

Case No:

BEFORE THE SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 (as amended)

AND IN THE MATTER OF:

SOLICITORS REGULATION AUTHORITY LIMITED

Applicant

and

ERIC KAWOYA KABUYE

Respondent

**STATEMENT PURSUANT TO RULE 12(2) OF THE SOLICITORS (DISCIPLINARY
PROCEEDINGS RULES) 2019**

I, **TINA WHITMAN**, am a Solicitor and Legal Director at Blake Morgan LLP of One Central Square, Cardiff, CF10 1FS.

I make this Statement on behalf of the Applicant, the Solicitors Regulation Authority Limited ("**SRA**").

The Allegations

1. Between March 2022 and July 2023, the Respondent, Mr Eric Kawoya Kabuye, while in practice as a solicitor, sole manager, director, COLP and COFA at Queenscourt Law Ltd t/a Hamilton Solicitors ("**the Firm**"):

1.1 Facilitated and/or failed to prevent the Firm facilitating fraudulent, or potentially fraudulent, property transactions which caused the Firm to have a minimum client account shortage of £825,368.00, and a potential further client account shortage of up to £1,610,000.00, which had not been replaced as at 6 July 2023.

By doing so, the Respondent breached any or all of Principles 2 and 5 of the SRA Principles 2019 ("**the Principles**"), Paragraph 4.2 of the SRA Code of Conduct for Solicitors, RELs and RFLs ("**the Code**"), Paragraphs 5.2 and

Sensitivity: General

9.2(a) of the SRA Code of Conduct for Firms ("**Code for Firms**") and Rules 5.3 and 6.1 of the SRA Accounts Rules ("**Accounts Rules**").

- 1.2 Used, or allowed the use of, the Firm's client account as a banking facility by distributing, or permitting the distribution of, the proceeds of sale from property transactions to third parties.

By doing so, the Respondent breached Rule 3.3 of the Accounts Rules.

- 1.3 Demonstrated a lack of control, supervision, governance and oversight of the Firm.

By doing so, the Respondent breached any or all of Principles 2 and 5 of the Principles and Paragraphs 2.1(a) and 4.4 and 8.1 of the Code for Firms.

- 1.4 Failed to co-operate with the SRA's investigation adequately, or at all.

By doing so, the Respondent breached any or all of Principle 2 of the Principles and Paragraphs 7.3 and 7.4 of the Code.

- 1.5 In addition, manifest incompetence is alleged as an aggravating factor in respect of allegation 1.3 above, but it is not an essential ingredient in proving the allegation.

The facts and matters relied upon in support of the Allegations are set out in paragraphs 14-145 below.

Appendices and Documents

2. I attach to this Statement the following appendices:

- 2.1. Appendix 1: Relevant Rules and Regulations

- 2.2. Appendix 2: Chronology

3. I also attach to this statement a bundle of documents, marked "**Exhibit TW1**", to which I refer in this statement. Unless otherwise stated, page references in this statement relate to documents contained in that bundle.

4. The bundle is divided into the following sections:

- 4.1. Section A: Forensic Investigation Reports and Selected Appendices

- 4.2. Section B: Extracts from Transaction Files

- 4.3. Section C: SRA Investigation

Professional Details

5. The Respondent was born on 23 March 1962 and was admitted to the Roll on 17 November 2003.
6. The Respondent purchased the Firm in September 2021 and became a director on or around 20 September 2021 and was listed with Companies House as the person with significant control of the Firm from 30 September 2021.
7. The Respondent became the Compliance Officer for Legal Practice and Compliance Officer for Finance and Administration on 7 December 2021.
8. The Respondent became the sole Director of the Firm on 13 June 2022.
9. The Respondent was based at the Firm's office at Ground Floor, 29 Lincoln's Inn Fields, Holborn, London, WC2A 3 EG.
10. The SRA intervened in the Firm on 6 July 2023 [**TW1, 433-442**].
11. The Respondent's practicing certificate was suspended due to the intervention. The suspension was lifted on 20 September 2023, subject to the following conditions [**TW1, 474**];
 - 11.1 The Respondent is not a manager or owner of any authorised body.
 - 11.2 Subject to the condition above, the Respondent may act as a solicitor, only as an employee where the role has first been approved by the SRA.
 - 11.3 The Respondent may not act as a COLP or COFA for any authorised body.
 - 11.4 The Respondent does not hold or receive client money, or act as a signatory to any client or office account or have the power to authorise transfers from any client or office account.
 - 11.5 The Respondent may not provide legal services as a freelance solicitor offering reserved or unreserved services on his own account.
12. The Respondent's practising certificate was renewed on 9 May 2024 and remains subject to the above conditions [**TW1, 473-474**].

13. On 29 July 2024, Montas Solicitors (SRA 537136) was granted approval to employ the Respondent as a consultant solicitor subject to conditions at its offices at 97 High Street, Thornton Heath, CR7 8RY [TW1, 499-507].

Background

14. The conduct in this matter came to the attention of the SRA on 13 July 2022, when the SRA received an anonymous report stating that the Firm had acted in a suspected fraudulent sale of a property, **Client A** (“Priests Lane”).
15. The Respondent self-referred to the SRA on 26 July 2022, reporting that the Firm had acted in the sale of Priests Lane and been informed a month after completion that the Firm’s client had not been the rightful owner of the property, although the Respondent believed the transaction to be genuine [TW1, 210].
16. A Forensic Investigation Officer, Mr Sean Grehan, (“**the FIO**”) was appointed by the SRA to investigate.
17. Further evidence can be found in the Interim Forensic Investigation Report (“**IFIR**”) dated 7 June 2023 [TW1, 3-37], the Final Forensic Investigation Report (“**FFIR**”) dated 5 October 2023 [TW, 133-153], the statement of **JH** dated 24 May 2023 [TW1, 215-218] and **HS** dated 5 June 2023 [TW1, 318-320].
18. In summary, the evidence shows:
- 18.1 That the Firm, which was under the management and supervision of the Respondent, acted in fraudulent or potentially fraudulent property transactions which caused the Firm to have a minimum client account shortage of £825,368, and a potential significant further client account shortage of up to £1,610,000, which had not been replaced as at 6 July 2023.
- 18.2 That the Respondent as the sole manager and COLP and COFA of the Firm did not have adequate control over the Firm, its accounts and its employees or adequate policies, procedures and systems in place in

relation to employment, accounts management and anti-money laundering (“AML”).

- 18.3 The Respondent failed to fully respond and engage with the SRA's forensic investigation in 2023.

Allegation 1.1 – Engagement in property transactions which caused the Firm to have a client account shortage

Allegation 1.2 – Use of the Firm's client account as a banking facility

The facts and matters relied upon in support of allegations 1.1 and 1.2

Transaction 1 - [REDACTED] Priests Lane, [REDACTED]

19. At 14.41 on 23 May 2022, the Respondent received an email from **Client A** [REDACTED]@gmail.com, copied to **Client B** [REDACTED]@outlook.com, asking the Firm to act on his behalf in the sale of his property at [REDACTED] Priests Lane, stating ‘*your firm has been recommended to me by a friend...Property has an agreed sale price of £825,000*’ [TW1, 175].
20. The Respondent instructed Paul Green, an unadmitted Caseworker, to provide a fee quotation of £2,207.00, which was accepted by ‘**Client A**’ at 15.52 on 23 May 2022 [TW1, 175].
21. Mr Green sent a Client Care Letter dated 23 May 2022 [TW1, 179-187]. There was no postal or email address given. This letter stated that ‘*[the Respondent], a Solicitor and Principal of this firm, will be responsible for the day to day conduct of this matter*’. The Respondent was also named as the Client Care Supervisor. The recipients of the letter were informed ‘*Please note that we are obliged to ascertain your ID. Kindly therefore provide us with two forms of ID; (photographic ID) your passport, driving licence, (Proof of Address ID) – utility bills, credit card bank statements in order to ascertain your identity*’.
22. The Client Care Letter was returned by email, signed by ‘**Client A**’ and ‘**Client B**’, on 24 May 2024 [TW1, 187].
23. On 25 May 2024, Mr Green emailed Ellisons Solicitors, which was acting for the buyer of Priests Lane, to ‘*confirm that we are instructed by our clients **Client A** [REDACTED] and **Client B** [REDACTED] in the proposed sale of [Priests Lane]. We understand the sale price to be £825,000, subject to contract. The principal of the firm is [the*

Respondent] and he will be the supervising solicitor in this matter. I will be dealing with the day-to-day progress...we also understand that this is an urgent matter...'
[TW1, 188].

24. A telephone note dated 25 May 2022 states '**Client A** called in the office told us that the protocol [sic] forms have been delivered to your office' [TW1, 189].
25. Mr Green emailed '**Clients A&B**' on 25 May 2022; '*to confirm that we have received package containing Fitting and contents form and Property information form along with copies of your Passport and Proof of your address. Yourself and **Client B** need to make an appointment to come into the office with the original documents'* [TW1, 190].
26. The documentation referred to in Mr Green's email of 25 May 2022 included;
 - 26.1 TA10 Law Society Fittings and Contents Form signed on 25 May 2022 [TW1, 191]
 - 26.2 TA6 Law Society Property Information Form signed on 25 May 2022 [TW1, 192]
 - 26.3 Irish Passport issued on 18 January 2017 to **Client A** and certified as a true copy by 'Mohammed Alyas of MA Solicitors' on 20 May 2022 [TW1, 259].
 - 26.4 Irish Passport issued on 9 March 2020 to **Client B** and certified as a true copy by 'Mohammed Alyas of MA Solicitors' on 20 May 2022 [TW1, 258].
 - 26.5 Lloyds Bank Business Account statement for **Company A**,
[REDACTED], [REDACTED] d,
for the period 1-31 May 2022. The bank statement had been stamped by 'Topstone Solicitors Limited' [TW1, 263].
27. The SRA had issued an Alert on 16 February 2022 [TW1, 426-427] warning of a document stamp misusing the name of Mr Mohammed Alyas at MA Solicitors. The SRA advised that '*if you receive correspondence claiming to be from [MA Solicitors] or [Mr Mohammed Alyas]...you should conduct your own due diligence by checking the authenticity of the correspondence by contacting the law firm directly by reliable and established means'*.

