

THE LAW SOCIETY OF ALBERTA

IN THE MATTER OF A Resignation Application by SCOTT JAMES PARK, a Member of the Law Society of Alberta pursuant to section 32 of the *Legal Profession Act*, RSA 2000, c L-8.

HEARING COMMITTEE:

Derek Van Tassell, Q.C., Chair

Dennis Edney, Q.C., Committee Member

Sarah King-D'Souza, Q.C., Committee Member

COUNSEL:

Molly Naber-Sykes, for the Law Society of Alberta

MEMBER:

Scott James Park, self-represented

RESIGNATION COMMITTEE REPORT

INTRODUCTION

1. On October 9, 2013, a Resignation Committee comprised of Derek Van Tassell, Q.C., Chair, Dennis Edney, Q.C., Committee Member, and Sarah King-D'Souza, Q.C., Committee Member, convened at the Law Society of Alberta ("LSA") offices in Edmonton, Alberta to hear the resignation application of Scott James Park ("Mr. Park"). The LSA was represented by Molly Naber-Sykes. Mr. Park was present at the application and was not represented by counsel. Scott James Park tendered his application for resignation pursuant to section 32 of the *Legal Profession Act*, RSA 2000, c L-8 (the "LPA"), or, in the alternative, section 61.

CITATIONS

2. Fourteen formal citations were directed against Scott James Park:
 1. IT IS ALLEGED THAT you conspired to commit fraud, and that such conduct is conduct deserving of sanction.
 2. IT IS ALLEGED THAT you failed to serve your client, and that such conduct is conduct deserving of sanction.

3. IT IS ALLEGED THAT you improperly dealt with trust funds, and that such conduct is conduct deserving of sanction.
4. IT IS ALLEGED THAT you acted while in a conflict of interest, and that such conduct is conduct deserving of sanction.
5. IT IS ALLEGED THAT you failed to properly supervise your support staff, and that such conduct is conduct deserving of sanction.
6. IT IS ALLEGED THAT you breached undertakings, and that such conduct is conduct deserving of sanction.
7. IT IS ALLEGED THAT you breached the Law Society Accounting Rules, and that such conduct is conduct deserving of sanction.
8. IT IS ALLEGED THAT you conspired to commit fraud, and that such conduct is conduct deserving of sanction.
9. IT IS ALLEGED THAT you failed to serve your client, and that such conduct is conduct deserving of sanction.
10. IT IS ALLEGED THAT you improperly dealt with trust funds, and that such conduct is conduct deserving of sanction.
11. IT IS ALLEGED THAT you acted while in a conflict of interest, and that such conduct is conduct deserving of sanction.
12. IT IS ALLEGED THAT you failed to properly supervise your support staff, and that such conduct is conduct deserving of sanction.
13. IT IS ALLEGED THAT you breached undertakings, and that such conduct is conduct deserving of sanction.
14. IT IS ALLEGED THAT you breached the Law Society Accounting Rules, and that such conduct is conduct deserving of sanction.

PRELIMINARY MATTERS

Jurisdiction

3. The jurisdiction of the Resignation Committee was established with the admission by consent of the following exhibits:
 - Exhibit 1 Letter of appointment of Resignation Committee, dated October 3, 2013
 - Exhibit 2 Statement of outstanding formal citations
 - Exhibit 3 Certificate of the exercise of discretion regarding delivery of Private Hearing Application notices, dated October 2, 2013

- Exhibit 4 Certificate of Status dated October 2, 2013 confirming that Scott James Park was a suspended Member of the LSA
- Exhibit 5 Record of Scott James Park, dated October 1, 2013
- Exhibit 6 Documents submitted by Mr. Park in support of his resignation application.
- Exhibit 7 Estimated Statement of Costs

Other

4. The Parties had no objection to the composition of the Committee.
5. The Committee was advised that no party intended to apply to have the application held in private. As a consequence, the application proceeded in public.
6. A joint submission that the resignation application be accepted, was tendered by the parties.

