

SOLICITORS DISCIPLINARY TRIBUNAL

SOLICITORS ACT 1974

IN THE MATTER OF SATYA PRAKASH DHAMA, [RESPONDENT 2], [RESPONDENT 3] and [RESPONDENT 4], solicitors
[RESPONDENT 5], solicitor's clerk, (The Respondents)

Upon the application of Jonathan Goodwin
on behalf of the Solicitors Regulation Authority

Mr D Glass (in the chair)
Mr D J Leverton
Mr G Fisher

Date of Hearing: 20th and 21st July 2010

FINDINGS & DECISION

Appearances

Mr Jonathan Richard Goodwin of Jonathan Goodwin Solicitor Advocate, 17e Telford Court, Dunkirk Lea, Chester Gates, Chester, CH1 6LT for the Applicant.

Mr Robert Bourne of Counsel for [RESPONDENT 2].

Mr Satya Prakash Dhama, RESPONDENT 3] and [RESPONDENT 5] did not appear.

The Application was dated 16 June 2008.

Allegations

Allegations against the First Respondent, Satya Prakash Dhama

1. He allowed client account to become overdrawn contrary to Rule 22 (8) of the Solicitors Accounts Rules 1998 ("the 1998 Rules).
2. He failed to keep accounts properly written up as required by Rule 32 of the 1998 Rules.

3. He failed to ensure compliance with the 1998 Rules, contrary to Rule 6.
4. He failed to rectify breaches to the Accounts Rules contrary to Rule 7 of the 1998 Rules.
5. He breached Rule 1(a), (d) and (e) of the Solicitors Practice Rules 1990 (“SPR”) in that he involved himself in transactions warned against by The Law Society.
6. He facilitated, permitted or acquiesced in his client bank account being utilised for the purposes of transactions which exhibited the characteristics of fraudulent transactions.
7. He facilitated, permitted or acquiesced in a conflict of interest situation.
8. He facilitated, permitted or acquiesced in office account transactions being conducted through client account.
9. He facilitated, permitted or acquiesced in the non-accounting for ‘VAT’.
10. He facilitated, permitted or acquiesced in a struck off Solicitor carrying out work for the firm and/or representing the firm contrary to Rule 1 of the SPR and/or Section 41 of the Solicitors Act 1974 (as amended) (‘the Act’).
11. He failed to exercise any or adequate supervision of employees contrary to Rule 13 of the Solicitors Practice Rules 1990 (“SPR”).
12. He made representations to The Law Society which were misleading and/or inaccurate.
13. He failed to reply substantively or at all to correspondence from The Law Society.
14. He failed and/or delayed in complying with undertakings given to Savjani Partnership (now known as “Simply Law Solicitors”), dated 17 March 2003 and failed to inform the recipient of the undertaking as to the reason for the delay in complying with same.
15. He facilitated, permitted or acquiesced in representations being made to the Savjani Partnership which were misleading and/or inaccurate.
16. He failed and/or delayed in the payment of agents fees.
17. He failed and/or delayed in complying with a direction of an Adjudicator as to the payment of compensation to Mr K dated 3 January 2006.
18. Contrary to Rule 1 of the SPR and/or Rule 46 of the Solicitors Indemnity Insurance Rules 2003 he failed and/or delayed in providing details of his Professional Indemnity Insurers to his former clients’ new Solicitors.
19. Contrary to Rule 15 of the SPR and the Solicitors Costs Information and Client Care Code, he failed to provide the required client care information and/or to operate an adequate complaint handling procedure.

20. He failed to properly account to his client on termination of the retainer.
21. He failed to carry out his clients' instructions diligently and promptly contrary to Rule 1(e) SPR.
22. He failed to keep his client and/or his clients' agents properly informed as to the terms and effect of undertakings dated 21 May 2002 and a consent order dated 22 May 2002, contrary to Rule 1(e) of the SPR.
23. He acted where his own interests conflicted, or potentially conflicted with the interest of his client (G D).
24. He failed and/or delayed in advising his client (GD) to obtain independent legal advice, contrary to Rule 1(a), (c) and (d) of the SPR.
25. He failed and/or delayed in delivering up his file of papers to his former clients' new Solicitors.
26. Contrary to Rule 24 of the 1998 Rules he failed and/or delayed in accounting for interest.
27. He failed and/or delayed in complying with an undertaking given to SJ Solicitors dated 27 May 2003.
28. He failed to comply with a direction of an Adjudicator dated 20 April 2005, as upheld by an Adjudication Panel on 6 December 2005, to pay to Ms O compensation in the sum of £997.50.
29. He failed and/or delayed in complying with two undertakings given to Barclays Bank, dated 15 July 2003 and 1 December 2003 and failed to inform Barclays Bank or their Solicitors of the reasons for the delay.
30. He failed to provide Barclays Bank Solicitors, Mathew Arden Baldwin, with details of his firm's Professional Indemnity Insurance contrary to Rule 1 of SPR and/or Rule 46 of the Solicitors Indemnity Insurance Rules 2004.
31. He communicated with Barclays Bank who had Solicitors acting on their behalf, without having first obtained the Solicitors' consent.
32. He acted when his own interests conflicted or potentially conflicted with the interests of a client OE Ltd and/or Mr A.
33. He failed to carry out Barclays Bank's instructions diligently and promptly contrary to Rule 1(c) of the SPR.
34. He failed and/or delayed in delivering up papers and property to Barclays Bank contrary to Rule 1(c) of the SPR.
35. He failed and/or delayed in complying with an undertaking dated 25 July 2003, given to Wards Solicitors and failed to inform the recipient as to the reasons for delay.

36. He failed and/or delayed in replying to correspondence received from Wards Solicitors.
37. He failed to comply with a direction of an Adjudicator dated 16 October 2006 as to the payment of compensation in the sum of £600.00 to Mr O’K.
38. [Withdrawn]
39. [Withdrawn]
40. He failed to account to a client, Mr D, contrary to Rule 1(c) of SPR.
41. He failed and/or delayed in complying with an Adjudicator’s decision dated 11 May 2006.
42. He failed and/or delayed in complying with an undertaking given to Barclays Bank dated 28 April 2005.
43. He failed to act in his client’s best interest contrary to Rule 1(c) and (d).
44. He failed and/or delayed in the filing of a Cease to Hold Accountants Report relating to Dhama Douglas for the period 1 April 2006 to 18 August 2006, due for delivery on or before 18 February 2007 but not delivered until 26 April 2007, contrary to Section 34 of the Solicitors Act 1974 (as amended) and the Rules made thereunder.

**In relation to allegations 17, 28, 37 and 41, the Applicant sought an Order pursuant to paragraph 5(2) of Schedule 1A to the Solicitors Act 1974 (as amended) that the Directions of the Adjudicator dated 3 January 2006, 6 December 2005, 16 October 2006 and 11 May 2006 respectively, arising out of the inadequate professional service, be treated for the purposes of enforcement as if they were contained in orders made by the High Court.