28. On 9 June 2022, the contract and TR1 was sent out to 'Clients A&B' for signature and were returned on 15 June 2022 [TW1, 194].
29. On 16 June 2022, the Firm received a hand delivered letter signed by 'Client B' and 'Client A' stating *'we are now advised that we should be exchanging and completing on this matter imminently. We do not have a joint account, however we have as of yesterday 15th June 2022, acquired a 40% stake in a business Company A and we are both Directors and my husband is already on the bank account for the Company. We submit a copy of a Bank Statement by way of proof of this fact. We have yet to actually pay for our stake in the Company and have advised the Company's main shareholder, Mr [REDACTED], that the purchase funds will be coming direct from our sale of the property. To this end, Please send the sale balance (after your costs and disbursements) to the following bank details [for] Company A'* [TW1, 195].
30. Emails exchanged between Mr Green and **Ellisons Solicitors** on 16 June 2022 [TW1, 196-198] and 24 June 2022 [TW, 199-202] make it clear that the Respondent needed to be available, as Principle, for exchange and completion on Priests Lane to take place.
31. An email from **Client A** @gmail.com dated 23 June 2022 states *'Im [sic] now very concerned with regards to what is going on with the sale completion of my property...Facts are now, by 1 pm today I need positive feedback and positive I do mean a locked in exchange and completion. If this does not happen, I will be with drawing [sic] the property from you and continuing with someone else. I not short of offers [sic].'* [TW1, 208-209].
32. Exchange of contract and completion of the sale of Priests Lane took place on 24 June 2022. Sale documents include:
- 32.1 Contract dated 24 June 2022 with the Respondent named as the seller's conveyancer and signed by the sellers [TW1, 203].
- 32.2 Completion statement confirming the sale price for Priests Lane at £825,000 with the balance due to the sellers being £823,179, after deduction of legal fees and charges. The balance was to be paid to **Company A** [TW1, 204-205].
- 32.3 Client Account Ledger showing that £823,179 was paid out to **Company A** on 27 June 2022 [TW1, 206].

33. On 25 July 2022, Mr Green emailed 'Client A' to advise that the buyers of Priests Lane 'had not received the keys to the property. In view of the fact that this matter completed over 4 weeks ago, this is highly unusual...' [TW1, 208]. 'Client A' responded on the same date stating 'keys were definitely handed over by...the agent involved with this property' [TW1, 207].
34. At 11.56 on 26 July 2022, the Respondent emailed Client A @gmail.com asking 'Clients A&B' to 'come to our office to sign a few documents which paul forgot to get it signed from [sic] both of you, also if you both can bring your Passport as we need to take copies of it, I need to discuss with you why the locks were changed...' [TW1, 211].
35. At 15.58 on 26 July 2022, the Respondent emailed the SRA's professional ethics team: 'further to our telephone conversation today as I have explained that [the Firm] acted for the sale of the property, and after a month yesterday we were contacted by the Buyers solicitors and 2 other firms of solicitors saying that our client was not the rightful owner...there is no proof so far has been provided to us from any of the solicitors that it was a fraud. Further we completed this sale on the basics of clint id document [sic] and was certified by another firm of solicitors' [TW1, 210].
36. The Respondent emailed Client A @gmail.com on 27 July 2022: 'I tried to call you today on the number which we have on our files but seems like it is switched off. I am still awaiting for your reply off the email I send you yesterday [sic]' [TW1, 211].
37. The Respondent received a letter from Brecher Solicitors dated 28 July 2022 stating: 'I refer to our telephone call on Tuesday when I confirmed that I act for JH and SH, legal and beneficial owners of [Priests Lane]. My clients are not selling the Property, and are clearly the victims of fraud...I have been provided with the TR1 purported signed by my clients transferring the Property...The TR1 was not signed by my clients and it is not their signatures on the document...you have informed me that the people you met held themselves out to be the owners of this property and showed you Irish passports. I would have thought that an AML search would have revealed a discrepancy because my clients have UK not Irish passports...' [TW1, 213].
38. The Respondent replied to Brecher on 1 August 2022: 'I am personally investigating this matter and will also keep you updated...I can confirm that I have spoken with the SRA and the police' [TW1, 214].

39. JH [REDACTED] gave a statement to the SRA's Forensic Investigation Officer on 24 May 2023 [TW1, 215-219]:

39.1 JH [REDACTED] and his wife had purchased Priests Lane on 10 January 2011 as an investment. On 2 September 2021, Priests Lane had been let for a period of 24 months [TW1, 215]. JH [REDACTED] supplied a copy of the references obtained for the tenant and the tenancy agreement [TW1, 220-248].

39.2 JH [REDACTED] and his wife had no intention of selling Priests Lane and had not instructed any firm of solicitors to sell the property. They had not heard of the Firm prior to '*this fraud being discovered*' [TW1, 215].

39.3 They had been in Portugal in July 2022 when '*we discovered our tenant had disappeared and that works were being done to the Property*' [TW1, 215].

39.4 JH [REDACTED] instructed Brecher Solicitors to make enquiries. It transpired that Ellisons' client had re-sold Priests Lane on 24 June 2022. This new buyer was represented by Lux Law, which supplied two TR1s dated 24 June 2022. JH [REDACTED] states '*the signatures on the first TR1 [TW1, 252] of Clients A&B [REDACTED] are not our signatures*' [TW1, 216]. Paul Green of the Firm was the witness to both signatures on the TR1. Several examples of JH [REDACTED]'s genuine signature can be found on his statement.

39.5 On 22 May 2022, JH [REDACTED] '*was shown copies of Irish passports of Clients A&B [REDACTED]...I have never seen these passports before and they are not our passports, not our photographs and not our signatures*' [TW1, 216].

39.6 JH [REDACTED] provided copies of the genuine UK passports for him and his wife [TW1, 260-261]. Their signatures can be seen on the passports.

39.7 JH [REDACTED] was also shown a '*Lloyds bank statement for a company called Company A [REDACTED] with my name and an address in Maidenhead [TW1, 263]. I have also been shown a printout from Companies House website of this company [TW1, 264-266] and it shows Clients A&B [REDACTED] to have been directors. Neither my wife or I have ever heard of this company until now...I do not own any property in Maidenhead and have never heard of the address on the*

statement...I am told that [the Firm] sent the sale proceeds...to this company'. [TW1, 216-217].

39.8 The Companies House printout indicates that 'Clients A&B [REDACTED]' became directors of 'Company A [REDACTED]' on 16 June 2022 and resigned on 22 July 2022.

39.9 JH and SH [REDACTED] were not able to regain possession of Priests Lane until November 2022 and it took until 1 April 2023 to make the property habitable. Significant legal and refurbishment costs were incurred. [REDACTED] JH & SH have decided not to rent out properties again [TW1, 217].

40. The IFIR considered the Priests Lane transaction at section D.4.1 [TW1, 17-21]. In addition to the information set out above, the IFIR identified that the relevant Client Account Ledger [TW1, 206] did not identify a property address and gave a matter description of 'Lease Extension'. The Ledger also referred to the purchasing funds received on 24 June 2022 as coming from 'Clients A&B [REDACTED]', when they were received from Ellisons.

41. The IFIR identified that, as a result of the fraudulent sale of Priests Lane and the improper transfer of the sum of £823,179 to 'Company A [REDACTED]' on 27 June 2022 had led to a client cash shortage of £825,000 as at 31 March 2023 [TW1, 6].

Respondent's representations

42. The Respondent provided representations on 27 June 2023 [TW1, 429-432] and 31 May 2024 [TW1, 470-471]. In relation to the Priests Lane transaction, the Respondent has stated:

42.1 *'I have made it clear to the SRA that I am the victim and not perpetrator should an act of fraud ever be established. To date, no claim of fraud has been made to my firm, my professional indemnity insurer, the Solicitors Indemnity Fund or the Police' [TW1, 430-431].*

42.2 *'A property transaction involves multiple parties...the SRA has failed to determine or examine the role of all these other parties. I acted for the seller, and I charged approximately £1,500 in fees...If I am the perpetrator, how did I benefit...' [TW1, 431].*

42.3 *'The alleged shortfall is merely academic...the public interest/protection argument is also academic. The transaction*

completed in June 2022...the fact that a significant amount of time has lapsed, defeats the public interest/protection argument...why did the SRA not immediately investigate or take steps to protect the public in 2022? [TW1, 431].

42.4 *'I can only be judged on my actions based on the material information that was available to me in 2022...I merely followed standard conveyancing procedures. If it later turned out that the sellers were fraudsters and the certified documents were forgeries, then no solicitors could have ever protected themselves...'* [TW1, 431].

42.5 Specifically in relation to allegation 1.1, the Respondent has noted that it has not been suggested that the Respondent was dishonest or complicit in the fraud. The Respondent self-reported to the SRA and to his insurers. Steps were taken to identify the sellers of Priests Lane [TW1, 470].

Transaction 2 – [REDACTED] Clifton Road, [REDACTED]

43. The Firm sent a client care letter dated 6 February 2023 to 'Client C' of [REDACTED] Clifton Road, [REDACTED] ("Clifton Road"). The letter confirmed that the firm was representing Client C in the sale of Clifton Road and that work would be carried out on behalf by Mark Jones, who was unadmitted and described by the Respondent as an Apprentice Caseworker, with the Respondent having overall supervision. Client C was asked to provide *'evidence of her identity and current address...if you are unable to send your identification to us to verify, please ensure you get this verified by a local solicitor...and send a certified copy to us'* [TW1, 267-275].

44. 'Client C' returned a signed copy of the client care letter [TW1, 275].

45. On 10 February 2023, Mr Jones received a letter from Sabina Roy stating *'we are pleased to confirm that we have negotiated the sale of [Clifton Road] on behalf of your client'* [TW1, 276] A memorandum of sale setting out the purchaser, purchaser's solicitor, Batchelors Solicitors, and the sale price of £395,000, was enclosed [TW1, 277].

46. 'Client C' signed the TA10 Law Society Fittings and Contents Form and TA6 Law Society Property Information Form on 10 February 2023 [TW1, 278-279].