FACTS

7. The fourteen citations being dealt with arise from events which occurred from 2001 through 2005 approximately. Mr. Park has not been the subject of any other conduct complaints or disciplinary proceedings outside of these fourteen citations. The member has no disciplinary record.
8. Mr. Park at the time of the hearing was 48 years old and was admitted to the Alberta Bar on July 30, 1990. He practiced until July 25, 2005 at which time he went inactive. Mr. Park was suspended for non-payment of fees on or about April 2, 2013.
9. The events giving rise to these citations dealt primarily with Mr. Park's involvement in a number of real estate transactions which were linked to a fraudulent scheme.
10. The Hearing of this matter was originally set for sixteen days. After a significant number of pre-hearing conferences (over twenty) the parties reached an agreement, subject to approval by this Resignation Committee.
11. Scott James Park agreed, as a condition of applying under section 32 and as a condition of the joint submission, that the Statement of Facts which he signed and which was entered as Exhibit 6(d) is a complete record of the facts that are relevant to the fourteen citations directed against him. This agreed Statement of Facts, attached as an appendix to this Report, was in a form satisfactory to the Resignation Committee. It is worth mentioning that Mr. Park admitted facts which made out 12 of the 14 citations.

Analysis

12. The test we are to apply in considering this resignation application can be found in paragraph 21 of the Resignation Guideline adopted by the Benchers of the Law Society of Alberta. Paragraph 21 states:

“The fundamental issue to be determined by the Resignation Committee in considering applications to resign, and whether the application is accepted under section 32 or 61, is whether it is in the best interest of the public and members of the Law Society to permit the member to resign prior to the resolution of the outstanding matters of concern or under review by the Law Society.” [emphasis added]

13. The parties presented a joint submission for the resolution of the discipline proceeding under Part 3. Essentially, this proposal ends the prosecution of the citations in favour of Mr. Park’s resignation and the conditions attached to it.
14. It was suggested that the Resignation Committee should extend deference to that proposal. Joint submissions are entitled to deference. A good summation for this proposition can be found in paragraphs 21, 22 and 23 of the *Law Society of Alberta v. Odishaw* 2011 ABLS 28 (CanLII) and the cases referenced therein.
15. Mr. Park has not practiced since 2005. He has no disciplinary record. Closure is needed.
16. The joint submission promotes resolution, saves time and expense, and provides reasonable certainty to the parties. A lengthy criminal trial was already completed in relation to these matters and the individuals implicated therein.
17. The joint submission is fit, reasonable, in the public’s interest (Mr. Park is no longer practicing law), and there is no good or cogent reason for rejecting it. The reality is that in this case the joint submission has the same effect as a deemed disbarment in any event.

DECISION

18. The Resignation Committee allows Scott James Park’s application to resign pursuant to section 32 of the *LPA*. The effective date of the resignation is October 9, 2013, the date of the Resignation Committee’s verbal decision. Mr. Park will pay costs to the Law Society of Alberta in the amount of \$45,000.00, payable prior to any reinstatement. Mr. Park has undertaken never to re-apply for admission to the Law Society of Alberta

CONCLUDING MATTERS

19. The exhibits that have been tendered will be available to the public subject to standard redactions to protect the identity of Mr. Park’s former clients and any privileged communication.
20. The Resignation Committee retains jurisdiction to address any issues arising from this decision.
21. Given the court proceedings that have already occurred, there is no need for a referral to the Attorney General.

22. There shall be a Notice to the Profession

Dated at Edmonton, Alberta this 13th day of May, 2015.

Derek Van Tassell, Q.C., Chair

Dennis Edney, Q.C.

Sarah King-D'Souza, Q.C.