Allegations against the Second Respondent, [RESPONDENT 2]

45. He breached Rule 1 (a), (d) and (e) in that he involved himself in actions warned against by the Law Society.
46. He facilitated, permitted or acquiesced in his client account being utilised for the purposes of transactions which exhibited the characteristics of fraudulent transactions.
47. He acted in circumstances where his own interests were in conflict, or potential conflict with a client(s).
48. He facilitated, permitted or acquiesced in the non accounting for ‘VAT’.

Allegations against Third Respondent, [RESPONDENT 3]

49. He failed and/or delayed in the payment of agents fees.
50. He failed and/or delayed in complying with a direction of an Adjudicator as to the

payment of compensation, to Mr K dated 3 January 2006.

51. He failed to comply with a direction of an Adjudicator dated 16 October 2006 as to the payment of compensation in the sum of £600 to Mr O’K.
52. He failed and/or delayed in complying with an undertaking given to Barclays Bank dated 28th April 2005.
53. He failed to ensure compliance with the 1998 Rules contrary to Rule 6 of the 1998 Rules.
54. He failed to rectify breaches to the Accounts Rules promptly upon discovery contrary to Rule 7 of the 1998 Rules.
55. He failed to keep accounts properly written up as required by Rule 32 of the Rules.
56. He allowed client account to become overdrawn contrary to Rule 22 (8) of the 1998 Rules.
57. He failed to exercise any or adequate supervision of employees contrary to Rule 13 of the SPR.
58. He failed and/or delayed in the filing of a Cease to Hold Accountants Report relating to Dhama Douglas for the period 1 April 2006 to 18 August 2006, due for delivery on or before 18 February 2007 but not delivered until 26 April 2007, contrary to Section 34 of the Solicitors Act 1974 and the Rules made thereunder.

**In relation to allegations 50 and 51, the Applicant sought an Order pursuant to paragraph 5(2) of Schedule 1A to the Solicitors Act 1974 (as amended) that the Directions of the Adjudicator dated 3 January 2006 and 16 October 2006 respectively, arising out of the inadequate professional service, be treated for the purposes of enforcement as if they were contained in orders made by the High Court.

Allegations 59 to 63 related to the Fourth Respondent, [RESPONDENT 4] who was dealt with by the Tribunal on 7 September 2009.

Allegation against the Fifth Respondent, [RESPONDENT 5]

Allegation 64 against [RESPONDENT 5] was set out in the Rule 5 Statement but was not proceeded with.

[RESPONDENT 2]

Subject to the Tribunal’s consent, the parties had agreed that the allegations against [RESPONDENT 2] would lie on the file on the basis that [RESPONDENT 2] had agreed to give a number of undertakings to the Tribunal. These undertakings included [RESPONDENT 2] applying to the Solicitors Regulation Authority to remove his name from the Roll of Solicitors, and undertaking not to apply to be readmitted to the Roll for the rest of his life. The Tribunal were concerned about [RESPONDENT 2] being involved in any type of legal practice in the future, and as a result, [RESPONDENT 2] gave a further undertaking

not to seek employment or remuneration in any capacity as a solicitor's clerk, member of the Institute of Legal Executives, as a licensed conveyancer or as a barrister, or in any other capacity in the legal profession. In addition, [RESPONDENT 2] agreed to pay the Applicant's costs in the sum of £20,000.

On this basis the Tribunal accepted the undertakings given by [RESPONDENT 2] and made no Order save that [RESPONDENT 2] pay the Applicant's costs in the agreed sum of £20,000.

[RESPONDENT 5]

The Applicant requested leave not to proceed with the allegation against [RESPONDENT 5]. This was on the basis that he did not have [RESPONDENT 5]'s full name, he did not have [RESPONDENT 5]'s address and he had been unable to trace [RESPONDENT 5]. In the circumstances, it would be difficult to enforce any Order against [RESPONDENT 5] and the Applicant therefore requested leave not to proceed with the allegation against him and for the allegation to lie on the file so that if [RESPONDENT 5] could be traced, the allegation could be resurrected if appropriate. The Tribunal granted the Applicant leave not to proceed against [RESPONDENT 5] and for the allegation against [RESPONDENT 5] to lie on the file.

Preliminary Matters

- (1) The Applicant referred the Tribunal to letters dated 25 January 2009 and 17 January 2010 submitted by Mrs Neena Dhama on behalf of her husband, Mr Satya Prakash Dhama. In those letters Mrs Dhama explained Mr Dhama's medical history and attached a number of medical reports and medical notes relating to Mr Dhama's medical condition. She had submitted in her letter that the medical reports referred to a risk of suicide and that a public hearing and the humiliation of the Tribunal's findings being published may further contribute to the risk of suicide. She had therefore requested the Tribunal to keep the findings private.
- (2) The Applicant raised this issue in the absence of Mr Dhama but submitted that no formal application had been made by Mr Dhama and that in any event, the Tribunal was entitled to proceed in public.
- (3) The Tribunal noted no formal application had been made for the hearing to be held in private and felt that given the serious nature of the allegations that had been made, it was not appropriate to restrict these public proceedings.
- (4) The Applicant requested leave to proceed in the absence of both Mr Dhama and [RESPONDENT 3]. The Tribunal was referred to a witness statement from [RESPONDENT 3] dated 19 July 2010 indicating he was not likely to attend the hearing and that he was currently in Calcutta. The statement contained submissions in support of his defence.
- (5) In relation to Mr Dhama, the Tribunal was referred to a letter dated 13 July 2010 from Mrs Dhama which attached a medical report from Dr Pinto dated 30 June 2010 and some medical notes from Edgware Community Hospital. Mrs Dhama had asked the Tribunal in her letter to "show compassion and understanding".

- (6) The Applicant submitted that Mr Dhama and [RESPONDENT 3] were both clearly aware of the hearing today, and in the circumstances asked the Tribunal for leave to proceed in their absence. The Tribunal granted leave to proceed in the absence of Mr Dhama and [RESPONDENT 3].