47. The Firm made contact with Batchelors Solicitors on 10 February 2023, advising that the matter would be dealt with by Mark Jones, supervised by the Respondent [TW1, 280].
48. Batchelors wrote to the Firm on 13 February 2023 [TW1, 281], asking it to confirm that *'you have taken appropriate steps to verify and have verified your client's identity...[and] your client's association with the property which is being sold and their entitlement to sell the same...'*.
49. On 23 February and 27 February 2023, Mr Jones advised Batchelors that his client wanted the matter completed by the end of February [TW1,282-283].
50. On 6 March 2023, Kamran Sohail of the Firm, carried out an AML search in relation to 'Client C'. The client was stated to have been an existing client and interviewed in person. The search returned a validation error relating to the passport details supplied, yet the risk assessment result was given as *'compliant'* [TW1, 285-290].
51. On the same date, a check of the Companies House website for Company B was carried out [TW1, 291-292]. This listed Client C of [redacted] Ilford as having been secretary of Company B since 4 November 2022.
52. On the Firm's file, there were two copies of an UK passport for 'Client C n', issued on 11 December 2014 [TW1, 293-294]. One copy was stamped as certified by Christopher Isichei of Chris Solicitors on 10 March 2023 and the other copy was stamped as certified by the Firm on 10 March 2023.
53. The Firm also certified a copy of a Thames Water bill for Client C of 20 Clifton Road on 10 March 2023 [TW1, 295]. The bill was dated 20 February 2023 and the supply address was Clifton Road.
54. Also on file is a letter signed by 'Client C' which instructs the Firm to *'transfer the proceeds of funds that you have received from the sale of [Clifton Road]. After deduction of your fees. Please accept this email as a formal request to make a third party payment on my behalf to the following company which I am secretary of...I require you to pay the entire completion funds into Company B...I confirm I have taken legal advice from an independent solicitor'*. The letter was stamped as verified by Chris Solicitors on 10 March 2023. At the bottom of the letter is a footer relating to the Firm [TW1, 296].

55. Sabina Roy emailed Mark Jones at 09.09 on 13 March 2023 to advise that *'our client Client C [sic] has cleared the property over the weekend and is ready to complete today'* [TW1, 298].
56. At 14.33 on 13 March 2023, Mr Jones emailed to Batchelors [TW1, 299] the TR1 signed by 'Client C' and witnessed by Mark Jones [TW1, 304-307] of 'Hamilton office'.
57. The contract was also dated 13 March 2023 and signed by 'Client C' [TW1, 308].
58. On 14 March 2023, Batchelors Solicitors received an email from HS [redacted] advising *'I have received an alert from the land registry regarding my matrimonial home. It seems you are in process or in due course be handling the estate address which is [Clifton Road]...I am connected to this property and have an interest to protect also if this information I received today from the land registry is correct'* [TW1,311-312]. This email was forwarded to Mr Jones at the Firm on the same date.
59. HM Land Registry sent a requisition to Batchelors on 17 March 2023 [TW1, 309-310] requesting a properly completed transfer, the address of the witness to the execution by 'Client C' and the supply of certified copies of the documents relied upon to establish the identity of 'Client C'.
60. On 20 March 2023, Batchelors asked Mr Jones to provide a response to the query from the Land Registry regarding the ID for Client C [TW1, 311].
61. HM Land Registry informed Batchelors on 24 March 2023 that the application affecting [Clifton Road] *'has been cancelled because the passport used as evidence of identity for the transferor Client C is invalid'* [TW1, 313-314].
62. The Respondent wrote to the Land Registry on 27 March 2023 [TW1, 315]: *'you stated that the passport provided as evidence of the transferor, Client C, was invalid. However, it should be noted that the client was cleared by AML...and an independent solicitor validated the passport'*.
63. There is an attendance note on file signed 'MJ' and dated 12 April 2023 stating *'email from Client C states she is away from the UK. Case paused. Client C to send ID when back in the UK'* [TW1, 316].
64. HM Land Registry wrote to the Firm on 10 May 2023: *'we note your comments with respect to the client having been cleared by AML checks but equally, we note*

that you have only supplied page 1 of 7 of that AML report...the passport used as evidence of identity of the transferor is invalid...' [TW1, 317].

65. HS [REDACTED] gave a statement to the FIO on 5 June 2023 [TW1, 318-320]:
- 65.1 EB [REDACTED] was born on 10 December 1939 and died on 8 February 2011. HS [REDACTED] appends EB [REDACTED] death certificate to her statement [TW1, 322].
- 65.2 HS [REDACTED] was EB [REDACTED] daughter in law. HS [REDACTED] is estranged from EB [REDACTED] son, and has not seen him since 2019.
- 65.3 She confirmed that EB [REDACTED] did own Clifton Road, but did not make a will. EB [REDACTED]'s estate has not gone through probate. EB [REDACTED]'s son rented the property for some years until approximately 2019. The property was then empty and came to be used by a criminal gang, culminating in a police raid in 2021. Clifton Road was then boarded up and remained empty.
- 65.4 HS [REDACTED] checked Clifton Road on a weekly basis and noticed that the basement door lock had been changed. She reported this to the police.
- 65.5 In February 2023, HS [REDACTED] was informed by a neighbour in Clifton Road that a man was outside the property. HS [REDACTED] made contact with this individual who advised that he was there to produce a report for an energy performance certificate, and that he had been asked to do this by 'Adam'. HS [REDACTED] subsequently exchanged texts with 'Adam'.
- 65.6 In March 2023, she was notified by the Land Registry that Batchelors had lodged an application to purchase Clifton Road on behalf of [REDACTED]. She had no knowledge that Clifton Road had been sold.
- 65.7 The FIO showed HS [REDACTED] the copies of the passport for EB [REDACTED] held on the Firm's file. The date of birth was incorrect and the photograph on the passport was not of EB [REDACTED].
66. The IFIR considered the Clifton Road transaction at section D.5.2 [TW1, 25-29]. In addition to the information set out at paragraph above, the IFIR identified:

66.1 The relevant Client Account Ledger [TW1, 25] did not identify a property address and gave a matter description of 'Conveyancing General.' The Ledger also referred to the purchasing funds received on 13 March 2023 as coming from 'Client C [REDACTED]', when they were received from Batchelors Solicitors.

66.2 The sum of £393,110 was paid to Company B [REDACTED] on 13 March 2023 [TW1, 25].

67. The IFIR identified the sale of Clifton Road as 'potentially fraudulent' leading to a potential client cash shortage of £395,000 as at 31 March 2023 [TW1, 7].

Respondent's Submissions

68. Paragraph 42 is repeated. The Respondent has not specifically commented on the Clifton Road transaction.

Transaction 3 – [REDACTED] Bridge Road, [REDACTED]

69. On 8 November 2022, Bishopsgate Law wrote to the Firm regarding their client's proposed purchase of [REDACTED] Bridge Road, [REDACTED] ("Bridge Road") [TW1, 324]. A different firm of solicitors had initially been instructed on behalf of the seller of Bridge Road.

70. The seller of Bridge Road was Client D [REDACTED]. An Anti-Money Laundering Guide was provided to Client D [REDACTED] and signed by him on 12 November 2022 [TW1, 327-329]. Client D [REDACTED] also signed the TA10 and TA6 forms on the same date [TW1, 330-331].

71. On 16 November 2022, Kamran Sohail of the Firm carried out an AML search in relation to Client D [REDACTED] [TW1, 332-340]. Client D [REDACTED] was described as a new client. His passport was accepted as valid. The check identified that Client D [REDACTED] used a number of variations on his full name. The risk assessment was confirmed as compliant.

72. On file, there is a copy of a passport issued on 24 August 2021 and a Santander bank statement dated October 2022, both issued in Client D [REDACTED]'s full name and certified as true copies by the Firm on 13 January 2023 [TW1, 341-342]. The signature on the passport is not the same as on the TA10 and TA6 forms.

73. The Land Registry office copy entry for Bridge Road gave the proprietor of the property as Client D [REDACTED] Investments Ltd [TW1,325-326].

74. On 23 January 2023, the parties to the sale of Bridge Road agreed to simultaneous exchange and completion on 30 January 2023 [TW1, 343-344].
75. On file there is a letter to the Respondent dated 26 January 2023 from 'Mr **Client D**' stating '*I give you my authority to transfer £325,000 from the balance of sale from [Bridge Road] into my company account **Company C** Ltd of who's [sic] I am sole director*' [TW1, 345]. The signature on this letter does not match those on the TA10 and TA6 or the passport.
76. An online search of Companies House was carried out on 26 January 2023 in relation to **Company C** Ltd [TW1, 346-349]. **Client D** is listed as having been a Director since 15 July 2019. The nature of the company's business was given as '*buying and selling of own real estate and management of real estate on a fee or contract basis*'.
77. On 27 January 2023, Bishopsgate emailed the Respondent stating that it was concerned that '*Land Registry may raise a requisition on the discrepancy between the sellers name on the title and TR1. Please confirm that you will amend the sellers name on the contract and TR1 to: **Company D**...formally known as and registered under the company name of **Client D** Investments Limited*' [TW1, 350].
78. The Respondent supplied an amended TR1 and contract to Bishopsgate and agreed to assist with any Land Registry requisitions on 29 January 2023 [TW1, 351].
79. On 30 January 2023, Bishopsgate Law sent the Firm a memorandum of exchange for Bridge Road and providing its client's part of the contract. The purchase price of £565,000 was confirmed [TW1, 353].
80. The contracts for sale dated 30 January 2023 refers to the seller of Bridge Road being '***Company D** formally known as and registered under the company name of **Client D** Investments Limited*'. The Respondent signed the seller's contract '*on behalf of **Company D***' [TW1, 354-355].
81. The Completion Statement dated 30 January 2023 confirms that the sum of £325,000 was to be transferred to **Company C** Ltd [TW1, 356-357].
82. HM Land Registry sent a requisition to Bishopsgate on 7 April 2023 [TW1, 358-359] requesting copies of the identity evidence relied on by the Firm to verify the identity of **Company D**, confirmation of whether the **DC** who signed the

TR1 dated 30 January 2023 [TW1, 360] was the same person as Client D [REDACTED] who was listed as the only Director for Company D [REDACTED] and whether the witness to the signature, named as MZC [REDACTED], was related to DC [REDACTED].