IN THE MATTER OF THE LEGAL PROFESSION ACT
AND
IN THE MATTER OF A RESIGNATION
OF SCOTT JAMES PARK,
A MEMBER OF THE LAW SOCIETY OF ALBERTA

STATEMENT OF FACTS

INTRODUCTION

1. I was admitted to the Law Society of Alberta on July 30, 1990.
2. I practiced law in Edmonton, Alberta from December 31, 1991 until July 15, 2004 when my membership was suspended for non-payment of fees.
3. On August 13, 2004 my membership was reinstated. On July 25, 2005, I elected to become inactive. This was as a result of the investigation of the matters that eventually led to the current citations and as a result of the intense media exposure that would likely occur.
4. On April 2, 2013, my inactive membership was suspended as a result of non-payment of fees.
5. I have applied to resign as a member of the Law Society of Alberta pursuant to s. 32 of the *Legal Profession Act* and in the alternative pursuant to s. 61 of the *Legal Profession Act*.
6. I admit the contents of this Statement of Facts which is tendered in support of my resignation application.
7. I face 14 citations directed by a Conduct Committee Panel on January 12, 2012. The first 7 citations were directed on file CO20031143 as a result of a complaint against me by Canadian bank A. Those 7 citations are:
 1. IT IS ALLEGED THAT you conspired to commit fraud, and that such conduct is conduct deserving of sanction.
 2. IT IS ALLEGED THAT you failed to serve your client, and that such conduct is conduct deserving of sanction.
 3. IT IS ALLEGED THAT you improperly dealt with trust funds, and that such conduct is conduct deserving of sanction.

4. IT IS ALLEGED THAT you acted while in a conflict of interest, and that such conduct is conduct deserving of sanction.
 5. IT IS ALLEGED THAT you failed to properly supervise your support staff, and that such conduct is conduct deserving of sanction.
 6. IT IS ALLEGED THAT you breached undertakings, and that such conduct is conduct deserving of sanction.
 7. IT IS ALLEGED THAT you breached the Law Society Accounting Rules, and that such conduct is conduct deserving of sanction.
8. The next 7 citations directed by the Conduct Committee Panel on January 12, 2012 are on file CO20051610. These citations were directed as a result of a complaint against me by Canadian bank B. Those 7 citations mirror the citations directed in file CO20031143. They are:
1. IT IS ALLEGED THAT you conspired to commit fraud, and that such conduct is conduct deserving of sanction.
 2. IT IS ALLEGED THAT you failed to serve your client, and that such conduct is conduct deserving of sanction.
 3. IT IS ALLEGED THAT you improperly dealt with trust funds, and that such conduct is conduct deserving of sanction.
 4. IT IS ALLEGED THAT you acted while in a conflict of interest, and that such conduct is conduct deserving of sanction.
 5. IT IS ALLEGED THAT you failed to properly supervise your support staff, and that such conduct is conduct deserving of sanction.
 6. IT IS ALLEGED THAT you breached undertakings, and that such conduct is conduct deserving of sanction.
 7. IT IS ALLEGED THAT you breached the Law Society Accounting Rules, and that such conduct is conduct deserving of sanction.

I refer to Canadian banks A and B as the Canadian banks.

BACKGROUND

9. I had a general law practice from 1991 until I ceased practicing in 2005. I practiced primarily criminal law from 1999 to 2002. In 2001, I met G.P. ("P.") who advised me that he was a real estate developer. P. began to send me legal work in 2001. Sometime thereafter, I became interested in buying homes for renovation and resale. I thereafter

bought some homes, renovated them, and resold them. This period was a time of rapidly escalating property values in Edmonton.

10. P. told me he was in the business of buying homes, renovating them to add value, and then reselling them. At the time, I was unaware and I still remain unaware of all of P.'s dealings and negotiations. However, it is now my understanding that P.'s scheme worked as described by Justice Ouellette in paragraphs 3 and 4 of his second decision (2009 ABQB 470) as follows:

[3] The conspiracy to commit fraud was masterminded, and later controlled throughout, by P.. The fraudulent scheme generally went as follows: P. would purchase older, rundown houses at a fairly low price, and then do some renovations. After doing mostly cosmetic or superficial renovations, he would hire a qualified appraiser to provide a value on the property. Once he had the appraised value, P. would have his co-conspirators go out and find "straw buyers." These buyers would purchase the property for the appraised value, and would have to obtain either a conventional or high ratio mortgage to effect the purchase. In relation to the difference between the purchase price and the mortgage to be obtained by the buyer, P. would state on the Residential Offer to Purchase that he had received the deposit or cash to close directly from the buyer and was holding the funds. P. would also provide to some of the lenders a document entitled Receipt and Acknowledgment of Funds, stating that he had received the funds directly from the buyer.

