

Case No. 12813-2025

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 -

ALEXANDER WILLIAM BRUCE LEE

Respondent

RESPONDENT'S ANSWER TO RULE 12 STATEMENT

- 1 This is the Respondent's Answer to the Rule 12 Statement. It is not, and does not contain, the Respondent's evidence. That will be filed and served in due course pursuant to the Tribunal's direction. It is intended to set out the nature of the Respondent's case.
- 2 In this Answer:
 - 2.1 References to paragraph numbers are to the paragraph numbers in the Rule 12 Statement of Jonathan White dated 30 July 2025.
 - 2.2 The Applicant will be referred to as the SRA;
 - 2.3 The Respondent adopts the definitions contained in the Rule 12 Statement;
 - 2.4 Any documents referred to will be relied upon at the final hearing for their full meaning and effect;
 - 2.5 Save to the extent admitted below, the Respondent takes issue with and requires the SRA to prove the contents of the Rule 12 Statement.

Preliminary point: Delay

- 3 The matters upon which the SRA relies span the period 2015 to 2019 (see paragraph 8). They culminated, first, in the Respondent's ceasing to be a director of GST on 18 April 2019 (paragraph 13), and second, by no later than the judgment of Chief Master Marsh dated 10 December 2019 – upon which the SRA places reliance – by which GST was ordered to be replaced as security trustee: see JW1 pp.716 *et seq.* The SRA began its investigation into this matter in September 2019. It was not until September 2024, five years later, that the SRA saw fit to notify certain allegations against the Respondent, and not until 30 July 2025 that a Rule 12 Statement was served. The lapse of time is grossly excessive and in contravention of the reasonable time requirement under ECHR Article 6. The SRA has proffered no explanation for the excessive delay in bringing forward this matter, which has infringed the Respondent's Article 6 rights. The Tribunal should therefore exercise its discretion to stay these proceedings on the grounds of delay.

Answer to the Allegation

- 4 In answer to paragraph 1, and generally in relation to the Rule 12 Statement, the Respondent states as follows:
- 4.1 GST acted as a security trustee appointed pursuant to the terms of Security Trust Deeds dated 29 December 2015 and 30 December 2015 respectively.
 - 4.2 GST's role was to hold the benefit of the rights and interests created by debentures executed by LCF dated 29 December 2015 and 30 December 2015 respectively.
 - 4.3 GST's powers were limited by the combined effect of clause 3 of the Security Trust Deeds and clause 14 of the Debentures to
 - (a) notifying the bondholders in the event of the rights of security given by the debentures becoming enforceable upon the occurrence of an event of default as defined in their individual bond instruments, and

- (b) enforcing such rights at its discretion.
- 4.4 GST's obligations pursuant to clause 5.3 of the Security Trust Deeds were expressly restricted to the aforesaid powers.
- 4.5 In particular, GST had no role in the investment decisions made by the bondholders and had neither the duty nor any means to conduct or otherwise investigate any due diligence that the bondholders may or may not have carried out.
- 4.6 It is admitted that the Respondent acted as a director of GST between 31 March 2018 and 19 April 2019 and held 50 per cent of the shares therein from about 1 November 2018.
- 4.7 It is admitted that from time to time between about late 2015 and late 2018 the Respondent, in his capacity as a partner in the firm, acted for LCF in connection with the drafting of certain facility agreements and associated documents in connection with loans being made by LCF to third parties. For the avoidance of doubt, it is denied that the Respondent was either under the duty or possessed the means to conduct or otherwise investigate any due diligence work in connection with LCF's lending activities, and it is the Respondent's case that he did not do so.
- 4.8 It is denied (if it be so alleged) that the Respondent's said work on behalf of LCF conflicted, or had the potential to conflict, with GST's said obligations and powers.
- 4.9 It is denied that the Respondent either did or had the means to carry out any self-dealing transactions with regard to the assets of the trusts of the Security Trust Deeds, and it is accordingly denied that the Respondent has acted in an own interest conflict, whether as prohibited by O3.4 of the Code of Conduct 2011 or at all.
- 4.10 It is, accordingly, denied that the Respondent has breached either or both of Principles 2 and 6 of the SRA Principles 2011. The Respondent carried out his

limited obligations pursuant to his appointment as director of GST faithfully and loyally towards the bondholders, wholly uninhibited by the fact and content of the said work that he had carried out for LCF.

Professional details

5 Paragraphs 5 and 6 are admitted.

Facts relied on by the SRA

6 Save that

6.1 it is admitted that LCF went into administration in January 2019;

6.2 between about late 2015 and late 2018 the Respondent carried out certain work for LCF as set out at paragraph 4.7 of this Answer;

6.3 the proceedings before Miles J. (to which the Respondent was not a party) and the Miles J. judgment (by which the Respondent is not bound) are admitted,

the SRA is required to prove so many of the background facts and matters set out at paragraphs 7-9 inclusive as it wishes to rely on.

7 For the reasons set out in this Answer Allegation 1.1 is denied.

8 Paragraph 10 is admitted.

9 Save as set out at paragraphs 4.1 to 4.6 inclusive of this Answer the SRA is required to prove so many of the background facts and matters set out at paragraphs 11-13 inclusive as it wishes to rely on.

10 Save as set out at paragraph 4.7 of this Answer the SRA is required to prove so many of the background facts and matters set out at paragraph 14 as it wishes to rely on.