83. Bishopsgate Law requested the Respondent's assistance with the Land Registry requisition on 12 April and 15 May 2023 [TW1, 361-362].
84. Due to a lack of response from the Respondent, the COFA / COLP for Bishopsgate emailed the Respondent on 22 May 2023 requesting a reply to the requisition, confirmation that undertakings given on 27 January 2023 had been complied with and that charges had been redeemed. The Respondent was warned that *'failure to provide a satisfactory response and evidence that your firm has complied with its undertaking today will result in your being reported to the SRA...'* [TW1, 363]. The deadline was later extended to 17.00 on 23 May 2023 [TW1, 364].
85. At 16.29 on 23 May 2023, the Respondent advised Bishopsgate that DC [REDACTED] and Client D [REDACTED] were the same person and that the MZC [REDACTED] who had acted as a witness to the TR1 was Client D [REDACTED] cousin. A certified copy of Client D [REDACTED]'s passport was also supplied [TW1, 365].
86. At 17.28 on 23 May 2023, Bishopsgate requested that the Respondent supply a TR1 executed by Client D [REDACTED] and witnessed by an independent witness unrelated to Client D [REDACTED] [TW1,365].
87. On 24 May 2023, Bishopsgate emailed the Respondent: *'it has been brought to my attention that the copy passport you sent us yesterday bears a completely different signature to the signature of Client D [REDACTED] on the TR1...please supply a TR1 bearing a signature by Client D [REDACTED] that resembles the signature on his passport and is independently witness together with a Statement of Truth explaining why the TR1 supplied on completion was signed in the way that it was and the discrepancy between his two signatures...'* [TW1, 366].
88. The Respondent emailed a TR1 to Client D [REDACTED] on 25 May 2023 with the instruction that it *'must be signed by an independent referee who is not related to you'* [TW1, 367].
89. Client D [REDACTED] emailed the Respondent on 26 May 2023: *'I apologise for the confusion caused by the discrepancy in my signatures on the TR1 and the attached passport. It was an oversight on my part during the signing process...I*

have attached a new and accurately signed copy of the TR1 with consistent signatures' [TW1, 367].

90. The re-signed TR1 [TW1, 368] provides Client D's full name and the signature matches that on the passport, but the signature does not match those on the TA10, TA6 or the letter of 26 January 2023. The signature was witnessed on this occasion by [REDACTED], who gave an address in Dubai.

91. The IFIR considered the Bridge Road transaction at section D.5.1 [TW1, 21-25]. In addition to the information set out above, the IFIR identified:

91.1 The relevant Client Account Ledger [TW1, 21] did not identify a property address and gave a matter description of 'Conveyancing General'. On 30 January 2023, £325,000 was paid to Company C [REDACTED].

91.2 As at 31 March 2023, the client balance of the Bridge Road matter was £368 in debt [TW1, 16].

91.3 The FIO carried out a search for Company D on the Companies House website [TW1, 22]. The company was known as Client D Investments between 14 April 2005 and 8 February 2011. Mr Client D had been sole director and person with significant contract since 1 August 2022. The nature of the company's business is given as *'buying and selling of own real estate and management of real estate on a fee or contract basis'*.

91.4 Client D Investments Ltd had purchased Bridge Road on 7 September 2005.

91.5 The signatures on the TA6 and TA10 and on the letter of 26 January 2023 were different to the passport held on file.

92. The IFIR identified the sale of Bridge Road as *'potentially fraudulent'* leading to a confirmed debit client balance of £368 and a potential client cash shortage of £565,000 as at 31 March 2023 [TW1, 6-7].

Respondent's Submissions

93. Paragraph 42 is repeated. The Respondent has not specifically commented on the Bridge Road transaction.

Transaction 4 – [REDACTED] Birdham Close, [REDACTED]

94. On 4 March 2022, **Client E** [REDACTED]@outlook.com emailed Stephen John of the Firm asking him to *'act on the sale of my above property. It has been sold for £500,000 and they're ready to exchange and complete'* [TW1, 370]. The property in question was [REDACTED] Birdham Close, [REDACTED] ("**Birdham Close**"). The buyer's solicitors were Law Lane Solicitors.
95. A client care letter was sent to **Client E** [REDACTED] at Birdham Close by the Firm on 7 March 2022 [TW1, 371-379]. This stated that the Respondent would be responsible for the day-to-day conduct of the matter. The recipient of the letter was informed *'Please note that we are obliged to ascertain your ID. Kindly therefore provide us with two forms of ID; (photographic ID) your passport, driving licence, (Proof of Address ID) – utility bills, credit card bank statements in order to ascertain your identity'*.
96. **Client E** [REDACTED] signed the client letter, TA10 and TA6 on 8 March 2022 [TW1, 379-381].
97. An AML check was carried out by 'Belle C' of the Firm on 10 March 2022 [TW1, 382-387]. The result was *'compliant'*. The client was a *'new client, known to staff'* and the interview was said to be in person.
98. The documentation used to verify identity was a UK passport issued on 3 December 2014 and certified as a true copy by the Firm on 10 March 2022 [TW1, 389] and a Council Tax statement for Birdham Close issued on 19 June 2021, certified as a true copy by the Firm on 10 March 2022 [TW1, 388]. The AML search returned the Council Tax statement as an *'invalid entry, document already expired at time of assessment'* [TW1, 385].
99. The HM Land Registry office copy entry dated 10 March 2022 confirms the proprietor of Birdham Close was **WO** [REDACTED], [REDACTED] London [TW1, 390-392].
100. The contract of sale, dated 13 May 2022, gave the purchase price as £650,000, rather than the £500,000 quoted on 4 March 2022. The Respondent was named as the seller's conveyancer. **Client E** [REDACTED] signed the contract [TW1, 393].
101. Contracts for Birdham Close were exchanged on 13 May 2022 but completion was to be delayed until 29 July 2022 [TW1, 394].

Sensitivity: General

102. On 18 May 2022, Stephen John-Cyrus of the Firm wrote to the mortgage company requesting a Redemption Figure as at 29 July 2022 [TW1, 395].
103. The Respondent wrote to 'Client E' at Birdham Close on 25 July 2022 with the redemption and completion statements ahead of the proposed completion on 29 July 2022 [TW1, 396-397]. The completion statement had been amended by hand. The stated sale price had increased from £575,000 to £650,000 and a gift of £81,068.76 was noted.
104. Law Lane Solicitors emailed Stephen John at the Firm on 29 July 2022 and this email was forwarded to Paul Green and then to the Respondent, who advised Law Lane Solicitors on 2 August 2022 that all correspondence should be sent directly to him [TW1, 398-399].
105. On 4 August 2022, the Respondent emailed Law Lane Solicitors with a copy of the completion statement, a deed of gift in the sum of £81,068.76 and a redemption statement [TW1, 400]. The gift was to be made to assist with the purchase of Birdham Close. The deed of gift was signed by 'Client E' on 3 August 2022 [TW1, 401].
106. There was a telephone note on file dated 15 August noting 'spoke with Mr Client E regarding declaration and proof of his council tax. Was told he will email both things today' [TW1, 402].
107. A redemption statement dated 16 August 2022 confirmed the amount required to repay the mortgage was £568,174.32 [TW1,403-404].
108. A further completion statement with a completion date of 25 August 2022 confirms the sale price of £650,000, but includes two different figures for the gift, the mortgage redemption and the final balance [TW1, 405-407].
109. The TR1 on file gives the sale price as £575,000 and was signed by 'Client E'. The signature was witnessed by Stephen Cyrus of the Firm's address [TW1, 409-412].
110. On 2 September 2022, the Respondent emailed Client E @outlook.com; 'We are pleased to inform you that the sale of [Birdham Close] was completed on the 1st of September 2022...£568,262.63 was send [sic] to [the mortgage company]...' [TW1, 413]. This figure is different to that quoted on the redemption statement of 16 August 2022.

111. HM Land Registry sent a requisition to Law Lane Solicitors on 20 September 2022 [TW1, 414-415] requesting a copy of the identity evidence supplied for **Client E** and confirmation whether Law Lane or **Client E** conveyancer had met him in person.
112. HM Land Registry wrote to Law Lane Solicitors on 14 December 2022 advising that the application for Birdham Close '*has been rejected, as an initial inspection shows that it is defective...any future application...must be accompanied by copies of the identify documents relied upon for transferees...and we will also need valid identity evidence for **Client E***' [TW1, 416-417].
113. There appears on file a passport for '**Client E**' which has a handwritten certification by the Firm, signed on 10 January 2023 [TW1, 418].
114. On 1 June 2023, Law Lane Solicitors emailed the Respondent as it had been advised by HM Land Registry that '*the evidence provided by your firm in respect of your client's identity has not been accepted...you kindly shared the AML checks for the vendor...we note you have undertaken electronic ID checks also...please without delay provide the electronic ID checks for the vendor...*' [TW1, 419-420].
115. On 5 June 2023, Law Lane Solicitors emailed the Respondent advising '*we have received the attached requisition from HM Land Registry today [TW1, 422]. You will note our application has been cancelled for the reasons as previous "the passport for **Client E** was not issued by a competent authority and is therefore invalid". As per previous requests, please share the electronic ID checks carried out against **Client E** or produce alternate ID without delay*' [TW1, 421].
116. Law Lane Solicitors again emailed the Respondent on 13 June 2023 to request the electronic ID checks and details of the Firm's Professional Indemnity Insurance [TW1, 423].
117. There is an unsigned handwritten attendance note dated 13 June 2023 on file which states '*as you are aware the Buyers are related to the Seller. With your authority and consent can we have there [sic] contact details...*' [TW1, 424].
118. The IFIR considered the Bridge Road transaction at section F.1.1 [TW1, 30-33]. At the time that the IFIR was completed, the Birdham Close transaction was subject to ongoing investigation [TW1, 30].

Respondent's Submissions

119. Paragraph 42 is repeated. The Respondent has not specifically commented on the Birdham Close transaction.

Conclusions of the IFIR and FFIR

120. The four transactions identified had significant similarities:

120.1 In all cases, the transaction had been the sale of a property.

120.2 In all cases, concerns had been identified in relation to the client identification document held by the Firm.

120.3 In three cases, letters were received requesting that sale proceeds be sent to a third-party company, rather than the Firm's client.

