

IN THE SOLICITORS DISCIPLINARY TRIBUNAL

BETWEEN:

SOLICITORS REGULATION AUTHORITY LTD **Applicant**

and

PETER KENNETH FELTON GERBER **Respondent**

ANSWER

1. The Respondent (“PFG”) pleads to the Allegations against him as follows: -

(a) 1.1

PFG admits breaches of Principle 2 and Rule 1.4.

PFG denies breaches of Principles 4 and 5.

(b) 1.2

PFG admits breaches of Rule 7.1 and 2.1.

PFG denies a breach of Principle 2.

The same applies to the predecessor provisions.

(c) 1.3

PFG admits breaches of Principle 2 and Rule 7 (4) (a).

PFG denies breaches of Principles 4 and 5.

(d) 1.4

PFG admits a breach of Rule 3.3.

PFG denies breaches of Principles 2 and 5.

(e) 1.5

PFG admits a breach of Rule 2.5.

PFG denies a breach of Principle 2.

The same applies to the predecessor provisions.

2. References to paragraph numbers below are to the paragraphs of the Rule 12 Statement.
3. Paragraph 2 – recklessness is denied with respect to Allegations 1.1 and 1.3. In neither of these cases did PFG perceive there to be a material risk.
4. Paragraph 4 – the exhibited documents are accepted to be true copies of the originals.
5. Paragraphs 6 – 8 are admitted. The contents of the Forensic Investigation Report are not to be taken as admitted save where appears otherwise by implication in this document.

6. Paragraphs 9 – 13 are admitted.
7. Paragraph 14 is denied. PFG has requested copies of all notes made by Mr Ferrari during the course of his investigation.
8. Paragraphs 15 – 21 are denied particularly where they consist of submissions.
9. Paragraphs 22 – 24 are admitted in so far as they set out the law but not where they consist of submissions.
10. Paragraphs 25 – 28 are denied.
11. Paragraphs 29 – 43 are admitted.
12. Paragraph 44 is admitted but it is partial.
13. Paragraph 45 is admitted.
14. Paragraph 46 is admitted.
15. Paragraphs 47 and 48 are accepted only in so far as they relate to the admissions to the allegations made above.
16. Paragraphs 49 and 50 are denied.

17. Paragraph 51 – the cited paragraphs have been dealt with above.
18. Paragraphs 52 – 55 are admitted.
19. Paragraphs 56 – 58 are denied.
20. Paragraph 59 is admitted.
21. Paragraphs 60 – 62 are denied.
22. Paragraphs 63 – 67 are admitted.
23. Paragraph 68 is partial – please see above.
24. Paragraph 69 is denied.
25. Paragraphs 70 – 72 are admitted.
26. Paragraphs 73 – 76 are denied.
27. Paragraphs 76 and 77 are denied.
28. Paragraphs 78 – 80 are admitted.

29. Paragraph 81 is partial – see above.
30. Paragraphs 82 – 83 are admitted.
31. Paragraph 84 is denied.
32. Paragraph 85 is admitted.
33. Paragraph 86 is denied.
34. Paragraph 87 is denied.
35. Paragraph 88 is admitted but is partial.
36. Paragraph 89 is admitted.
37. Particular matters of relevance with respect to the denials set out above are as follows
but are not exhaustive: -

(A) Allegation 1.1

- i. PFG's staff were made redundant in August 2020 leaving PFG as a sole practitioner.
- ii. PFG believed that his staff had been properly trained with respect to

AML requirements albeit that their training was not formal in nature.

All staff previously employed were fully aware of AML procedures in so far as their work was in scope.

- iii. PFG was at all times fully aware of his responsibilities and carried out AML client ID and source of funds checks on all relevant matters.
- iv. Evidence will be adduced to the effect that PFG's insurers are content that they were not in any way misled.

(B) Allegation 1.2

- i. PFG mistakenly believed that it was sufficient compliance to maintain AML records on individual client files.
- ii. PFG conducted very little in-scope work – about 5.75% of the total.
- iii. It has never been suggested that any money laundering took place at PFG's practice.
- iv. Whilst the investigation was ongoing PFG obtained template documents, completed them and was told that SRA was satisfied that he was then fully compliant.

(C) Allegation 1.3

- i. At the material time PFG genuinely believed that he had a compliant firm wide risk assessment in place.
- ii. PFG was effectively “the firm.”
- iii. PFG personally conducted risk assessments on each and every in-scope matter in which he was instructed.

(D) Allegation 1.4

- i. Companies A and C were connected.
- ii. Company A received and held dividends from Company C.
- iii. Company B had a designated deposit account within the client ledger of the firm.
- iv. The relevant funds were all held for what was known as the Newlyn Group.
- v. The Group’s Bank was threatening to de-bank the Group as it did not wish to be associated with a particular individual. This would have caused the entire Group to collapse.

- vi. The transfers made were with a view to preventing such collapse.
PFG genuinely believed that he was undertaking an underlying legal commercial transaction in protecting the Group – his client

- vii To provide some context, it is important to also stress that at this time the Newlyn group was also facing the reality, that owing to the Covid pandemic and the restrictions in undertaking any enforcement work meant that the company no longer had any income stream with which to support its borrowing and the concern was that that might also cause the bank to close all the accounts.

- viii The funds were all the legally held funds of the Group. They were returned within 3 weeks of receipt. PFG did not charge a fee.

(E) Allegation 1.5

- i. PFG was instructed with respect to the recovery of unpaid Council Tax.

- ii. The London Borough of Brent (“Brent”) provided PFG with a “float” to be held in client account to enable PFG to move quickly with enforcement proceedings on behalf of Brent.


- iii. There came a time when Brent outsourced this function to Capita.

This proved a disaster. In particular Capita declined to discuss the situation with PFG.

- iv. The accounting exercise was left entirely to PFG. It was a tortuous process.
- v. In the event it was ascertained that the vast bulk of the monies held were due to PFG for costs and disbursements. The remaining small balance was remitted.
- vi. No complaint was made to PFG in relation to this matter.

38. PFG relies upon the representation made on his behalf by Murdochs Solicitors and will supplement this document by a proof of evidence in due course.

Dated: 10th September 2024

 11/9/24.
Geoffrey Williams

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