Factual Background

1. The First Respondent, Satya Prakash Dhama (“Mr Dhama”), born in 1937, was admitted as a solicitor on 16 December 1996, and his name remained on the Roll of Solicitors.
2. The Second Respondent, [RESPONDENT 2], born in 1969, was admitted as a Solicitor on 15 April 1996 and his name remained on the Roll of Solicitors.
3. The Third Respondent, [RESPONDENT 3], born in 1956, was admitted as a Solicitor on 1 April 2003 and his name remained on the Roll of Solicitors.
4. The Law Society records indicated Mr Dhama practiced on his own account as Dhama Douglas between 22 March 1999 until 16 December 1999, and subsequently as a partner with Mr Hardial Singh from 17 December 1999 to 27 August 2004, and thereafter on his own account until 5 April 2005. The Applicant alleged that [RESPONDENT 3] became a Partner on 6 April 2005.
5. The firm practised from offices at 44 Seymour Place, London, W1H 2NA until 26 March 2005, when the firm moved to offices at Ground Floor, 203-209 North Gower Street, London, NW1 2NJ.
6. Between 6 September 2000 and 11 November 2003 Mr Dhama and Mr Hardial Singh also practiced under the style of Dhama Douglas from offices at 345 Vicarage Farm Road, Hounslow, Middlesex. On 8 February 2006 Mr Hardial Singh was struck off the Roll of Solicitors. [RESPONDENT 2] was said to be a consultant to Dhama Douglas. He joined the firm at the beginning of 2004 having previously been a partner at Lawsons Merchant until 9 January 2004.
7. The Investigation Team of the Law Society commenced an inspection into the firm of Dhama Douglas and produced a report date 22 February 2006. The Report identified a number of areas of concern.

Allegations 1, 2, 3 & 4 (Mr Dhama) and 53, 54, 55 and 56 [RESPONDENT 3]

8. On occasion balances recorded for certain clients in a matter balances listing did not agree with those recorded in the relevant client ledger account. The firm’s bookkeeper acknowledged the problems and the books were re-written to 31 January 2005. It was ascertained that the client balances listing against the individual client ledger accounts on a sample basis, were in agreement.
9. However, the re-written up books revealed a cash shortage of £4,916.11 as at 31 January 2005, as a consequence of debit balances and a small book difference. The shortage was partially rectified on 20 April 2005.

10. On 3 March 2006 [RESPONDENT 3] provided the Law Society with a list of client balances. A review of these showed:
- (a) A number of minor debit balances on client ledgers totalling £2,008.64;
 - (b) A substantial debit balance on one client ledger of £24,935.75.
11. [RESPONDENT 3] failed to provide the Law Society with evidence that the shortfall had been addressed. He stated that by 6 March 2006 the firm's accountants would bring the accounting records up to date and that Mr Dhama would meet whatever shortfall occurred. Mr Dhama stated in a letter dated 8 March 2006 that the shortfall was due to some dishonoured rent cheques and that he would make up the shortfall if necessary.
12. By 20 March 2006, there only remained three minor debit balances totalling £120.50 and Mr Dhama had agreed to replace any shortfall on the substantial debit balance of £24,935.75 once the bank mandate had been amended.

Allegations 5 & 6 (Mr Dhama)

13. The Report identified one matter which had the hallmarks of Banking Instrument Fraud in relation to the transaction involving Mr HCC. It was ascertained that there had been:
- A failure to obtain identification evidence,
 - The involvement of a bank guarantee transaction of \$3 million,
 - Interest on the trading programme at 30% per month,
 - The programme to be governed by Dutch Law.

Mr Dhama indicated:-

- It rang some bells;
- The client care letter of 10 October 2003 was a standard immigration letter;
- His former employee Mr Wang, described the matter as a standard immigration case;
- He had not looked at the file;
- He did not know anything about the transaction or the file until the Law Society asked for it;
- He had never met Mr HCC;
- He was familiar with the Warning Card on banking instrument fraud.

14. The Report identified six transactions which exhibited the characteristics of money laundering as particularised in the “Blue Card” Warning. It was ascertained that:-

- There was a failure by the firm to establish the identity of companies and/or individuals involved in the transactions;
- There was a lack of clarity as to the person and/or body providing instructions;
- Sums passing through the firms client account did not relate to any underlying legal transaction;
- The disbursement of monies to third parties without clear reasons for the disbursement, or the clear authority of the clients concerned to make the payments;
- Receipt of monies from apparently unrelated third parties in excess of the amount required to complete the transaction;

Mr Dhama indicated, inter alia, that:-

- He had no knowledge of the matters referred to in the report;
- Ms JF (an unadmitted clerk also referred to as Mrs JP) had acted in the transactions and that he trusted Ms JF;
- He did not see anything wrong with the matters at the time;
- He did not know why payments were received from and/or made to apparently unrelated third parties;
- He was unable to identify some of the parties involved;
- Not all funds passed through the firm’s bank account.

15. A number of transactions raised concern regarding the firm’s compliance with the “Green Card” Warning on property fraud in that there were:-

- Unusual instructions;
- Unusual transactions;
- Misrepresentation of the purchase price and/or part of the purchase price paid or said to have been paid;
- Pre-signed documentation;
- No company search obtained.

Allegation 8 (Mr Dhama)

16. Mr Sandeep Dhama is the son of Mr Dhama. The client matter file relating to him showed an initial underlying legal transaction relating to the purchase of 25 G View which was concluded in April 2002. No further legal work was carried out in respect of the purchase after that date except for a fax from Mrs S to “Sunny” dated 19 June 2003 sending the NHBC insurance certificate. However, it was ascertained that since the conclusion of the matter Dhama Douglas received into client account the sum of £73,214.77 on 23 July 2003 which was disbursed in various ways, and the receipt of further monies.
17. There was no indication in the file of any underlying legal transaction relating to the receipts and transfers totalling £127,163.12 and in particular no details were recorded as from whom the sums totalling £127,163.12 were received, and to whom the monies were sent.

Allegation 9 (Mr Dhama)

18. There were a number of invoices sent to clients that showed Dhama Douglas’ legal fees plus VAT but had no VAT number. There were no covering letters sending these invoices to clients and these invoices did not pass through Dhama Douglas’ bill book and were not shown on the centrally held client ledger. The effect was that VAT was collected from the client but not fully accounted to the authorities. There were also matters where VAT had not been charged on disbursements where those disbursements were subject to VAT.

Allegation 10 (Mr Dhama)

19. Mr Surinder Singh Sandhu was struck off the Roll of Solicitors on 30th November 1989. He died on 1 February 2004. The Investigation Officers (“IOs”) ascertained following a review of client matter files at Dhama Douglas that Mr Sandhu was working for and/or representing the firm in a number of transactions. Mr Dhama indicated that Mr Sandhu had never been remunerated by him but commented that Mr Sandhu might have been doing “back handed practices”.
20. However, by letter dated 7 March 2005 to The Law Society, Mr Anoop Sandhu, Mr Sandhu’s son, said that his father “worked for Dhama Douglas at 22 South Molten Street up to 31 March 2000 and then Mr Dhama moved to 44 Seymour Place, London, W1 and my father worked as an associate doing conveyancing of properties; agreement was 50% of the fees”. Mr Dhama denied Mr Sandhu’s son knew the position and said that the contents of the letter were untrue. He denied that he had ever paid him anything.