120.4 In the same three cases, the sale proceeds were in fact paid to a third party company, and not the Firm's client.

120.5 In three cases, HM Land Registry had queried the identification evidence for the sellers and in two of those cases, the application for registration had been rejected.

121. The Priests Lane transaction was adjudged fraudulent and had led to a client account shortage of £825,000. The Clifton Road, Birdham Close and Bridge Road transactions were considered potentially fraudulent with potential to have caused further client account shortages of up to £1,610,000. The Bridge Road transaction had led to a client account debit of £368.

122. The FFIR did not add to the information available regarding the four transactions discussed above.

Allegation 1.3 - A lack of control, supervision, governance and oversight of the Firm

Allegation 1.5 – Manifest incompetence

The facts and matters relied upon in support of allegations 1.3 and 1.5

123. In relation to the management, supervision and governance of the Firm, the IFIR and FFIR identified the following:

- 123.1 The Respondent had provided information regarding the employees of the Firm on 18 and 19 May 2023 [TW1, 38 and 45], 30 May 2023 [TW1, 52-57] and 1 June 2023 [TW1, 80-81] which was conflicting and/or of concern:
- 123.1.1 On 18 May 2023, the Respondent advised that Mr Sohail Chaudhry was employed as a business relationship and office manager [TW1, 38 and 45]. On 30 May 2023, the Respondent advised that Mr Chaudhry had ceased working for the Firm on 2 May 2023 [TW1, 54] and on 1 June 2023 that Mr Chaudhry had ceased working on 5 May 2023 [TW1, 80].
- 123.1.2 The Respondent advised the FIO on 30 May 2023 that Paul Green, the unadmitted caseworker involved with the Priests Lane transaction, started working for the Firm on 23 May 2022 [TW1, 53], the day that the instructions were received from **Client A** @gmail.com. There was no CV or employment application for Mr Green [TW1, 53]. Mr Green had been introduced by Mr Adiel Chowdhry (see paragraph 124.3-124.4 below).
- 123.1.3 The Respondent stated that Mr Green ceased to work for the Firm on either 25 June 2022 [TW1, 53] or 29 July 2022 [TW1, 80], shortly after the Priests Lane transaction concluded. The Respondent confirmed that he was responsible for supervising Mr Green but that they could not work together [TW1, 54]. The Respondent advised that Mr Green's probationary period was terminated due to incompetence and failing to sign a consultancy agreement [TW1, 53].
- 123.1.4 Mark Jones, who had worked on the Clifton Road transaction, was an unadmitted apprentice caseworker [TW1, 52] who had been introduced by Mr Zeeshan Mian, who was renting desks in the Firm's office (see paragraph 123.3). Mr Jones had worked on one transaction, that of Clifton Road [TW1, 80], under the Respondent's supervision.

Sensitivity: General

- 123.1.5 Mr Jones started with the Firm on either 15 January 2023 [TW1, 80] or 1 February 2023 [TW1, 52], just prior to the commencement of the Clifton Road transaction. He was supervised by the Respondent. On 1 June 2023, the Respondent advised the FIO that Mr Jones had left the Firm on 15 May 2023 [TW1, 80], but Mr Jones had been present in the Firm's offices when the FIO attended on 18 May 2023. The Respondent advised that Mr Jones was let go as he was becoming a 'nonsense' [TW1, 81].
- 123.1.6 'Stephen John', who had worked on the Birdham Close transaction, was stated by the Respondent to have been employed as a paralegal between 15 January 2022 and 1 May 2022 [TW1, 80]. However, 'Stephen John Cyrus' of the Firm wrote to the mortgage company on 18 May 2022 (paragraph 102) and a 'Stephen Cyrus' witnessed the TR1 in that transaction.
- 123.1.7 The Respondent advised on 1 June 2023 that Stephen John was dismissed because he refused to provide identity documentation or sign a consultancy agreement [TW1, 80].
- 123.1.8 A Stephen Anthony John-Cyrus has been the subject of an order under s43 Solicitors Act 1974 since 26 October 2006 [TW1, 30]. The s43 order was imposed after Mr John-Cyrus was found to have dishonestly misused client monies in conveyancing transactions [TW1, 508-515].
- 123.1.9 Mr John-Cyrus was also convicted of two counts of an unqualified person pretending to be a solicitor on 19 February 2020 [TW1, 516-517].
- 123.1.10 Ms Azra Rasool (also known as Jasmin/Jasmine/Sabrina Khan) was the office manager for the Firm between January 2022 and July 2022 but the Respondent denied employing her and failed to recognise a photograph [TW1, 29]. [REDACTED]
[REDACTED]
[REDACTED].

Sensitivity: General

123.2 The Respondent provided a list of employees on 18 May 2023 which referred to the Firm having 5 employees in addition to the Respondent [TW1, 38]. That list was inaccurate:

123.2.1 The FI identified records at the Firm listing Mr Mark Lim and Mr Ul Haq as employees [TW1, 57]. These individuals were not on the list provided by the Respondent. The Respondent advised that Mr Ul Haq had left in February 2023 and Mr Lim had not been an employee.

123.2.2 The Firm's accounts showed payments to a 'T S Mian' who was not on the list of employees and for whom there was no record. The Respondent advised that a Ms Mian had left the Firm during her probation period [TW1, 45].

123.3 When the FI attended the Firm's offices on 15 May 2023, a Mr Zeeshan Mian was present [TW1, 9-10]:

123.3.1 Mr Mian informed the FI that he was renting desks from the Firm, and that he was a solicitor acting as a consultant (SRA 462815). He admitted that he did not have a practicing certificate.

123.3.2 Mr Mian was fined £20,000 by the SRA on 2 December 2019 and had had conditions placed on his practicing certificate [TW1, 518-519].

123.3.3 Mr Mian was disbarred by the Bar Standards Board on 16 June 2022 [TW1, 520-524] for failing to disclose the SRA investigation which led to the sanction imposed on 2 December 2019.

123.3.4 The Respondent advised that client matters were kept confidential within the Firm's open plan office by using individual tables, separate filing cabinets and ensuring that client documents were not left out [TW1, 56].

123.4 The Respondent advised that Mr Sohail Chaudhry's role as business development and office manager included the recruitment of staff,

managing office expenses and dealing with online payments. The Respondent explained that payments were dealt with by Mr Chaudhry *'in my presence as I am not good with IT and its always stressful for me to undertake work on computers'* [TW1, 45]

123.5 Mr Chaudhry would also handle office fees in cash and had authorisation from the Respondent to deposit those fees into Mr Chaudhry's personal bank account and then transfer those fees into the Firm's account. Mr Chaudhry did not handle client money [TW1, 45].

124. The former owners of the Firm had retained involvement in it as follows:

124.1 Mr Satnam Singh Talwar (SRA 266239), had been a director until 20 September 2021.

124.2 Ms Tabassum Baig (SRA 479968) had been a director until 20 September 2021.

124.3 Mr Adiel Chowdhry (SRA 532283) had remained a director until 13 June 2022. He had entered into a Contract of Employment with the Firm as a solicitor and salaried director on 9 May 2022 [TW1, 63-66]. See also TW1, 80].

124.4 Mr Chowdhry had been a director and manager of Crimson Phoenix Solicitors, which had been the subject of a SRA intervention on 5 April 2023 due to suspected fraudulent property transactions. Conditions were imposed on Mr Chowdhry on 11 August 2023 which persist.

125. On 9 August 2023, the Respondent advised the intervention agents that when he bought the Firm, the former owners *'refused to give me full control of the company...they did not hand me over any open files or any closed files, they were still running the cases and made completions without my knowledge or without my supervision...they were sending the funds from the queens court law client account from the 21st of September 2021 till June 2022...they were doing it without my approval and I was not even told that Mr Mark and Satnum's names were still on the bank accounts...in June last year I put my foot down and took control of the bank accounts...early this year I was told by the bank that Mr Mark Lippard and Satnum's names are, still on my accounts.'* [TW1, 171-172]

126. The Respondent provided further information to the FIO on this point on 11 August 2023: *'when I took over queenscourt law no previous files were handed*

over to me, I was told there are no open files to handle over [sic], but later on I found out that they did at least 3 completions without my knowledge and I was not provided access to the bank accounts until May 2022... [TW1, 170].

127. Control of the Firm's accounts was investigated by the SRA as part of a separate investigation:

127.1 A Change of Mandate Form was submitted to Santander on 15 December 2021 by Mr Satnam Singh asking that the Respondent be added to the accounts and two other signatories to the accounts, a Mr Mahfuz and a Mr Young, removed [TW1, 425].

127.2 In an email dated 16 June 2023, Mr Satnam Singh Talwar advised the SRA that he had been contacted by the Respondent that week and asked to *'complete a mandate of Santander (which operates the client account and office account as far as I am made aware) to come off as account holder, namely ceasing to having access to the account...we wanted to let you know that Mark Libbert and myself are on the mandate with access to the same in theory but we have no bank cards or log in details...I completely forgot to come off the mandate. I have never accessed the Santander account ever since we gave up the company to [the Respondent]'* [TW1, 428].

Respondent's Representations

128. In relation to allegation 1.3, the Respondent indicated on 31 May 2024 that he would be prepared to make some admissions [TW1, 417], but referred to a forensic investigation in late 2022 which found no issues regarding supervision. A number of issues were also legacy issues from the previous owners of the business.

129. The SRA advised the Respondent on 10 June 2024 that it did not undertake a forensic investigation of the Firm in 2022. A limited scope forensic investigation was undertaken in November 2021 relating to a Qualified Accountants Report for the period 22 January 2020 to 31 January 2021. Due to the time period and limited scope, this investigation did not consider the Respondent's supervision of the Firm [TW1, 491].

