

# Disciplinary proceedings against two lawyers connected to accused fraudster Arash Missaghi delayed

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Frederick Yack and Shahryar Mazaheri were connected to Arash Missaghi in legal documents and also in the suicide note of Alan Kats, a man who was allegedly defrauded by Mr. Missaghi of more than \$1-million in life savings.

COLIN N. PERKEL/THE CANADIAN PRESS

Proceedings by the Law Society of Ontario aimed at disciplining two lawyers who worked with alleged serial fraudster Arash Missaghi have been delayed, stalling a matter the law society indicated last week was one of urgency to protect the public.

The law society filed notice last week seeking an interim suspension of the licences of Frederick Yack and Shahryar Mazaheri and scheduled expedited hearings which were to have begun Tuesday. Allowing the two to keep working would mean “a significant risk of harm to members of the public,” the law society said in its statement Friday.

But at the request of lawyers for the pair, the law society granted an adjournment, with new hearing dates for the end of August and the beginning of September. Mr. Yack and Mr. Mazaheri will be able to practise law pending their hearing and are allowed to continue promoting their legal services to the public. However, both will be restricted from handling trust accounts.

Mr. Yack and Mr. Mazaheri were connected to Mr. Missaghi in legal documents and also in the suicide note of Alan Kats, a man who was allegedly defrauded by Mr. Missaghi of more than \$1-million in life savings. Mr. Kats shot and killed Mr. Missaghi and his business associate, Samira Yousefi, in June in their office.

In a complaint to the law society, Mr. Kats alleged the two lawyers have been instrumental in facilitating Mr. Missaghi’s fraud. Both lawyers have denied wrongdoing through their own lawyers.

A Globe investigation revealed both lawyers have been sued by several plaintiffs in unproven claims arising from property-and-mortgage work in

cases in which Mr. Missaghi is also often named as a co-defendant. The law society had not taken any action against Mr. Yack and Mr. Mazaheri until last week. At least seven lawyers are known to have worked with Mr. Missaghi and five have been disciplined or disbarred.

Law society tribunal records now show that Mr. Yack is at the centre of three law society complaint investigations with allegations that include failing to prevent dishonesty, fraud, crime or illegal conduct and possibly misappropriating or mishandling money placed in trust.

Mr. Mazaheri is the focus of a single unresolved law society investigation alleging that he knowingly failed to prevent dishonesty, fraud, crime or illegal conduct and that he may have failed to prevent unauthorized provision of legal services.

Arash Missaghi's passport photo. A Globe investigation revealed lawyers Frederick Yack and Shahryar Mazaheri have been sued by several plaintiffs in unproven claims arising from property-and-mortgage work in cases in which Mr. Missaghi is also often named as a co-defendant.

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David Milosevic, a lawyer and certified fraud examiner with experience litigating cases of professional negligence, said the restrictions barring the lawyers from handling trust accounts are severe.

“That effectively prevents them from running their practice. A lawyer needs to have a trust account to receive funds, to disperse funds,” he said. “You can’t receive funds in trust so effectively you’re not able to take on new clients ... if you want to pay yourself from your clients that now owe you money, you can’t.”

Mr. Milosevic said hearing delays like this are not uncommon. He noted the law society tribunal issued a “peremptory” order to Mr. Yack and Mr. Mazaheri, suggesting that there’s limited patience for further delay.

“When there’s a peremptory order, it means whether you’re there or not, whether you get hit by a car on the way there, this is going forward,” Mr. Milosevic said.

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