Allegations 11 & 12 (Mr Dhama)

21. By letter dated 30 January 2004 the Office of the Immigration Services Commission (“OISC”) made a complaint on behalf of Mr MQK, a former client of Dhama Douglas. Mr MQK complained about the sum of £3,000.00 which was paid on his behalf by Mr C to an employee of Dhama Douglas, [RESPONDENT 5], in respect of an application for bail. Mr Dhama said that his firm did not give a receipt for any

money to any party in the matter, as no funds were received. He suggested his firm's letterhead may have been used without his knowledge or consent. Mr Dhama indicated that [RESPONDENT 5] was not a fee earner and that the bail application form had been completed by [RESPONDENT 5] without his knowledge and authority.

22. By letter dated 18 March 2004 the Chinese Information and Advice Centre ("CIAC") made complaint on behalf of Mr WHP, a former client of Dhama Douglas. Mr WHP was also assisted by [RESPONDENT 5] and complained that [RESPONDENT 5] failed to advise him of any further action that could be taken after his claim was refused and/or as to his rights of appeal. There was another complaint by Mr IE who had received instructions from Dhama Douglas by letter dated 20 May 2000. The letter was on Dhama Douglas' note paper and was signed in the name of the firm. On 5 July 2000 Mr IE received a further fax signed by [RESPONDENT 5] for and on behalf of Dhama Douglas.
23. By letter dated 31 March 2003 Mr Dhama indicated that his firm's letterhead had been used without authorisation, and that whilst [RESPONDENT 5] assisted his firm as an interpreter, he had no authorisation to deal with his letterhead or act in any way suggesting he represented the firm. [RESPONDENT 5] had never been an employee of the firm and that access to the notepaper could have arisen from the letterhead being left in the fax machine which was placed near a passage area which provided access to third parties. Mr Dhama stated steps had been taken to avoid such occurrence happening again.
24. Subsequently, on 21 April 2005 Mr Dhama was asked to clarify certain issues relating to the response he had previously given to The Law Society. In his letter of 21 June 2004 Mr Dhama indicated that his letterhead may have been used without his knowledge or consent. He was asked to explain how [RESPONDENT 5] was able to gain access to the firm's letterhead in January 2004, given he had previously indicated to The Law Society by letter dated 31 March 2003, that he had taken steps to remove the fax machine to a more secure position to avoid misuse of the firm's letterhead. Mr Dhama was also asked to explain why the attendance notes in the complaint of Mr MQK showed [RESPONDENT 5] as the fee earner, if [RESPONDENT 5] was not a fee earner as suggested by Mr Dhama, but rather a freelance interpreter.
25. Mr Dhama replied by letter dated 9 June 2005 and sought to explain how it was that [RESPONDENT 5] may have come to use his letterhead, but again indicated that [RESPONDENT 5] was not a fee earner. He was not able to provide an address for [RESPONDENT 5] given he had stopped using his services.

Allegations 5, 6, 11 & 14 (Mr Dhama)

26. Mrs S instructed Dhama Douglas in or around 25 February 2003 in relation to the purchase of three properties. These were dealt with by Ms JF who was supervised by Mr Dhama. There were existing charges on two of the properties. Mrs S had obtained mortgages on each property from igroup Ltd who were represented by The Savjani Partnership (now known as "Simply Law").
27. By letters dated 17 March 2003 in relation to two of the properties subject to existing

charges, Dhama Douglas entered into undertakings with The Savjani Partnership following receipt of the net advance, and amongst other matters:

- “(b) forthwith to effect completion;
- (c) to ensure that your clients obtain a first mortgage on the property offered to them as security comprised in the mortgage deed....
- (e) if for any reason we are unable to effect and report completion, within 24 hours of receipt of funds, forthwith to return an equivalent amount of money....
- (g) within 14 days of completion or before expiry of a shorter period to apply to HM Land Registry for Registration and to forward you a copy of the Land Registration Acknowledgement Card forthwith after receipt thereof....
- (i) to procure registration at HM Land Registry of a first legal charge on the property mentioned above;
- (j) to forward to you the Charge Certificate and all relevant documents including searches, enquiries, planning consents and NHBC documentation, if any, forthwith;
- (l) if at the time of completion we are holding the original mortgage deed, to let you have a completed and dated copy of that mortgage deed within 24 hours of completion.”

28. The first property 31 J Road was to be purchased from Mr K, a property developer, for £225,000. Mrs S obtained a mortgage for £180,000 from igroup Ltd. By letter dated 9 April 2003 Dhama Douglas wrote to Barclays Bank indicating that they would like to redeem the bank’s mortgage over 31 J Road and requested a redemption Statement. They said,

‘Would you also please let us have the title deeds accepting this letter as our undertaking to hold the same in safe custody and to your order pending redemption of your interest therein’.

A redemption statement dated 9 April 2003 from the bank showed the amount outstanding as at 11 April 2003 in the sum of £46,312.50. On the Replies to Requisitions on Title relating to 31 J Road, Mr K, who was representing himself, requested that “prior to completion please obtain redemption figure and deeds and kindly act as our agents to complete.... on completion to retain sufficient to redeem first charge”.

29. On 9 April 2003 the Savjani Partnership sent the sum of £177,476.50 and the purchase of 31 J Road completed on 10 April 2003. On 10 April 2003 the sum of £176,476.50 was sent by CHAPS to RW. It was not clear from the file who RW was, nor why monies were sent to him rather than Mr K.
30. By letter dated 15 April 2003, the Savjani Partnership wrote to Dhama Douglas,

making reference to their undertaking and asking them to confirm that they were attending to the registration aspects.

31. The second property was 25 J Road, which was to be purchased for £300,000 from Glasgow Industries Ltd ("Glasgow"). Mrs S obtained a mortgage of £240,000 from igroup Ltd. The sum of £236,796.50 was sent by CHAPS transfer from The Savjani Partnership to Dhama Douglas on 10 April 2003 and on 14 April 2003 the sum of £234,000.00 was sent to RW by CHAPS transfer. The purchase of 25 J Road completed on 14 April 2003. Again, RW was not the seller and his relationship to the seller was not known.
32. The third property was 42 TC which was to be purchased from Mr K for £480,000. Mrs S obtained a mortgage for £384,000 from igroup Ltd. There were two existing charges over this property, one in favour of the Bank of Ireland Homes Mortgages Ltd and the other in favour of Mr PS who had the same address as Glasgow.
33. On 15 April 2003 a Production Order was served, addressed to Dhama Douglas for production and supply of originals and copies of all files including the sale of 31 J Road in connection with Mr K or Glasgow. On 16 April 2003 Dhama Douglas handed over the conveyancing files of 25 and 31 J Road, and the third property, 42 T C to HM Customs & Excise.
34. On or about 1 May 2003 HM Customs & Excise returned copy files relating to 25 and 31 J Road and confirmed that Dhama Douglas were allowed to notify any party that the originals of the deeds and documents were being held by the National Crime Squad. Dhama Douglas declined to continue to act for Mrs S in connection with 42 T C, but continued to act for Mr K in the registration of the discharge of the second charge over 42 T C. By letter dated 11 August 2003 Dhama Douglas wrote to Mr K enclosing a Transfer form TR1 relating to 31 J Road requesting his signature, which was returned under cover of a letter dated 11 August 2003.
35. By letter dated 11 August 2003 Dhama Douglas wrote to The Savjani Partnership enclosing the original mortgage deeds, indicating that they were in correspondence with the bank and had written to the seller Solicitors with regard to the DS1 and also to Customs & Excise with regard to the TR1. Spencer Ewin Mulvihill ("SEM") were acting for the bank and requested that either the charge in favour of the bank be discharged or the title deeds to 31 J Road be returned.
36. By letter dated 11 August 2003 Mr Dhama wrote to SEM and noted that by an omission, the title deeds had been released to igroup and indicated that they were arranging for Mrs S to provide the necessary funds to redeem the mortgage over 31 J Road and for Dhama Douglas' insurers to be informed.
37. In a further letter dated 29 August 2003 Mr Dhama said to "SEM":