Allegation 1.5 – Failure to co-operate with the SRA's investigation

130. Prior to the SRA's intervention on 6 July 2023, the Respondent had provided some information to the FIO.

131. The FIO had emailed the Respondent on 21 June 2023 to invite the Respondent to take part in a recorded regulatory interview on 6 July 2023 [TW1, 166].
132. The Respondent did not respond to this invitation until 28 June 2023. On that date, he advised: *'I was in A&E on Sunday and until 3am this morning. I am under a lot of stress and has suspected Heart Attack on Sunday. I would ask you to make reasonable adjustments for me and allow me further time to take legal advice. I am not in a right state of mind to attend an interview...'* The Respondent also suggested that he had been *'bullied and harassed'* and asked for *'time until after the closure of firm for interview'* [TW1, 164].
133. The Respondent sent a further email to the FIO on 28 June 2023 stating: *'it appears that you have already made a recommendation for intervention...and you have submitted your recommendations for me to be referred to SDT for all your intent and purposes...there is nothing else for me answer...I request a written interview...'* [TW1, 162-163].
134. On the same date, the FIO responded. He reminded the Respondent that he has *'a regulatory obligation to co-operate with your regulator, this includes providing information and explanations when requested...interview is an opportunity for you to provide a verbal account...if you fail to provide information and explanations to your regulator...I will be required to report your non-compliance...'* [TW1, 161]. The FIO explained that he did *'not make recommendations...this applies to both the intervention process and any potential referral to the SDT'* [TW1, 161].
135. The FIO also asked the Respondent to provide medical evidence by 30 June 2023 to confirm that he was unable to attend the interview due to health reasons [TW1, 161].
136. Due to a lack of response from the Respondent, the FIO informed him by email on 3 July 2023 that the recorded regulatory interview arranged for 6 July 2023 would go ahead [TW1, 160].
137. On the same date, the Respondent advised the FIO that *'I have requested my GP to request and provide me evidence of attendance at A&E on two occasions [sic]...I request you to reschedule this interview in third week of July 2023...'* [TW1, 158-159].

Sensitivity: General

138. At 12.11 on 3 July 2023, the FIO agreed to rearrange the interview to 20 July 2023 and warned that *'if you do not attend an interview on this new date, I will finalise my [FFIR] in absence of your comments...'* [TW1, 157-158].
139. On 11 July 2023, the FIO suggested moving the interview from 20 July to 21 July 2023 to avoid a train strike [TW1, 156-157].
140. The FIO emailed the Respondent on 14 July 2023 to request confirmation that he would be attending the interview scheduled for 21 July 2023 and to find out if the Respondent would be accompanied [TW1, 156].
141. The FIO sent a further email to the Respondent on 18 July 2023 asking to confirm the position regarding the interview on 21 July 2023 and to provide any medical evidence that the Respondent would like to have considered [TW1, 167].
142. The Respondent emailed the FIO at 08.23 on 20 July 2023 stating *'I can confirm that I wont be in a position to attend [the interview] as I am not feeling well at all due to extreme stress and other serious health issues...I am requesting reasonable adjustments'* [TW1, 155].
143. At 11.22 on 20 July 2023, the FIO responded to this email and asked the Respondent to provide medical evidence, comments on the IFIR, and a response to outstanding queries by 3 August 2023 [TW1, 154-155].
144. The Respondent advised the FIO on 3 August 2023 *'I am still suffering from depression, anxiety and nerves breakdown [sic] as a result of your dubious actions...I am extremely very uncomfortable and still upset with the way you humiliated, attached and bullied me in front of my members of staff for the two days you came to my office...I clearly recall that you told on both days...that you will intervene in my practice...now that you have intervened in my practice and suspended my practicing certificate, with no evidence in support of your fabricated allegations, I don't think its necessary for me to respond to any of the questions in your last email...'* [TW1, 168-169].
145. The FIO responded on 3 August 2023: *'I have attempted to provide you with an opportunity to attend a recorded regulatory interview to provide explanations...I have re-arranged interview dates at your request...additionally I have raised queries with you in writing...as at today's date you have not provided me with any medical evidence...'* [TW1, 168].

Respondent's Representations

146. In his representations dated 31 May 2024, the Respondent denies this allegation; *[the Respondent] co-operated with the SRA investigation throughout and it would appear that the allegation relates to a failure to attend interview on 6th July 2024 and failure to provide information thereafter...[the Respondent] was suffering from a number of stress related illnesses...by 26th June 2023, he had attended the Emergency Department...presenting with a number of symptoms...[the Respondent] disclosed thoughts of deliberate self harm...[the Respondent's] firm was intervened into on 6th July 2023...the intervention added to [the Respondent's] anxiety...'* [TW1, 471].

147. The representations of 31 May 2024 were accompanied by medical evidence:

147.1 The Respondent was reviewed by Hepatology on 16 February 2023 for hepatic and splenic cysts with limited concerning features, but ongoing right upper quadrant pain symptoms which required further investigation. The letter indicates that the Respondent had existing diagnoses of diabetes, hypertension and prostate hyperplasia [TW1, 478].

147.2 The Respondent attended the Emergency Department at 22.03 on 26 June 2023 with a *'6 week history of headache, poor sleep, low mood and anxiety brought on by stress at work, has had thoughts of DSH [deliberate self-harm] but no formed plans and says he would never do this...diagnosis anxiety...treatments: verbal advice...'* [TW1, 484-485].

147.3 The Respondent was seen by Urology on 23 November 2023 for bladder and prostate issues and scheduled for review in 12 months [TW1, 486].

Allegation 1.1 - Facilitating property transactions which caused the Firm to have a client account shortage

Breaches of the Principles, Rules and Code

Principle 5 – Integrity

148. In *Wingate v Solicitors Regulation Authority v Malins* [2018] EWCA Civ 366, it was said that integrity connotes adherence to the ethical standards of one's profession:

Sensitivity: General

148.1 *“Integrity is a broader concept than honesty. In professional codes of conduct the term “integrity” is a useful shorthand to express the higher standards which society expects from professional persons and which the professions expect from their own members” [paragraph 97].*

148.2 *‘Integrity connotes adherence to the ethical standards of one’s own profession. That involves more than mere honesty. To take one example, a solicitor conducting negotiations or a barrister making submissions to a judge or arbitrator will take particular care not to mislead. Such a professional person is expected to be even more scrupulous about accuracy than a member of the general public in daily discourse.’ [paragraph 100]*

149. The Respondent had direct involvement in, and/or oversight of, all transactions identified in this Rule 12 statement:

149.1 On Priests Lane:

149.1.1 The Respondent was identified as the person with day to day conduct of the transaction and the Client Care Supervisor in the Client Care Letter dated 23 May 2022 and the letter to Ellisons dated 25 May 2023.

149.1.2 The Respondent accepts that he was responsible for the supervision of Paul Green who worked on the transaction.

149.1.3 Mr Green clearly advised in June 2022 that the Respondent had to be involved in the exchange and completion process.

149.1.4 The Respondent was named as the seller’s conveyancer on the contract for sale.

149.2 On Clifton Road:

Sensitivity: General

149.2.1 The Respondent was identified as Mark Jones' supervisor in the Client Care Letter dated 6 February 2023 and the letter to Batchelors of 10 February 2023. The Respondent accepts that he had this responsibility.

149.2.2 The Respondent completed the Completion Statement.

149.2.3 The Respondent was copied into the email sent on 13 March 2023 supplying the TR1.

149.3 On Bridge Road, the Respondent had full conduct of the transaction.

149.4 On Birdham Close:

149.4.1 The Respondent was identified as the person with day to day conduct of the transaction in the Client Care Letter dated 7 March 2022.

149.4.2 The Respondent had full conduct of the transaction by no later than 2 August 2022.

150. A solicitor acting with integrity would not have acted, or permitted others to act, as described below:

Priests Lane Transaction

150.1 Failing to carry out, or identify that there had been a failure to carry out, AML checks before commencing the transaction.

150.2 Failing to identify that the passports produced had been certified by a solicitors' firm which had been the subject of a SRA alert 3 months previously.

150.3 Failing to identify that the passports provided as proof of identity were invalid.

Sensitivity: General

- 150.4 Failing to identify that the bank statement provided as proof of address appeared to relate to a business account for a company not involved in the transaction and at an address not previously identified or verified.
- 150.5 Failing to make enquiries to ascertain the veracity of the hand delivered letter dated 16 June 2022 which requested payment of the sale proceeds to a third party company; a 'red flag' for AML purposes.
- 150.6 Failing to investigate the third party company to which the Firm was being asked to transfer substantial funds.
- 150.7 Failing to identify that the purported client was seeking to complete the transaction within 1 month of instruction without explanation for the urgency; urgency being a 'red flag' for AML purposes.
- 150.8 Permitting the sale proceeds to be released to a third party company without appropriate checks having been carried out.

Clifton Road Transaction

- 150.9 Failing to carry out an AML check until 6 March 2023, nearly a month after the Client Care Letter was sent out, despite a prompt to do so in the letter from Batchelors dated 13 February 2023.
- 150.10 Completing an AML check 4 days prior to the certification of the passport and utility bill relied upon as identification evidence.
- 150.11 Recording on the AML check that the client had been interviewed in person without any corroboration of this.
- 150.12 Recording the AML check as compliant despite the validation error relating to the passport.
- 150.13 Failing to investigate further when a validation error was identified.

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- 150.14 Carrying out a Companies House check for a third party company, **Company B**, 4 days prior to receiving any notification that this company had any involvement in the transaction.
- 150.15 Failing to identify that the purported client was seeking to complete the transaction within 1 month of instruction without explanation for the urgency; urgency being a 'red flag' for AML purposes.
- 150.16 Failing to make enquiries to ascertain the veracity of the letter certified on 10 March 2023 which requested payment of the sale proceeds to a third party company; a 'red flag' for AML purposes.
- 150.17 Failing to identify that the letter certified on 10 March 2023 had a footer relating to the Firm.
- 150.18 Failing to identify that the TR1 had been incorrectly witnessed by Mark Jones.
- 150.19 Permitting the sale proceeds to be released to a third party company without appropriate checks having been carried out.

Bridge Road Transaction

- 150.20 Failing to consider whether further AML checks were indicated given the number of variations in the names used by the client.
- 150.21 Failing to identify that the passport certified by the Firm as a true copy on 13 January 2023 had a different signature to the signatures on the TA6 and TA10 forms returned on 12 November 2022.
- 150.22 Failing to carry out any AML checks in relation to **Client D** or **Client D** Investments.
- 150.23 Failing to identify and/or act on the information that the proprietor of Bridge Road was **Client D** Investments Ltd.

