not within my express or implied authority.
57. I admit that I failed to confirm instructions with my clients on matters not within my express or implied authority.

CITATION #5 -ALLEGATION OF IMPROPERLY ALTERING DOCUMENTS OR ASKING OTHER MEMBERS OF THE FIRM TO DO SO

58. I respectfully submit that I have never altered any document as alleged. I wish to explain in detail at the hearing. I submit that my explanation is also recorded in my last investigation interview transcripts wherein the investigator specifically examined me on this issue.
59. I submit that the sale file where the alleged changes were made was not my file. I was out of the country when the sale documents were signed in March 2011. I have provided LSA investigator with copies of my passport pages confirming my absence from Canada during those dates.

60. I submit that I had no reason and no motive to ask other members of the firm to improperly alter any document from a file. It should be noted that the alleged lines adding to the retainer letter does not help me at all in the investigation.

CITATION #6 -ALLEGATION THAT YOU ASSISTED [RV] IN AN IMPROPER PURPOSE

61. I have now realized that in some transactions involving [RV], I and other firm members failed to follow the firm's policies and procedures which unknowingly and unintentionally have facilitated the lapping scheme by [RV].
62. On the [TT] purchase, the following aspects of the [TT] transaction assisted [RV] in achieving his improper purpose all of which were unknown to me at the time of the transaction.
- a. instructing an assistant to prepare the mortgage documents which I failed to review with the client. I should have confirmed with my colleagues about this mortgage transaction as it was the practice at that time. I acknowledge that I failed to confirm with the other lawyers in the firm about the mortgage itself;
 - b. allowing the assistant to arrange a meeting for the signing of the mortgage document without a lawyer being present;
 - c. failing to confirm with the assistant or the other lawyers and the client that the meeting had taken place or if they had any questions or concerns; and
 - d. [RV] being able to direct the receiving firm members about his client's transactions and using the firm procedure to record the receipts of other client payments to perpetrate his scheme.
63. I admit that all the above factors stated herein unknowingly helped facilitate [RV's] scheme. However, I have never personally assisted [RV] in achieving his improper purposes. Although [RV] was able to misuse our processes in recording the funds from its original sources to other clients, I never knowingly assisted [RV] in this process.

Now in light of the investigation report, I have very well realized that if I (or any other lawyer signing the cheques from [TT] funds) would have made specific inquiries, we could have stopped [RV's] scheme in April 2010 when he was alive and made him responsible for his actions.

64. I now acknowledge that had I made that specific inquiry from [B] or [TT], I would have noticed the unusual aspect of these transactions. By reviewing the investigation report and with the recommendations of practice review committee, our firm has now implemented better procedures on all the issues that arose from this report. We have confirmed to the practice review committee about the new procedures and check points which we have implemented in the firm.

CONCLUSION

65. I admit as facts the statements contained within this Statement of Admitted Facts for the purposes of these proceedings.
66. I acknowledge that all parties retain the right to adduce additional evidence and to make submissions as to the effect of and weight to be given to these agreed facts in the context of all the evidence.

ALL OF THESE FACTS ARE ADMITTED THIS 26 DAY OF SEPTEMBER 2017.

“Taranjeet Aujla”

TARANJEET S. AUJLA

[Exhibit 1 to the Admitted Statement of Facts, dated September 26, 2017 "Taranjeet Auja"]

Chronological Summary of Transaction

139 [property], Calgary, Alberta

Purchase and Mortgage (Our file no [xxxx])

1. On or about April 21, 2010, we received conveyancing from [CB] Realty for the purchase transaction of the subject land. The purchaser in the Real Estate Purchase Contract from [CB], was [JC]. The defendant [RV] was the Realtor representing the purchaser and [JC] is the brother in law of [RV].
2. On or about April 21, 2010, we did our initial searches such as tax, title and opened up a file in the name of [JC].
3. On or about May 18, 2010, we contacted the Realtor [RV] to find out the closing arrangement for the client and spoke to [JC].
4. On or about May 19, 2010, [JC] came to our office and advised us that he has Assigned his interest in the land to [TT] (Plaintiff). He instructed us to Nominate [TT] as the purchaser/Transferee. [JC] signed the Assignment/nomination.
5. On or about May 20, 2010, [RV], informed us that he has arranged private financing for [TT] to close this transaction. [RV] also informed us that he will have partnership with [TT] in the purchase/development and eventual sale of the land.
6. On or about May 21, 2010, [RV] brought to us a RBC bank draft in the amount of \$275,000.00 and advised us that this amount represents the private mortgage proceeds arranged by [TT]. [RV] also brought to us a copy of the mortgage commitment letter signed by [TT] and by the lender, [PK].
7. On or about May 21, 2010, [RV] also provided us with two bank drafts, one in the amount of \$33,000.00 and another draft for \$2,500.00 and advised us that these funds represent the Estimated Cash difference for the transaction.
8. On or about May 21, 2010, we prepared the mortgage documents in accordance with the mortgage commitment letter and in accordance with the instruction from the mortgagee.
9. On or about May 21, 2010, we requested [TT] to come in to our office and sign the mortgage/purchase documents.
10. On or about May 26, 2010, [TT] attended our office and met with [SS], Legal Assistant to sign the purchase/mortgage documents. To the best of recollection of [SS], that [RV] was also present with [TT] when she met with [SS] to sign the documents.

11. On or about May 26, 2010, we submitted the Order for Sale and purchase mortgage documents for registration at Land Titles.
12. On or about May 28, 2010, we received the Certified Copy of Certificate of Title, registration of the Transfer of Land and Mortgage in the name of [TT].
13. On or about May 31, 2010, we did accounting for this transaction and completed our reporting to the client. In our reporting folder, we enclosed for the client, a copy of the Title, copy of the mortgage, Statement of Account, and our trust cheque in the amount of \$331.65 representing the balance of funds.
14. On or about May 31, 2010, we concluded our transaction. Our client report folder was picked up from our office.

We did not hear anything from the Plaintiff or from [RV] related to this transaction.