"On receipt of the mortgage advance from our clients' mortgagees a balance of the full purchase price remains. Mrs S has been a client of the company for a number of years and we had understood that the balance of the purchase price was immediately forthcoming".

38. On 30 September 2003 HM Customs & Excise returned the original files relating to all three properties. On 3 October 2003 Mr K died. On 18 November 2003 Dhama Douglas transferred the sum of £45,478.49 by way of CHAPS transfer to redeem the mortgage over 31 J Road and requested the DS1 from "SEM". By letter dated 28 November 2003 Dhama Douglas wrote to The Savjani Partnership enclosing the Transfer Deed relating to 25 J Road, and the DS1 and copy Transfer Deed certified as a true copy in relation to 31 J Road, stating that the original was with the files which they were trying to trace. Dhama Douglas indicated they did not hold sufficient funds to stamp the transfer deed.
39. By letter dated 10 December 2003 Mr Dhama wrote to Mrs S with a draft letter that they were proposing to reply to the enquiries made by GSC and asking her to remind Mr S to return the original Transfer Deeds. By letter dated 17 December 2003 Mr Dhama wrote to The Savjani Partnership enclosing the original transfer.
40. By email received by the then Office for the Supervision of Solicitors ("OSS") dated 1 December 2003, Mr David Preston, Manager of the Fraud Investigation Unit at igroup made complaint regarding Dhama Douglas's failure to comply with the undertakings in relation to 25 and 31 J Road.
41. The two purchases and one aborted purchase exhibited characteristics highlighted in the "Green Card" Warning on Property Fraud:-
- Mrs S purchased 25 and 31 J Road from Glasgow and Mr K respectively, Mrs S intended to purchase 42 T C from Mr K. Dhama Douglas declined to continue to act for her after HM Customs & Excise seized the three conveyancing files. It is understood that Glasgow was an offshore company (incorporated in BVI) controlled by Mr K. Mrs S purchased, or intended to purchase the three properties from the same seller or apparently controlled by the same seller.
 - Mrs S instructed Dhama Douglas to send the net proceeds of sale of 25 and 31 J Road to RW, rather than the seller Mr K or Glasgow. Mrs S was to redeem Mr K's mortgage with the bank on completion. Mrs S made no personal contribution to the purchase price, although she did subsequently redeem the bank's charge.
 - Only £176,476.50 of the said purchase price of £225,000.00 relating to 31 J Road passed through the client account of Dhama Douglas. Mrs S funded the purchase of 31 J Road with the mortgage from igroup for £180,000.00. Only £234,000.00 of the stated purchase price of £300,000.00 of 25 J Road, passed through the client account of Dhama Douglas. Mrs S funded the purchase of 25 J Road with a mortgage from igroup for £240,000.00. The balances were to be dealt with by being adjusted between purchaser and seller privately.
42. The draft transfer on the file relating to 42 T C was signed by Mr K but not witnessed. Dhama Douglas acted for Mrs S and stated that they were in a position to complete, notwithstanding contracts had not been exchanged, and were waiting to hear that the mortgage was finally approved. No Company Search was made of Glasgow. Glasgow is believed to be connected with Mr K and Mr PS the owner of the former

second charge over 42 T C. Mr PS and Glasgow both had the same address on the Charge Certificates.

43. Mr Dhama breached the terms of the two undertakings dated 17 March 2003. 31 J Road completed on 10 April 2003, 25 J Road completed on 14 April 2003. Neither property was registered with HM Land Registry and Stamp Duty had not been paid.
44. Mr Dhama, when replying to letters from The Law Society, indicated that Mr Savjani had said it was acceptable that they forward the documents to them and they would deal with the stamping and advise Mrs S. Mr Savjani indicated that Dhama Douglas had not been released from the undertaking and he could see why Mr Dhama may have thought they had. He indicated that he had said to Mr Dhama that if Dhama Douglas had done all they could then it would be acceptable for them to forward the documentation to them and they would deal with the stamping. The registration of the transfer and charge was completed by Simply Law on 5 August 2004 in relation to both 25 and 31 J Road. Mr Dhama failed to exercise adequate supervision over Ms JF, also known as Mrs P, who it was understood dealt with the conveyancing files.

Allegation 15 (Mr Dhama)

45. In response to a request concerning the precise details of the source of Mrs S's funds, raised in a letter dated 12 March 2003 from The Savjani Partnership relating to 25 J Road, Dhama Douglas responded by letter dated 17 March 2003 stating "the balance funds from the sale of a property and all monies were passed through our client account". They also stated "We are acting for the purchaser only". According to the ledgers:
 - (i) The purchase price for 31 J Road was £225,000 but only £177,476.50 passed through client account on completion;
 - (ii) The purchase price for 25 J Road was £300,000 but only £236,796.50 passed through client account.

Mrs S was to pay Mr K's mortgage, according to Replies to Requisitions on Title and a letter dated 10th September 2003 from Mr Dhama to Mrs S. The completion statement in relation to 25 J Road stated the "balance amount due adjusted between the purchaser and the vendor privately £66,000.00", and in relation to 31 J Road, "balance money adjusted between the purchaser and vendor privately £3,045.01.

46. The replies given to The Savjani Partnership as to the source of funds and that all monies were passed through Dhama Douglas client account were misleading and/or inaccurate. In a letter to the Law Society dated 18 July 2005 Mr Dhama said, "Mrs S is a business lady and was a respectable client dealing in property matters, and there were no reasons to doubt that she was purchasing the properties with private arrangements".