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150.24 Failing to make enquiries to ascertain the veracity of the letter dated 26 January 2023 which requested payment of the sale proceeds to a third party company; a 'red flag' for AML purposes.

150.25 Failing to identify that the signature on the letter dated 26 January 2023 was not the same as that on the passport or on the TA6 and TA10 forms.

150.26 Failing to ensure that the TR1 was appropriately witnessed.

150.27 Permitting the sale proceeds to be released to a third party company without appropriate checks having been carried out.

150.28 Failing to identify that the amended TR1 supplied on 26 May 2023 bore a signature which did not match those on the TA6, TA10 or the letter of 26 January 2023.

150.29 Failed to establish whether the amended TR1 had been appropriately witness as the witness appeared to be resident in Dubai.

Birdham Close Transaction

150.30 Recording on the AML check that the client had been interviewed in person without any corroboration of this.

150.31 Recording the AML check as compliant despite the proof of identity evidence being rejected.

150.32 Failing to identify and/or act on the information that the proprietor of Birdham Close lived at a different address.

150.33 Failing to identify that the sale price increased significantly in the two months between instruction and completion with no apparent explanation.

150.34 Failing to identify or investigate the fact that the deposit was to be paid by the seller as a gift; a 'red flag' for AML purposes.

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150.35 Preparing a completion statement on 25 August 2022 containing discrepant figures for the gift, mortgage redemption and final balance.

150.36 Failing to identify that the TR1 quoted a sale price which differed from the initial instruction, contract and completion statement.

150.37 Failing to identify and/or consider whether additional due diligence was indicated given that the purchasers were related to the seller.

151. Due to the failures identified in paragraph 150, the genuine proprietors of Priests Lane and the prospective buyers of Priests Lane, Clifton Road and Birdham Close all incurred, or are likely to have incurred, significant costs in recovering or trying to purchase property which was being improperly sold.

152. The Priests Lane transaction saw the property sold without the proprietors knowledge or consent, with the proceeds of sale being sent to a third party company with no connection with the proprietors. As the supervisor for Mr Green and the conveyancer responsible for completion, the Respondent should have carried out the steps set out at paragraphs 150.1-150.8 or ensured that they were done. Had this been done, the fraudulent sale could have been avoided.

153. The Clifton Road transaction purported to sell the property on behalf of a proprietor who had died in February 2011 and so could not have provided instructions, obtained a passport in December 2014, signed any documentation or authorised the transfer of sale proceeds to a third-party company. Although the IFIR and FFIR do not reach a final conclusion on whether this transaction was fraudulent, the Tribunal is asked to draw this inference based on the evidence. As the supervisor for Mr Jones, the Respondent should have carried out the steps set out at paragraphs 150.9-150.19 or ensured that they were done. Had this been done, the attempt to fraudulently sell the property could have been identified.

154. The IFIR and FFIR considered that the Bridge Road transaction was potentially fraudulent and, as set out in paragraphs 150.20-150.29, there were failings.

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However, it is understood that the registration of the sale was accepted by HM Land Registry.

155. The Birdham Close transaction was not fully investigated by the FIO but had similarities with the other transactions. As the supervisor for Mr John and the conveyancer responsible for completion, the Respondent should have carried out the steps set out at paragraphs 150.30-150.37 or ensured that they were done. Had this been done, the possible attempt to fraudulently sell the property would have been identified.
156. The Respondent therefore breached Principle 5 of the SRA Principles.

Principle 2 – Public Trust

157. The conduct alleged amounted to a breach by the Respondent of the requirement to behave in a way which upholds public trust in the solicitors' profession and in the provision of legal services.
158. As the sale and purchase of residential property is the often the most expensive transaction that a person may be involved in, the public would expect a solicitor to ensure that each transaction is managed with the appropriate diligence, care and skill and that their property and funds are appropriately safeguarded.
159. As residential conveyancing is an area of practice which involves a high risk for fraud and money laundering, the public would expect a solicitor involved in this work to meet the standards expected and demonstrate a particular degree of integrity, accuracy and honesty.
160. The public would not expect a solicitor to fail to undertake the enquiries, investigations and actions set out in paragraph 150 and/or ignore risk factors. Where a solicitor is supervising junior staff to undertake transactional work, the public would expect that solicitor to ensure that all appropriate investigations had been completed and to identify and act upon any risks identified.
161. There was a pattern of conduct in that four similar transactions were identified by the FIO as part of his investigations. Despite the Respondent being aware

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of the potentially fraudulent nature of the Priests Lane transaction by July 2022, the Bridge Road and Clifton Road transactions were carried out just 6 months later, with no evidence of any improvement in scrutiny or procedures. Had the SRA not intervened in the Firm in July 2023, it is likely that these issues would have continued.

162. The Respondent has therefore breached Principles 2 of the Principles.

Paragraph 4.2 of the Code and Paragraph 5.2 of the Code for Firms – safeguarding money and assets

163. The purchasers of Priests Lane, Clifton Road and Birdham Close, and their solicitors, entrusted substantial funds to the Firm in order to purchase the identified properties and obtain good title.

164. The purchasers of Clifton Road and Birdham Close had their attempts to register their purchases rejected by HM Land Registry.

165. Sale proceeds in the Priests Lane and Clifton Road transactions were paid to third party companies with no connection to the proprietors of these properties.

166. Paragraph 150 is repeated.

167. The Respondent has therefore breached Paragraph 4.2 of the Code and Paragraph 5.2 of the Code for Firms.

Rule 5.3 of the Accounts Rules – Money only to be withdrawn from client account if there are sufficient funds

Rule 6.1 of the Accounts Rules – Correcting breaches of the Rules promptly

168. The Accounts Rules involve strict liability and as the Firm's sole manager and COFA, the Respondent had direct responsibility for breaches of the Account Rules.

169. The Respondent was aware that the Priests Lane transaction was potentially fraudulent by no later than 26 July 2022 when he notified the SRA. He would, or should, have been aware that the transaction had created a shortfall in the

Firm's client account of £825,000 as a result of client money being paid to persons other than the registered proprietors, **JH and SH**. This shortfall was not replaced at any time prior to the intervention into the Firm.

170. The client account ledger for the Bridge Road transaction was left £368 in debit as at 31 March 2023, demonstrating that the Respondent allowed a withdrawal to be made from the client account without there being sufficient funds. These funds were not replaced.
171. The proprietor of Clifton Road, **Client C**, had died in 2011. The payment to **Company B** on 13 March 2023 could not have been made to a person entitled to the proceeds of sale. This transaction created an actual or potential shortfall in client account in the sum of £395,000. These funds have not been replaced.
172. The Respondent has therefore breached paragraphs 5.3 and 6.1 of the Accounts Rules.

Allegation 1.2 – Use of the Firm's client account as a banking facility

Breaches of the Principles, Rules and Code for Firms

Rule 3.3 of the Accounts Rules – Client Account not to be used to provide banking facilities

173. The SRA issued a Warning Notice on the improper use of client account as a banking facility, which was first published in March 2014. This requires a solicitor to consider why they are being asked to make a payment and why a client cannot receive the payment directly.
174. The payments to third party companies on the Priests Lane, Clifton Road and Bridge Road transactions fall squarely within the ambit of the Warning Notice and are partially responsible for the confirmed and potential shortfalls in client account as identified in the IFIR.
175. The Respondent has, therefore, breached Rule 3.3 of the Accounts Rules.

Allegation 1.3 - A lack of control, supervision, governance and oversight of the Firm

Breaches of the Principles, Rules and Code for Firms

Principle 5 – Integrity

176. Paragraphs 148-155 are repeated.
177. The FIO's investigation did not identify the Respondent as having ensured that the Firm had:
- 177.1 A risk assessment or policy for AML and client due diligence.
 - 177.2 A training programme on AML and client due diligence.
 - 177.3 A Money Laundering Reporting Officer ('**MLRO**').
 - 177.4 A standard process for applying for employment at the Firm, including the completion of application forms, interviewing processes, and vetting processes, to include DBS checks.
 - 177.5 Comprehensive records of employment.
178. As the sole registered person, manager, COLP and COFA, the Respondent had responsibility for ensuring that the failings listed in paragraph 150 did not occur.
179. As the sole registered person, manager, COLP and COFA, the Respondent had responsibility for ensuring that employees were suitable to undertake transactional work and met SRA standards. The FIO's investigation identified that:
- 179.1 Individuals were permitted to work for the Firm without having provided a CV, completed a formal application process, identification evidence or evidence of registration. There was no evidence of background checks being completed.

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- 179.2 The Respondent could not provide accurate information as to who had worked for the Firm or their dates of employment
- 179.3 There was a high turnover of staff with short periods of employment.
- 179.4 The Respondent had permitted an individual, Mr Stephen John-Cyrus, who was subject to a section 43 Solicitors Act 1974 order due to former involvement in fraudulent property transactions, and had previous convictions for pretending to be a solicitor, to work at the Firm without obtaining the SRA's permission and, further had permitted this individual to undertake high risk transactional work.
- 179.5 The Respondent had permitted an individual who had been sanctioned by the SRA and disbarred by the Bar Standards Board to share office space without adequate controls in place to maintain client confidentiality.
- 179.6 The Respondent had permitted unadmitted personnel to undertake high risk transactional work with no, or no adequate, supervision.
180. The Respondent accepts that he allowed an unadmitted and unauthorised person to pay sums received from clients into his personal bank accounts.
181. The Respondent failed to ensure that he had full control of the Firm's bank accounts, accepting that:
- 181.1 He did not have access to the accounts until May 2022.
- 181.2 He failed to ensure that the former directors relinquished rights of access.
- 181.3 He permitted the office manager, an unauthorised and unadmitted person, to access the Firm's online accounts.
182. The Respondent asserts that the former owners of the Firm continued to carry out completions, although these transactions have not be identified. If correct,

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then the Respondent failed to take any action to prevent these transactions taking place or to report this conduct.

183. The Respondent also asserts that he failed to identify that the former owners of the Firm were continuing to make payments out of the Firm's accounts.