[4] In return for going on title and obtaining the mortgage, the straw buyers were given a fee ranging from approximately \$500 to \$5,000. The buyers were told that they would not be responsible for any of the mortgage payments or obligations in relation to the purchase, including down payments, and that within a month or so after the purchase the property would be taken out of their name. P. and his co-conspirators would obtain the necessary basic information from the straw buyers regarding their employment, social insurance number, T4s, and would forward this information to a mortgage broker. The mortgage broker would then prepare a mortgage application which would be sent to a lender for approval. Amongst the documentation sent to the mortgage brokers by the co-conspirators was usually included a false gift letter to show the source of the down payment. Once the lender approved the mortgage instructions, the lender would send instructions to the solicitor. Once the solicitor registered the transfer and mortgage and obtained the mortgage proceeds from the lender, these were turned over to P. as being the seller of the property.

11. I worked in association with David Scorgie at Scorgie Park from 1999 to February 28, 2003. Scorgie Park employed K.B., an experienced real estate conveyance paralegal, who worked on real estate conveyances. K.B. worked at Scorgie Park from 1999 until David Scorgie fired her in the fall 2002. Thereafter, she continued to do conveyance work for me from her home and my home. K.B. and P. met at our office and began an intimate relationship of which David Scorgie disapproved as they were each married to others.
12. P. was charged with fraud. In January 2008 he pled guilty to 54 counts of fraud and received a six year sentence.

13. Others involved in P.'s fraudulent scheme who also pleaded guilty or were found guilty of fraud include:
 - a. P.B. – plead guilty to 10 counts of fraud and was sentenced to one year in custody;
 - b. R.C. – plead guilty to 5 counts of fraud and received a 90 day custodial sentence;
 - c. H. (“T.”) K. – plead guilty to 12 counts of fraud and received a three year custodial sentence;
 - d. T.L.E. – was found guilty of one count of committing fraud at the direction of a criminal organization, one count of conspiring to commit fraud, 12 counts of fraud, one count of knowingly using, dealing with or acting on forged documents, and one count of being wrongfully in possession of a Commissioner of Oaths Stamp. She was sentenced to a five year custodial disposition.
14. In connection with the P. matters, I was charged with fraud, conspiracy to commit fraud, and committing fraud for the benefit of a criminal organization. It was alleged that I conspired with P. and others to commit fraud upon various lending institutions.
15. After the close of the Crown’s case, my counsel brought an application for a directed verdict. Mr. Justice Ouellette granted the application and dismissed the counts of fraud and committing fraud for the benefit of a criminal organization. R. v. Scott James Park, 2009 ABQB 38. (Decision is attached and forms part of this Statement of Facts).
16. In subsequent reasons, Mr. Justice Ouellette also dismissed the charge of conspiracy to commit fraud. 2009 ABQB 470 (Decision is attached and forms part of this Statement of Facts).
17. My trial started in April 2008 and the Crown closed its case in December 2008. The Crown called 47 witnesses and over 200 exhibits were entered into evidence. The trial of these charges against me took 70 days over a nine-month period.
18. Mr. Justice Ouellette described his view of the evidence as it related to my involvement with P. generally in paragraphs 588 to 634 and 637 to 697 of his second decision (2009 ABQB 470).
19. In 2009, the Crown appealed both of Mr. Justice Ouellette’s’ decisions and acquittals.
20. The appeals were heard and dismissed by the Alberta Court of Appeal in September 2010. R. v. Park, 2010 ABCA 248. (Decision is attached and forms part of the Statement of Facts).
21. The Law Society’s investigation into my practice began in 2004.

22. The Law Society and I agreed to abey any citations pending resolution of the criminal charges against me. These citations were therefore directed in January 2012.
23. I have not been an active member of the Law Society of Alberta, nor have I practiced law, since July 25, 2005.