Allegations 16 (Mr Dhama) and 49 ([RESPONDENT 3])

47. Dhama Douglas acted for a Mr J, in connection with a housing disrepair claim funded by Legal Aid. Dhama Douglas instructed Winbourne Martin & French Surveyors to

prepare survey reports in connection with the claim. Winbourne Martin & French submitted an invoice to Dhama Douglas for £4,731.75 inclusive of VAT on 18 December 2002. On 23 May 2005 there was a Detailed Assessment of Dhama Douglas costs, to include the surveyors costs which were allowed in full. The Legal Services Commission authorised the payment on 21 March 2006, however, Dhama Douglas failed to pay the Surveyors' invoice and payment remained outstanding.

Allegations 17 (Mr Dhama) and 50 [RESPONDENT 3]

48. A complaint made by Mr MQK was considered by an Adjudicator on 3 January 2006. The Adjudicator directed Dhama Douglas pay to Mr MQK the sum of £3,750.00. The direction was not complied with and remained outstanding.

Allegations 11, 13 and 18-25 (Mr Dhama)

49. AD ("the deceased") made three Wills. The first was on 7 February 1995 ("the 1995 Will"), the second, which revoked the 1995 Will was on 7 December 1998 ("the 1998 Will") and the third, which revoked the 1998 Will was on 20 July 1999 ("the 1999 Will"). The 1995 Will left the residue of the deceased's estate to his brother GD. The 1998 Will left a legacy of £50,000 to GD with other legacies of approximately £40,000 and the remainder of the estate in trust for charitable purposes. The 1999 Will left a legacy to GD of £40,000 and other pecuniary legacies totalling £40,000 with the residue of the estate left in trust for general charitable purposes.
50. The deceased died on 20 May 2000 aged 90. Probate was granted to the Executors named in the 1999 Will on 19 July 2000. The residue of the estate after payment of the pecuniary legacies was valued at approximately £400,000. In or about late 2000 ED, another brother of the deceased, instructed Dhama Douglas to contest the validity of the 1999 Will on the grounds of a lack of testamentary capacity. ED was legally aided. On 30 October 2001 the Executors issued proceedings against ED and the Attorney General (representing the unnamed charities) to seek permission to distribute the estate in accordance with the 1999 Will. Druces and Attlee acted for the Executors.
51. On 20 May 2002 GD instructed Dhama Douglas to act for him and contest both the 1998 and 1999 Wills. By letter dated 21 May 2002 to the Court Manager, Chancery Division of the High Court of Justice, Dhama Douglas acting on behalf of GD following negotiations between Counsel for the Executors and ED provided an undertaking as follows:-

"as Solicitors acting on behalf of [GD] to issue proceedings on or before 5 June 2002.... Seeking an order for the revocation of the Grant of Probate of 19 July 2000, and that the Court should pronounce against the validity of the Wills dated 20 July 1999 and 7 December 1998."

By letter dated 21 May 2002 addressed to Druces and Attlee, Dhama Douglas entered into a similar undertaking.

52. By consent order dated 22 May 2002 in the first action, the Executors ED and the Attorney General agreed, on the basis of the undertaking given by Dhama Douglas,

that GD be joined in as Third Defendant in the first action and that the Executors had permission to distribute the estate in accordance with the 1999 Will unless GD commenced separate legal proceedings on or before 5 June 2002, with the costs of the Executors and of the Attorney General to be paid by ED subject to detailed assessment given ED was legally aided.

53. Dhama Douglas did not issue legal proceedings on behalf of GD in relation to the validity of the 1998 and 1999 Wills until 11 June 2000 (the second action) and applied for an extension of time to issue the second action. The application was supported by a signed statement dated 13 June 2002 by Mrs O who was an unadmitted litigation clerk at Dhama Douglas.
54. The application was dismissed and the second action was struck out with costs payable to the Executors. On the advice of Dhama Douglas, GD appealed. The appeal was dismissed on 7 August 2002.
55. On the advice of Dhama Douglas GD appealed. A draft judgment dismissing the appeal was provided to Counsel who sent it to Dhama Douglas. In a written advice dated 27 February 2003 Counsel made reference to an earlier advice dated 16 August 2002 when he said:

“I assume that the client has been told what has happened and that provision will be made by my instructing Solicitors for him to be indemnified by them in the event that the appeal is not successful and/or that he is required to pay the costs of the appeal or the hearing below even if the extension of time is ultimately granted, which in my view, it should be. This will avoid any conflict of interest arising between the client and those instructing me. Can this please be confirmed to me?”

56. In the advice he went on to say:

“As I have told Mrs [O] this morning by telephone, there is now an even clearer conflict of interest between the firm and the client. My duty to the latter is paramount and I must formally advise that he be told to instruct another firm of Solicitors to consider a claim in negligence against the Professional Indemnity Insurers of Dhama Douglas arising from the failure to issue the proceedings in time in June 2002 and (b) to consider the merits of an appeal. I do not see how my instructing solicitor can conscientiously continue to act in the matter.

57. A conference took place on 12 March 2003 attended by Dhama Douglas, Counsel and GD. GD dismissed Dhama Douglas. Keith Flower & Co Solicitors were instructed to act for GD in their place and on 18 March 2003 the appeal was dismissed with costs. A further appeal was made to the Court of Appeal which was dismissed on 19 December 2003 with costs.
58. On 25 June 2004 Keith Flower & Co issued a claim for professional negligence on behalf of GD against Dhama Douglas. Summary Judgment in favour of GD was obtained on 13 May 2005 and by consent order dated 20 May 2005 damages were agreed with costs to be assessed if not agreed. The agreed damages totalled

£122,500.00 of which £46,370.59 was paid to the Executors in respect of their costs of the second action, and £76,199.48 was paid to GD as damages.

59. By letter dated 16 April 2004 GD complained to the OSS regarding the conduct of Dhama Douglas. On 20 December 2004 GD made a second complaint regarding Dhama Douglas and by letter dated 22 November 2005 Mr VD, who was ED's son and GD's nephew, raised further allegations against Dhama Douglas. He held a joint Power of Attorney for GD and had assisted GD throughout the second action, the negligence claim against Dhama Douglas and in relation to the complaint.
60. Mrs O was the main fee earner in relation to this matter and was an unadmitted clerk. She admitted in a statement dated 13 June 2002 in support of the application to extend time that she had no adequate excuse for not serving the proceedings within time, and that the reasons were the workload and commitments, together with the lack of sufficient support staff in the office.
61. The file showed Mrs O updated Mr Dhama on 21 May 2002, and in particular Mr Dhama specifically knew of, and agreed to the making of the undertakings on 21 May 2002. There was no record on the file of any system in place to ensure that the undertakings were complied with, and the proceedings issued in time.