184. Therefore, the Respondent has breached Principle 5.

Principle 2 – Public Trust

185. Paragraphs 157-161 and 177-182 are repeated.

186. The public is entitled to expect that the sole owner and manager of a solicitors' firm, who is also the COLP and COFA, will have effective control over his Firm and those he employs, such that those who carry out client work have been appropriately vetted before undertaking such work and are appropriately supervised thereafter. The public would expect proper records of employment to be kept.

187. The public is also entitled to expect that a person in the Respondent's position will have in place effective systems and controls in place to safeguard their information and any funds entrusted to the Firm.

188. The public would expect that a person in the Respondent's position would safeguard funds entrusted to the Firm by having appropriate control over the Firm's accounts such that unauthorised or inappropriate access could not occur.

189. By July 2022, the Respondent was aware that the Firm had been involved in at least one potentially fraudulent transaction, but there is no evidence that the Respondent took any action to improve processes, procedures and staff oversight to prevent a repetition. Had the SRA not intervened in the Firm in July 2023, it is likely that these issues would have continued.

190. Therefore, the Respondent has breached Principle 2.

Paragraphs 2.1(a) and 8.1 of the Code of Conduct for Firms – Effective Governance and Compliance

191. Paragraphs 157-161 and 177-182 are repeated.
192. As the only admitted and regulated individual and the COLP and COFA for the Firm, the Respondent had sole responsibility for ensuring that the Firm complied with the Code for Firms and Accounts Rules, and that employees did not breach the SRA's regulatory arrangements or any other regulatory and legislative requirements. For the reasons set out at paragraphs 150 and 177-182, the Respondent failed to do so.
193. The Firm was required to have a MLRO in place as it engaged in activities, namely conveyancing, which were within the scope of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. The Firm should have had in place AML risk assessments, policies, controls and procedures and ensured that all relevant employees were appropriately trained in their AML obligations.
194. In the absence of formal appointment, the responsibilities of a MLRO effectively fell on the Respondent and for the reasons set out at paragraph 150, the Respondent failed to ensure that the Firm complied with AML requirements.
195. Therefore, the Respondent has breached paragraphs 2.1(a) and 8.1 of the Code for Firms.

Allegation 1.5 - Manifest Incompetence

196. The concept of manifest incompetence originates from the case of *SRA v Iqbal* [2012] EWHC 3251 (Admin) which established the following, in the judgment of Sir John Thomas [then President of the Queen's Bench Division]:

"It seems to me that Trustworthiness also extends to those standards which the public are entitled to expect of a solicitor, including competence. If a solicitor exhibits manifest incompetence, as, in my judgment, the Appellant did, then it is impossible to see how the public can have confidence in a person who has exhibited such incompetence. It is difficult to see how a

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profession such as the medical profession would countenance retaining as a doctor someone who had showed himself to be incompetent. It seems to me that the same must be true of the solicitors' profession. If in a course of conduct a person manifests incompetence as, in my judgment, the Appellant did, then he is not fit to be a solicitor. The only appropriate remedy is to remove him from the Roll. It must be recalled that being a solicitor is not a right, but a privilege. The public is entitled not only to solicitors who behave with honesty and integrity, but solicitors in whom they can impose trust by reason of competence".

197. It is alleged that the Respondent's conduct, as set out in paragraphs 150, 160, 169-171 and 177-183 was manifestly incompetent. No competent solicitor would have demonstrated:
- 197.1 A significant and repeated lack of control and oversight of AML procedures;
 - 197.2 A significant and repeated lack of control and oversight over client funds;
 - 197.3 A significant and repeated lack of control and oversight over the Firm's accounts and finances;
 - 197.4 A significant and repeated failure to control, oversee and scrutinise recruitment;
 - 197.5 A significant and repeated failure to maintain proper records of employment;
 - 197.6 A significant and repeated failure to supervise employees and their work;
 - 197.7 A persistent failure to prevent poor practice and fraudulent or potentially fraudulent property transactions, even when on notice of the same; and
 - 197.8 A failure to replace the shortfall in client account.
198. Competent conduct would have involved, at the very least, ensuring that the actions identified in paragraph 150 and 177 were taken and ensuring that suitable policies, processes and procedures were in place to address the issues identified in paragraph 197.

Allegation 1.4 – Failure to co-operate with the SRA’s investigation

Breaches of the Principles and Code

Principle 2 – Public Trust

Paragraphs 7.3 and 7.4 of the Code – Co-operation with the SRA

199. The Respondent did not provide a full response to requests for information made by the FIO.
200. The Respondent was reminded of his duty to comply with the SRA and the potential consequences of non-compliance on 28 June 2023.
201. The Respondent declined to attend a recorded regulatory interview arranged for 21 July 2023 with only one day’s notice. Although the Respondent did advise the FIO of health issues at this time, no medical evidence was provided in support.
202. The Respondent made it clear in his email to the FIO on 3 August 2023 that he would not engage further with the investigation.
203. The Respondent did provide some medical evidence on 31 May 2024. This did confirm that the Respondent attended A&E on 26 June 2023 with anxiety related symptoms. However, the medical evidence provided did not demonstrate that the Respondent was unable to engage with the FIO’s investigation in July 2023 and thereafter.
204. It is essential that regulated persons respond promptly and fully to the SRA’s enquiries and requests for information. By not attending an interview, the Respondent impeded the FIO’s ability to properly investigate serious concerns over the ownership and management of the firm. The Respondent also deprived himself of a valuable opportunity to explain his position.
205. The public is entitled to be reassured that the SRA will fully investigate complaints of fraudulent property transactions given the seriousness of such complaints and the potential impact on the public. By not properly engaging with the SRA, the Respondent undermined public trust.

206. The Respondent therefore breached Principle 2 and Paragraphs 7.3 and 7.4 of the Code.

The SRA's investigation

207. The SRA opened a forensic investigation into the Firm on 15 May 2023 and attended the Firm's offices on that date.

208. The Respondent provided information to the FIO on 19 May [TW1, 45], 30 May [TW1, 52-57], 31 May [TW1, 79], 1 June [TW1, 80-81], 28 June [TW1, 164], 3 July [TW1, 158-159] and 11 August 2023 [TW1, 170].

209. The IFIR was issued on 7 June 2023. The IFIR was sent to the Respondent on 20 June 2023. The Respondent was asked to attend an interview.

210. The SRA issued a Notice for Intervention on 20 June 2023.

211. The Respondent provided representations in response to the Notice for Intervention on 27 June 2023 [TW1 430-432].

212. The SRA intervened in the Firm on 6 July 2023 and the Respondent's practicing certificate was suspended.

213. A regulatory interview with the Respondent was postponed to 20 July 2023 at the Respondent's request.

214. On 20 July 2023, the Respondent asked if the scheduled interview could be put back to 21 July 2023. On 21 July 2023, the Respondent advised that he would not be attending the interview due to stress and other serious health issues.

215. On 3 August 2023, the Respondent declined to co-operate further with the SRA.

216. The FFIR was issued on 5 October 2023. The Respondent was notified of the FFIR on 10 October 2023.

217. On 1 February 2024, the SRA notified the Respondent that it would be preparing formal allegations.

218. On 18 April 2024, the SRA issued a notice recommending referral to the Tribunal [TW1, 443-469].

219. On 31 May 2024, the Respondent provided representations and medical evidence [TW1, 470-490].

220. On 5 July 2024, an Authorised Decision Maker of the SRA decided to refer the Respondent to the Tribunal [TW1, 492-498].

Statement of Truth

I believe the contents of this statement are true.



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Tina Whitman

Dated this 22nd day of October 2024

Case No:

BEFORE THE SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 (as amended)

AND IN THE MATTER OF:

SOLICITORS REGULATION AUTHORITY LIMITED

Applicant

and

ERIC KAWOYA KABUYE

Respondent

**APPENDIX 1 to STATEMENT PURSUANT TO RULE 12 (2) OF THE SOLICITORS
(DISCIPLINARY PROCEEDINGS RULES) 2019**

Relevant Rules and Regulations

Allegation 1.1

SRA Principles 2019

Principle 2 You act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.

Principle 5 You act with integrity

SRA Code of Conduct for Solicitors, RELs and RFLs 2019

Paragraph 4.2 You safeguard money and assets entrusted to you by clients and others.

SRA Code of Conduct for Firms 2019

Paragraph 5.2 You safeguard money and assets entrusted to you by clients and others.

Sensitivity: General

Paragraph 9.2(a) If you are a COFA you must take all reasonable steps to ensure that your firm and its managers and employees comply with any obligations imposed upon them under the SRA Accounts Rules.

SRA Accounts Rules 2019

Rule 5.3 You only withdraw client money from a client account if sufficient funds are held on behalf of that specific client or third party to make the payment.

Rule 6.1 You correct any breaches of these rules promptly upon discovery. Any money improperly withheld or withdrawn from a client account must be immediately paid into the account or replaced as appropriate.

Allegation 1.2

SRA Accounts Rules 2019

Rule 3.3 You must not use a client account to provide banking facilities to clients or third parties. Payments into, and transfers or withdrawals from a client account must be in respect of the delivery by you of regulated services.

Allegation 1.3

SRA Principles 2019

Principle 2 You act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.

Principle 5 You act with integrity

SRA Code of Conduct for Firms 2019

Paragraph 2.1(a) You have effective governance structures, arrangements, systems and controls in place that ensure:

(a) you comply with all the SRA's regulatory arrangements, as well as with other regulatory and legislative requirements, which apply to you.

Sensitivity: General

Paragraph 4.4 You have an effective system for supervising clients' matters.

Paragraph 8.1 If you are a manager, you are responsible for compliance by your firm with this Code

Allegation 1.4

SRA Principles 2019

Principle 2 You act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.

SRA Code of Conduct for Solicitors, RELs and RFLs 2019

Paragraph 7.3 You cooperate with the SRA, other regulators, ombudsmen, and those bodies with a role overseeing and supervising the delivery of, or investigating concerns in relation to, legal services.

Paragraph 7.4 You respond promptly to the SRA and:

(a) provide full and accurate explanations, information and documents in response to any request or requirement; and

(b) ensure that relevant information which is held by you, or by third parties carrying out functions on your behalf which are critical to the delivery of your legal services, is available for inspection by the SRA.