

**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 SARJAN LUTHRA
A MEMBER OF THE LAW SOCIETY OF ALBERTA**

ORDER OF THE HEARING COMMITTEE

UPON THE ISSUANCE OF A CITATION by the Law Society of Alberta (LSA) to Sarjan Luthra pursuant to section 56 of the *Legal Profession Act* (the Act);

AND WHEREAS:

- a) Sarjan Luthra signed a Statement of Admitted Facts and Admission of Guilt (the Statement, attached to this Order) in relation to his conduct on April 22, 2020;
- b) Sarjan Luthra admits in the Statement that the conduct set out in the Statement is deserving of sanction;
- c) On May 12, 2020, the Conduct Committee found the Statement acceptable, pursuant to subsection 60(2) of the Act;
- d) On June 3, 2020, the Chair of the Conduct Committee appointed a single Bencher as the Hearing Committee (Committee) for this matter, pursuant to subsection 60(3) of the Act;
- e) Pursuant to subsection 60(4) of the Act, it is deemed to be a finding of this Committee that Sarjan Luthra's conduct is deserving of sanction;
- f) On August 28, 2020, the Committee convened a public hearing into the appropriate sanction related to the conduct of Sarjan Luthra;
- g) The LSA and counsel for Mr. Luthra have provided a joint submission on sanction for the Committee's consideration, seeking a reprimand and a fine of \$8,500.00;
- h) The parties have also agreed that it is reasonable for Sarjan Luthra to pay \$1,500.00 in costs in relation to this matter;

- i) The Committee has determined that the joint submission is reasonable, consistent with sanctions in similar cases, does not bring the administration of justice into disrepute and is therefore in the public interest;
- j) The Committee has accepted the joint submission on sanction, and accepted the submission with respect to the payment of costs.

IT IS HEREBY ORDERED THAT:

1. The appropriate sanction with respect to Sarjan Luthra's conduct is a reprimand, which was delivered orally by the Committee to Sarjan Luthra and a fine of \$8,500.00
2. The text of the reprimand will be attached to this Order as a schedule prior to the Order being published.
3. Sarjan Luthra must pay costs in the amount of \$1,500.00.
4. The fine of \$8,500.00 and costs of \$1,500.00 are payable in 11 monthly increments of \$500 commencing September 15, 2020, followed by one final payment of \$4,500 due August 15, 2021.
5. No Notice to the Profession or Notice to the Attorney General is to be made.
6. The exhibits and this order will be available for public inspection, including the provision of copies of exhibits for a reasonable copy fee, except that identifying information in relation to persons other than Sarjan Luthra will be redacted and further redactions will be made to preserve client confidentiality and solicitor-client privilege (Rule 98(3)).

Dated at Calgary, Alberta, on August 28, 2020.

Stacy Petriuk, QC

IN THE MATTER OF *THE LEGAL PROFESSION ACT*
AND
IN THE MATTER OF A HEARING REGARDING THE CONDUCT OF
SARJAN LUTHRA
A MEMBER OF THE LAW SOCIETY OF ALBERTA

STATEMENT OF ADMITTED FACTS AND ADMISSION OF GUILT

INTRODUCTION

1. I was admitted as a member of the Law Society of Alberta in June of 2001.
2. My present status with the Law Society of Alberta is Active/Practicing.
3. I practice in Edmonton, primarily in the area of Real Estate Conveyancing.

CITATION

4. On November 14, 2019, the Conduct Committee Panel (CCP) referred the following conduct to hearing:
 1. It is alleged that Mr. Luthra failed to satisfy trust conditions and that such conduct is deserving of sanction.

ADMITTED FACTS

6. I acted on behalf of the purchaser 144 Ltd. in a real estate transaction for a property located in Edmonton ("the property"). The Complainant A.K. is a mortgage broker who represented two lenders on the transaction.
7. On September 7, 2017, I received the Residential Purchase Contract for the transaction. The property had a purchase price of \$200,000.00, with the purchaser putting a deposit of \$10,000.00 down. The deal was to close on September 29, 2017.
8. On October 9, 2017, 144 Ltd. entered into an assignment agreement with E.H. Inc. for assignment of 50% of interest in the property in exchange for payment of a further \$10,000 deposit to the vendor.
9. On October 18, 2017, I received mortgage instructions from the lenders, which included the following trust conditions:

- a. that I draft and secure a mortgage in favour of the two lenders and I that I register the mortgage as a first charge, subordinate to no other mortgages;
 - b. that I obtain an insurance binder naming the lenders as first loss payees;
 - c. that I ensure the borrower provided 6 post-dated cheques payable in specified amounts to each of the two lenders, the first cheque dated December 1, 2017 and each subsequent cheque dated for the first day of each calendar month thereafter.
10. On October 20, 2017, A.K. instructed me to register a caveat on the property in favour of 144 Ltd. pursuant to its assignment agreement with E.H. Inc. ("the Caveat").
 11. On October 22, 2017, 144 Ltd. executed another assignment agreement which indicated that the 144 Ltd. would, in exchange for the payment by E.H. Inc. of a \$10,000 further deposit and \$30,000 of the cash to close, assign 100 % ownership of the property to E.H. Inc., with 144 Ltd. to receive 50% of the net proceeds on the eventual sale of the property. That agreement also indicated that the closing date was extended from September 29, 2017 to October 25, 2017.
 12. On October 24, 2017, E.H. Inc. executed the closing documents. My office sent the documents, including the mortgage and the Caveat to the Land Titles Office for registration. The mortgage documents were rejected by as E.H. Inc. had been struck from the corporate registry, but the Caveat was registered on title.
 13. On January 8, 2018, a member of my staff, J.H., sent an email to A.K. advising that E.H. Inc. was struck from the corporate registry for failing to file annual returns for 2016 and 2017 and requested the necessary information to have the company reinstated.
 14. On January 11, 2018, A.K. advised J.H. that Y.C. Corp would replace E.H. Inc. as purchaser and mortgagor and confirmed that all other trust conditions remained the same.
 15. The documents were revised to reflect Y.C. Corp. as the purchaser and mortgagor and were registered with Land Titles on February 20, 2018. My office then requested and disbursed the mortgage funds.
 16. On April 7, 2018, I wrote to the lenders enclosing copies of the closing documents and indicated that the insurance binder would follow. I did not ever provide the insurance binder, and therefore I failed to satisfy the trust condition to do so.
 17. I also failed to obtain post-dated cheques payable to the lenders, and therefore I failed to satisfy the trust condition to do so.

ADMISSIONS OF FACT AND GUILT

18. I admit as facts the statements in this Statement of Admitted Facts and Admission of Guilt for the purposes of these proceedings and section 60 of the *Legal Profession Act*.
19. I admit that I failed to satisfy trust conditions and that such conduct is conduct deserving of sanction.

20. I acknowledge I have had the opportunity to consult legal counsel and that I have consulted legal counsel.
21. I acknowledge that I have signed this Statement freely and voluntarily.
22. I acknowledge that I understand the nature and consequences of this Admission.
23. I acknowledge that, although entitled to deference, a Hearing Committee is not bound to accept a joint submission on sanction.

**THIS STATEMENT OF ADMITTED FACTS AND ADMISSION OF GUILT IS MADE THIS 22
DAY OF April, 2020.**

"Sarjan Luthra"
SARJAN LUTHRA

Reprimand

I am to take a purposeful approach to sanctioning a member who has been found guilty of conduct deserving of sanction. That purpose is to protect the best interest of the public and to protect the reputation and standing of the legal profession.

Mr. Luthra, I acknowledge your cooperation with the Law Society of Alberta leading up to today by agreeing to the Statement of Admitted Facts and Admission of Guilt and the joint submission on sanction. I acknowledge, sir, that you took responsibility for this right away, and as such, we could proceed with a single Bencher hearing.

Your cooperation and admissions permitted this citation to be resolved on a more efficient basis, and that is not just a benefit to you, sir, but also to the public and the Law Society of Alberta.

In this instance, you admitted to failing to satisfy two trust conditions. These trust conditions were in the context of a residential purchase and sale. It is my understanding that your practice is primarily real estate, and as such, you understand the importance of trust conditions, not just with respect the practice of law generally, but also how important it is in real estate transactions that trust conditions are strictly adhered to and followed.

Sir, lawyers need to be trusted. When we say we will do something the public has to know we will honour this, and trust conditions are a lawyer's promise to do something. Trust conditions hold a special place in the legal profession. The legal profession, your clients and the public generally must be able to rely on a lawyer honouring and following any trust conditions given. It is an important part of how the legal profession operates. When trust conditions are not followed or failed to be fulfilled it causes harm to the client involved, to the legal profession and to the public.

In this instance, sir, you failed to follow two trust conditions, and you are reprimanded for that. I hope that you have learned from your missteps. I hope you have instituted methods and processes at your office to avoid this situation in the future. Sir, you are obliged to learn from this, but also to move forward and I know you will not do it again. I know you have looked at what you have done, and I know that based on the fact that you took responsibility for it right away. And I know that you know what you need to do, and what practices and processes you need to put into your office to ensure this does not happen again.

Mr. Luthra, I wish you all the best of luck. It is my sincere belief that you will move forward from this having learned from it, and will be in a position to serve your clients better. Thank you, sir and take care.