Allegation 18 (Mr Dhama)

62. By letters dated 17 December 2003, 22 January 2004 and 30 January 2004 Keith Flower & Co wrote to Dhama Douglas requesting that they report matters to their insurers and that they provide details of their insurers.
63. On 25 June 2004 proceedings were commenced by GD against Dhama Douglas in negligence. Mr Dhama advised the Law Society in his letter dated 15 September 2004 that the claim was being referred to their insurers. He further stated in a letter dated 7 January 2005 that he had notified his insurers in July/August 2004 and that:

“I could not provide Messrs Keith Flower & Co with details of insurers as it was clear that they proposed to issue a claim for negligence against our firm, and their claim was to cover our conduct of the matter including the appeal to the single Judge and the appeal to the Courts. We took the view that they were not entitled to issue such a claim in view of the fact that the client had withdrawn instructions from our firm prior to proceedings to the Court.”

Mr Dhama failed to provide details of his Professional Indemnity insurers when he was obliged to do so.

Allegation 19 (Mr Dhama)

64. By letter dated 4 September 2004 to The Law Society GD indicated that he had always understood that the status of Mrs O was that she was a qualified Solicitor and an expert in probate and that he would not have instructed anyone in a lesser position to deal with such an important matter. The two client care letters dated 20 May 2002 addressed to GD did not give Mrs O's status or the likely overall costs. The second letter dated 20 May 2002 indicated that it was a “notice pursuant to Rule 15 Solicitors

Practice Rules 1990, and gave details of the firm's fees for the hourly charge out rate, together with the rates for letters sent, telephone calls, etc. The letter continued: "These figures do not include VAT or disbursements".

65. GD terminated the retainer with Dhama Douglas on the grounds of the alleged negligence in failing to issue the second action in time. By letter dated 17 December 2003 Keith Flower & Co wrote to Dhama Douglas indicating that in the event the appeal to the Court of Appeal was unsuccessful a claim would be made for the costs of the appeal and any costs awarded against GD as well as a claim for loss of opportunity.
66. Although the client care letter dated 20 May 2002 gave details as to whom to complain, and the procedure to follow, there was no evidence on the file of any attempt by Mr Dhama to discuss the issue arising with the fee earner and/or GD and/or VD.

Allegation 20

67. GD terminated the retainer on or about 12 March 2003. He had paid a total of £2,913.75 on account of disbursements. The first appeal was dismissed on 18 March 2003, with the second and final appeal being dismissed on 19 December 2003. No bill of costs was sent to GD and no proper account rendered.

Allegations 21 and 22 (Mr Dhama)

68. Dhama Douglas failed to carry out GD's instructions diligently and promptly in relation to the issue of proceedings to contest the validity of the Wills. By letter dated 15 September 2004 Mr Dhama indicated that they "experienced difficulties in the conduct of the case, particularly in respect of Counsel's conduct of the case". He said that when Counsel negotiated a compromise with the Executors in respect of the action on behalf of ED, he did not revert to obtain clarification and instructions before concluding such negotiations, and as a result he compromised ED's claim. He stated "Counsel persistently acted in the conduct of the matter without obtaining clarifications and instructions and often contrary to instructions and without paying attention to issues salient to the client's case."
69. On the file was an attendance note dated 30 May 2002 with the client which stated:

"....providing an up date. We have received Particulars of Claim. Outstanding documents being prepared. Necessary for client to attend our offices again. To consider documentation and sign witness statement to accompany application/claim. Conference dated 5 June 2002, time 10.30 am."
70. The undertakings were entered on 22 May 2002 and the Consent Order was also dated 22 May 2002. There was no evidence on the client matter file that GD was asked to attend the offices and/or sign the Court documents earlier than 5 June 2002, nor that he was unable to do so. There was no indication on the matter file that Dhama Douglas had explained to GD and/or VD about the urgency of the matter or the importance of the time limits. The claim form in the second action had to be issued by 5 June 2002. It was not issued until 11 June 2002.

Allegations 23 & 24 (Mr Dhama)

71. As Dhama Douglas missed the deadline of 5 June 2002 to commence the second action and proceedings were not issued until 22 June 2002 (subsequently struck out on 7 August 2002), advice should have been given to GD to take independent legal advice. Furthermore the advice from Counsel made the position clear as to the conflict, or potential conflict as between Dhama Douglas and the client. There was no evidence on the file of any written or oral advice to GD suggesting that he ought to obtain independent legal advice.

Allegation 25

72. By faxed letter dated 18 March 2003 Keith Flower & Co requested the file upon their undertaking to hold it to Dhama Douglas order as the papers would be needed for legal aid assessment of ED's costs. Dhama Douglas replied by letter dated 19 March 2003 indicating they needed the papers for legal assessment of ED's costs and GD's costs. Keith Flower & Co made further requests by letters dated 28 March 2003, 1 April 2003, 30 April 2003, 3 June 2003 and 18 June 2003. GD requested the original full case file and all additional relevant documentation in relation to the first and second action by letters dated 18 November 2004, 29 November 2004 and 20 December 2004.
73. Mr Dhama stated in a letter dated 26 January 2005 to the Law Society that his insurers solicitors "have warned us to ensure that the original documents are safe as they may be required in evidence". The files were subsequently forwarded to the clients by the Law Society on 8 March 2005, having been received that day from Dhama Douglas.

Allegations 11, 13, 26 and 27 (Mr Dhama)

74. Dhama Douglas were instructed to act for a client in relation to a property matter. SJ Solicitors acted for the mortgagee who had agreed to lend money to facilitate the transaction.
75. SJ Solicitors requested an undertaking from Dhama Douglas to pay their costs of £2,900.00 plus VAT and disbursements, whether or not the matter proceeded to completion.
76. By letter dated 27 May 2003 Dhama Douglas wrote to SJ Solicitors and said: "You may treat this letter as our undertaking to pay your costs of £2,900.00 plus VAT and disbursements whether or not the matter proceeds to completion. The considerably enhanced costs due to the fact that this matter is to be completed on an expedited basis".
77. On 10 July 2003 SJ Solicitors sent by CHAPS transfer the sum of £398,288.24 to Dhama Douglas for completion that day. By faxed letter dated 14 July 2003 SJ Solicitors wrote to Dhama Douglas enclosing a completion statement. By letter dated 16 July 2003 Dhama Douglas wrote to SJ Solicitors informing them that they had insufficient funds to complete. By letter of the same date, 16 July 2003, SJ Solicitors replied to Dhama Douglas requesting the return of the money forthwith and indicating that interest would be charged by the bank and that they would advise Dhama

Douglas of the amount. Dhama Douglas returned the sum of £398,288.24 on 17 July 2003 by CHAPS transfer. By faxed letter dated 18 July 2003, SJ Solicitors informed Dhama Douglas that the bank had charged interest of £621.36 and SJ Solicitors requested that amount together with their costs plus VAT.