CONSPIRACY TO COMMIT FRAUD

24. The facts regarding these citations that the Law Society would rely upon are adequately noted in the decisions of Justice Ouellette and in the Summary of the Investigation Report dated January 19, 2011 (Summary is attached and forms part of the Statement of Facts).
25. As noted in these decisions, I was not found guilty of any of the criminal charges. This was affirmed by the Alberta Court of Appeal.
26. I understand that the test in the Law Society proceedings is different from that which is used by the courts in criminal proceedings (balance of probabilities vs. beyond a reasonable doubt).
27. I maintain my position of innocence in relation to these citations and certainly have concerns with some of the conclusions reached in the Summary of the Investigation Report, however, acknowledge and understand that if a Hearing Panel found me guilty of these citations, if proven on a balance of probabilities, that the likely sanction that would be imposed would be disbarment.
28. In order to:
 - (a) avoid a lengthy hearing into the merits of this matter;
 - (b) avoid inconveniencing upwards of 30 witnesses; and
 - (c) bring these long outstanding matters to a conclusion,I have elected to resign.

FAILING TO SERVE

29. For the Hearing Panel's information, my standard legal fees when I was practicing some 14 years ago were:
 - (a) \$400 for a sale;
 - (b) \$500 - \$600 for a purchase, if there was a mortgage financing.

Therefore my average fees were between \$800 to \$1000 if I was representing both sides of the transaction.

30. As was standard practice at the time, I represented the purchaser, seller and lender in the transaction. I acknowledge that I had an obligation to advise all parties of my multiple representation.
31. A real estate conveyance practice, due to the nature of the transactions and documents involved, is secretary intensive.
32. I handled approximately 250 real estate transactions for P.
33. I estimate that I charged fees of approximately \$250,000.00 in relation to the P. matters.
34. On many of the real estate files on which I acted for the Canadian banks:
 - (a) the adjustments were not made in accordance with the Statement of Adjustments because adjustments were made between P. and the buyer or seller and not through my office; and
 - (b) my office did not handle the cash to close.
35. At times, I did not advise the Canadian banks of potential irregularities in the P. real estate transactions, in that I did not advise the Canadian banks:
 - (a) of the rapid escalation of the property values of the land transactions which my office was conveying; and
 - (b) when a mortgage being placed on a property in a subsequent transaction exceeded the original first purchase price of the property, otherwise known as a "flip."
36. At the time of the transactions, I was not under direction or obligation by the Canadian banks to investigate transactions.
37. On several occasions, I did not follow to the letter the instructions given to me by the Canadian banks, in that I:
 - (a) acted for the vendor and the Canadian bank without informing them of the multiple representation;
 - (b) did not pay off the borrowers' debt as directed by the Canadian bank; and
 - (c) did not always follow to the letter the instructions given to me by the banks.
38. In addition, I also noticed that there were:
 - (a) a number of repeated transactions in the P. real estate transactions for the same property or with the same purchaser; and

(b) instances where P. would pay all closing costs of the parties;

but I did not bring these features to the attention of the Canadian banks.

39. In addition, I became aware of certain patterns on P.'s files which departed from ordinary real estate transactions. For example, P. told me that the deposits were purportedly paid by the purchasers directly to the vendor. I also noticed that there were a number of repeated transactions for the same property or with the same purchaser. Also, I did not charge legal fees to the purchasers. My legal fees were paid by P. Finally, P. asked me to make payments to unrelated third parties without justification or written instructions. These common features caused me some concern. However, I did not bring these features to the attention of the Canadian banks.

IMPROPERLY DEALING WITH TRUST FUNDS

40. The Law Society investigator identified payments totaling \$167,437.91 which I paid out of my trust account to me, my professional corporation or my company L.N. Ltd. Some of these payments were identified on my trust ledger as a loan payment. I have no documentation recording loans between me and the clients. I am therefore unable to prove that I have properly dealt with trust funds. Because I have no documentation relating to loans between me and the clients, I cannot prove that the money paid to me from my trust account as a loan repayment is in fact that.
41. For some payments that I paid to me, my professional corporation or L.N. Ltd., I recorded no explanation in my trust ledger. When interviewed by the Law Society, I explained that I was unable to remember the reason for some of these things. I believe some of these payments were to repay me for the loans to the clients, and some of these payments I believed were payment for my legal services. However, there were no statements of account or other documentation to prove that I properly dealt with these trust funds.
42. I paid \$61,620.04 to K.B. from my trust account. I wrote these cheques. I am not able to establish that this money was properly paid out of my trust account to K.B.
43. Finally, I deposited six payments totaling \$46,324.21 into my trust account. The money came from either me, my professional corporation or L.N. Ltd. I am not able to establish this money was properly paid into my trust account by me, my professional corporation or L.N. Ltd.