11 Paragraph 15 is admitted.

- 12 The arguments contained at paragraphs 16 and 17 are noted, but for the reasons set out at paragraphs 4.7 to 4.9 inclusive above they are denied. The SRA is required to prove
- 12.1 by whom the Respondent was or would be seen as acting at the behest of LCF and AT (as alleged by paragraph 17.1, which is denied) in the light of the Security Trust Deeds which provided at clause 5.3 that GST “shall not generally ... and specifically not be under any obligation, trust or fiduciary relationship to any party to this Deed other than the [bondholders]”;
 - 12.2 the source and nature of his alleged duty to ensure that there was adequate and valuable security which protected bondholders (which is denied), whether as set out at paragraph 17.2 or at all;
 - 12.3 the confidential information of LCF which it is contended by paragraph 17.3 (which is denied) was disclosable to GST and the bondholders;
 - 12.4 the nature and degree of the risk of a dispute between LCF and the bondholders as set out at paragraph 17.4 (which is denied) in the light of the Security Trust Deeds which provided at clause 5.3 that GST “shall not generally ... and specifically not be under any obligation, trust or fiduciary relationship to any party to this Deed other than the [bondholders]”, and whether such risk ever eventuated;
 - 12.5 the source and nature of his duty alleged by paragraph 17.5 (which is denied) to ensure that the borrowers did not minimise the security put forward by them, and all facts and matters relied upon in support of the implied contention that the Respondent failed in such alleged duty.
- 13 Paragraph 18 is denied. The Respondent was under no duty to investigate the sufficiency of the assets secured or to be secured for the bondholders.
- 14 The quoted provision of the debenture and the events set out at paragraph 19 are admitted, but the conclusions sought to be drawn from those matters are denied. Whilst it is accepted that GST was entitled to information from LCF, it is denied that

GST had the power to take any steps in connection with such information unless and until there was an event of default, as explained at paragraph 4.3 of this Answer.

15 Paragraph 20 is accordingly denied.

16 Paragraphs 21 and 23 are noted. The Respondent's position is as set out at paragraph 4 of this Answer.

17 Paragraph 22 is admitted.

18 The Respondent had no knowledge at the material times of the matters at paragraph 24.

Principle 2 SRA Principles 2011 (integrity)

19 The reference to the *Wingate* case is noted.

20 For the avoidance of doubt, the nature of the Respondent's case is that upon being offered the directorship of GST he did consider the issue of actual or potential conflict of interest and concluded that there was none, because

20.1 he did not possess any relevant information confidential to LCF that was otherwise disclosable to the bondholders;

20.2 to the best of his knowledge and belief LCF's and the bondholders' financial interests were aligned;

20.3 as set out at paragraphs 4.3 to 4.5 inclusive of this Answer his powers to act on behalf of the bondholders were limited to events over which he or GST had no control even despite his professional association with LCF;

20.4 as set out at paragraphs 12.1 and 12.4 of this Answer he was at all material times aware of his paramount duty to the bondholders and he acted, within his limited powers, accordingly.

21 For the reasons set out above,

- 21.1 the alleged conflict, whether “obvious” or otherwise, is denied;
- 21.2 the alleged duty to take steps to monitor the sufficiency of the bondholders’ interests is denied;
- 21.3 the SRA is required to prove the nature of the direction and leadership that it is alleged that the bondholders were entitled to expect, and the source of such expectation (which is denied);
- 21.4 the SRA is required to prove
 - (a) the actions which it is alleged that the Respondent should have taken but did not during the relevant period, setting out in each case the source of the duty which must be contended that he breached;
 - (b) the matters to which it is alleged that the Respondent was insufficiently attentive, setting out in each case how it is alleged he was or should have been on notice of such matters, and the source of the duty which must be contended that he breached;
 - (c) exactly how it is alleged that the Respondent could and should have prevented the bondholders’ alleged losses during the relevant period;
 - (d) what it is alleged that the Respondent did (or did not do) that had the effect of preferring the interests of his paying clients (be that LCF, AT or whomsoever);
 - (e) what it is alleged that the Respondent did (or did not do) that had the effect of preferring his own financial interests;
 - (f) the precise respects in which it is alleged that the Respondent benefited financially and/or his own financial interests were otherwise enhanced at the bondholders’ expense or to their detriment.

22 Paragraph 4.10 of this Answer is repeated.

23 In the premises, the alleged breach of Principle 2 of the SRA Principles 2011, whether as set out at paragraphs 25-27 or at all, is denied.

Principle 6 SRA Principles 2011

24 The alleged conflict, whether “obvious” or otherwise, is denied.

25 The remarks of Chief Master Marsh are noted. The Respondent was not a party to the proceedings before the Chief Master; he was not present or represented in such proceedings; he did not give evidence in such proceedings, and the Chief Master’s judgment is not binding on him.

26 Paragraphs 4.10 and 21.4(a)-(d) of this Answer are repeated.

27 For the reasons set out in this Answer the alleged breach of Principle 6 of the SRA Principles 2011, whether as set out at paragraphs 28-29 or at all, is denied.

Outcome 3.4

28 The recitals from the Code of Conduct 2011 are noted.

29 Paragraphs 4.9 and 21.4(e)-(f) of this Answer are repeated.

30 For the reasons set out in this Answer the alleged breach of outcome O3.4 of the Code of Conduct 2011, whether as set out at paragraphs 30-31 or at all, is denied.

The SRA’s investigation

31 Paragraph 3 of this Answer is repeated. Otherwise, paragraphs 32-33 are admitted.