CONFLICT OF INTEREST

44. I prepared the documents for the vendor, purchasers and lender for the conveyance of xxxxx – 87th Street in Edmonton. I did not advise the vendor or lender to obtain independent legal advice. After the conveyance, my company L.N. Ltd. placed a second mortgage against this home.

45. I acted for the vendor and lender on the conveyance of xxxxx – 96th Street in Edmonton. The lender's instructions specifically required that I not act for the vendor. I disregarded those instructions.
46. Before the 96th Street property was conveyed to the purchaser, I paid \$2,000.00 of the purchaser's deposit to a third party. I did not understand that this deposit was to be held by me as security for the purchaser until the property was conveyed.
47. I acted for the vendor, lender and purchaser on the conveyance of xxxxx – 87th Street in Edmonton. I disclosed this multiple representation to the purchaser and have the purchaser's written consent. I cannot establish that I disclosed my multiple representation to the vendor or lender or received their signed consent.
48. I acted for the vendor, lender and purchaser on the conveyance of xxxxxx – 98th Street in Edmonton. I did not tell the purchaser that I was also acting for the vendor.
49. I was aware the Code of Professional Conduct required me to disclose potential conflicts of interest to my clients where I was acting for more than one party to a real estate transaction. My general practice was to advise clients of conflicts of interest or potential conflicts of interest, however, on some occasions, I did not disclose my multiple representation to my clients, recommend they seek independent legal advice or document the file.

FAILURE TO PROPERLY SUPERVISE SUPPORT STAFF

50. My conveyancing assistant K.B. began to date P. sometime after he became my client. K.B. and P. remained a couple until she left my employ.
51. K.B. testified at the trial of the criminal charges against me that she trusted P. implicitly and carry out his instructions, even if his instructions countermanded my instructions, resulted in prejudice to my clients and/or were against the Rules of Professional Conduct.
52. K.B. failed to discharge five mortgages which I had undertaken to discharge as part of real estate conveyances. In each of these five cases, a new mortgage was being placed on title. The proceeds of the new mortgage were to be used to discharge the existing mortgages. In each case, K.B. did not carry out my instructions to pay off the existing mortgages and discharge them. Rather, on P.'s instructions, she used the mortgage proceeds for other purposes with the result that the existing mortgages remained on title.
53. I was not aware K.B. was countermanding my instructions at P.'s request. If I had supervised K.B. more closely, I could or should have been aware of P.'s interference in my practice.
54. Finally, K.B.'s failure to execute my instructions to discharge existing mortgages with new mortgage proceeds caused me to breach undertakings to the lenders.

55. I acknowledge that had I actually spent more time on my real estate transaction files and had more “checks and balances” in my trust accounting and reviewed the files fully, I would have caught the undischarged mortgage issues, and possibly K.B.’s deception.

BREACHES OF UNDERTAKINGS

56. There are five mortgages which I undertook to discharge so that the purchaser’s title would not be encumbered by prior mortgages. In each of these five cases, I instructed K.B. to use the new mortgage proceeds to pay out the existing mortgages and to register a discharge of mortgage thereafter. In each of these five cases, K.B. did not carry out my instructions. I therefore breached each of these five undertakings to discharge existing mortgages.

BREACH OF LAW SOCIETY ACCOUNTING RULES

57. I paid money out of trust to myself, my professional corporation and L.N. Ltd. These payments totaled \$167,437.91. I have no documentation supporting these payments out of my trust account. I acknowledge this to be a breach of Law Society Accounting Rules.
58. I paid \$61,620.04 from my trust account to K.B. I have no documentation supporting these payments. I wrote these cheques to K.B. without written direction of the client for whom I was holding the trust funds. I acknowledge this to be a breach of Law Society accounting rules.
59. I made loans of trust money to my clients and I received loans from my clients which I placed into trust. I acknowledge this to be a breach of Law Society accounting rules.
60. I paid \$2,790.00 from my trust account for my curling team to my mother. I have no written direction to pay this money. I acknowledge this to be a breach of Law Society accounting rules.
61. I created a trust account for H.P.S. I did not do transactions for H.P.S. but rather used that trust account as a bank account for that company. I acknowledge this to be a breach of Law Society accounting rules.

ALL OF THESE FACTS ARE ADMITTED THIS 9th DAY OF OCTOBER, 2013.

SCOTT JAMES PARK

ATTACHMENT TO STATEMENT OF FACTS

SUMMARY

Participation in fraud against the mortgage lenders

Scott Park:

- Recruited a straw buyer, introduced him to the fraudster P., selected three properties for purchase and facilitated fraudulent mortgage applications.
- Paid a \$5,000 fee to the straw buyer from his personal account. He had earlier written an NSF cheque to the straw buyer from his company's account.
- Gave fees and mortgage payments to two straw buyers from his clients' trust accounts.
- Acted for the mortgage Lender on a transaction while actively participating in a fraud against the lender client.
- Participated in a fraud against a mortgage lender.
- Through his Company, became owner of properties and assumed the mortgages which had been fraudulently obtained.
- Controlled several properties of a straw buyer.
- Confirmed the inflated value of properties in affidavits on two occasions.

Facilitating an improper purpose

Scott Park assisted the fraudsters' scheme by:

- Assuring his Assistant that they could accept that deposits and cash to close had been paid if the parties told them it had.
- Failing to protect the Lenders and notify them of suspicious transactions
- Ignoring the Lenders instructions to him
- Ignoring the Lenders requirement that the property be owner occupied
- Deviating from standard real estate practice.
- Allowing a fraudster to sign using an alias.
- Acknowledged receipt of funds not actually paid.
- Ignoring mortgage fraud "red flags" or danger signals where they appeared in the transactions, such as:
 - Large value increases in a short period of time
 - Numerous repeat buyers
 - Legal fees and disbursements paid by the opposite party or a third party
 - Legal account not rendered on all files
 - No adjustment of property taxes
 - Loan amounts greater than earlier property values
 - Sales agreement by other than registered owner of property
 - Purchaser using funds from a non personal source

- Payment of deposit money prior to closing to third parties
- Transaction not at arms length
- Acting for all parties to the transaction
- The same parties involved in multiple transactions
- Payment of funds to unrelated parties or transactions

Conflicts of Interest

Scott Park:

- Through his Company, received a secret benefit unknown to his client.
- Did not always disclose that he was acting for other parties to the transaction, his potential conflicts of interest, or obtain written acknowledgements from his clients
- Did not advise his Lender clients of information which would be detrimental to his fraudster clients
- Lacked understanding of his position as stakeholder for client deposits

Undischarged Mortgages

Scott Park admitted to failing to discharge mortgages from sale proceeds as he was obligated to do. He ascribed the failure to a reliance on his Assistant K.B. He accepted that the ultimate responsibility was his.

K.B. acknowledged that she had failed to discharge mortgages at the request of the fraudster P., but that she had done that without Park's knowledge.

Park failed to adequately supervise his staff and was negligent in not reviewing the handling of funds on his client files.

Undocumented payments to Park and his Assistant

Scott Park and his Company received numerous payments from his clients' trust accounts totaling more than \$121,000. All were undocumented and many without reasonable explanation.

Park's Assistant, K.B., received numerous payments from Park's trust account totaling over \$61,000. All payments were undocumented and many without reasonable explanation from either Park or K.B.

Use of Trust Account

Scott Park made inappropriate use of his trust accounts for himself, his curling team, and for the fraudsters. The H.P.S. account was treated as a bank account for the fraudster P. There were few client matters for H.P.S., but many receipts from various sources and other trust accounts

were posted. Many payments from that account were made to parties not related to any transaction by H.P.S. through Park.