78. After some correspondence between the parties, by letter dated 16 March 2004, SJ Solicitors provided a breakdown of their costs, VAT and the interest charged by the client to Dhama Douglas, calculating same to total £3,174.15. By letter dated 17 March 2004 Dhama Douglas indicated they had no hesitation in meeting any undertaking provided they could be satisfied the costs being charged were fair and proper and indicating they were entitled to have a full breakdown about the costs they were required to pay. Mr Dhama paid the total amount claimed by SJ Solicitors on 13 August 2004.
79. Mr Dhama indicated that the undertaking had been given by a member of his staff without his authority. In a letter dated 1 September 2004 he indicated that the undertaking had been given by Mrs P and that: “the member of staff was in breach of my instructions about undertakings which should not be provided without appropriate cover or without the Partner’s authority. There was a lapse”. Mr Dhama failed to exercise any or adequate supervision of staff.

Allegation 28 (Mr Dhama)

80. On 20 April 2005 an Adjudicator found that the service provided to Ms O was not of the quality which it was reasonable to expect of a Solicitor and directed Dhama Douglas to pay to Ms MO the sum of £997.50. An appeal by Mr Dhama was dismissed on 6 December 2005. Mr Dhama failed to pay the required compensation, and failed to comply with the IPS decision made by the Adjudicator.

Allegations 7, 10, 11, 13, 29-34 (Mr Dhama)

81. On or about 18 July 2003 Mr A instructed Dhama Douglas on behalf of himself and his company, I Ltd, in connection with the purchase of a leasehold property in London, with the aid of a loan to I Ltd from Barclays Bank to be secured over the property. Barclays Bank instructed Dhama Douglas by letter dated 8 July 2003 to obtain a legal charge over the property and register same at Companies House. The seller was Ms Z.
82. A Report on Title to Barclays Bank dated 15 July 2003 was signed by Mr Dhama and stated that the borrower was I and certified and confirmed the purchase price stated in the transfer was £900,000 and completion was set to be 17 July 2003. The terms of the Report on Title included an undertaking. On 18 July 2003 Barclays Bank sent £595,000 to Dhama Douglas, and on the same day Dhama Douglas sent by CHAPS payment the sum of £500,000 to the seller’s solicitors. On the same day Mr Dhama made payment by cheque of £80,000 to Mr A and £8,000 to the seller’s solicitors. There was no evidence on the file as to why the funds were used in this way.
83. On 23 January 2004, 31 March 2004 and 6 May 2004, Barclays Bank wrote to Dhama Douglas requesting the Title Information Document and charge form. On 22 September 2004 Dhama Douglas registered at Companies House a legal charge

between I Ltd and Barclays Bank which gave an all monies charge purportedly over the freehold of the property. On 1 October 2004 Dhama Douglas wrote to the seller's solicitors indicating that all the original documents and/or approved drafts appeared to be missing.

84. On 25 February 2005 Barclays Bank wrote to Dhama Douglas and confirmed that the monies were lent to I Ltd and that if the Title was not verified the funds were to be returned in accordance with the undertakings.
85. On 1 March 2005 Dhama Douglas wrote to the bank and confirmed the legal charge had been signed and an application to protect the bank's interest had been lodged with the Land Registry. On 30 March 2005 Mr Dhama wrote to Barclays Bank stating that he instructed Counsel to apply to the Court to have the bank's Charge signed by Mr A.
86. In due course on 20 May 2005 Matthew Arnold and Baldwin Solicitors, who were now instructed to act for Barclays Bank, wrote to Dhama Douglas making a claim against them for failing to obtain a registered legal charge or an executed, stamped and registered lease and asking them to confirm that the matter had been reported to their insurers. On 5 August 2005 Dhama Douglas wrote to the bank asking whether the bank would be prepared to transfer its loan to E. It was not clear from the file why the property was bought by E when the bank's instructions were that the purchaser was I.
87. On 22 October 2003 Barclays Bank offered to lend O Ltd ("O"), £525,000 to purchase a property in Acton. Mr A, as Director of O Ltd, signed the resolutions accepting the bank's terms of the loan.
88. On 14 November 2003 the bank instructed Dhama Douglas to act as their Solicitors to prepare a Report on Title for the bank and obtain a first legal mortgage over the property and the first debenture over O's assets and undertake to register the mortgage at HM Land Registry and the debenture at Companies House. A Report on Title dated 1 December 2003, signed by Mr Dhama, referred to the purchase price in the transfer as £750,000.00. He confirmed in the Report on Title that on completion the mortgagor would have a good marketable title. The Report on Title, signed by Mr Dhama, included undertakings. There were discrepancies in the lease referred to in the Report on Title and the copy lease later provided to the bank as evidence of title, and discrepancies in title information provided to the bank and that on the file.
89. The matter completed on 10 December 2003. On 11 October 2004 Barclays Bank telephoned Dhama Douglas and noted that the charge had not been registered. Dhama Douglas had already written to Barclays Bank on 9 February 2004 informing the bank that:

"The person handling the above matter at our offices had sadly passed away, and the papers were taken by him at his home after a meeting with our client".

On 15 October 2004 Dhama Douglas wrote to Barclays Bank referring to the telephone conversations with the bank and indicating that the file could not be located and they were attempting to reconstruct the file.

90. On 3 November 2004 Dhama Douglas requested from the bank a charge form to be executed by the borrowers and on 8 November 2004 Dhama Douglas applied to the Land Registry to enter a restriction over the property, although it was not clear what happened to the application. On 9 November and 24 November 2004 Dhama Douglas wrote to Mr A asking him to sign the charge.
91. On 15 December 2004 Barclays Bank wrote to Dhama Douglas requesting the executed Title Deeds. On 10 January 2005 the Land Registry cancelled an application for registration affecting the Acton property as the property could not be identified on the index map without a plan. Subsequently, Dhama Douglas received a copy of the transfer Deed which showed a purchase price of £450,000.
92. On 27 January 2005 Dhama Douglas explained the position to the bank. By letter dated 1 March 2005 Mr Dhama wrote to Barclays Bank indicating that Dhama Douglas were arranging for an immediate application for a charging order from the Court and had sent the Transfer Deed to the Inland Revenue to adjudicate Stamp Duty. He said "In the event of the bank not assisting with the Stamp Duty and Land Registry fees we will arrange to have the matter dealt with in order to complete the registration".
93. On 20 April 2005 Dhama Douglas wrote to the bank and confirmed that they had issued proceedings against Mr A and O for recovery of the file and to obtain a charge and debenture over the Acton property. On 29 April 2005 Dhama Douglas wrote to the Bank indicating that Mr A would cooperate and execute the relevant documents, following which on 6 May 2005 the bank sent further copies of the charge to Dhama Douglas. On 13 May 2005 Dhama Douglas wrote to Mr A requesting the necessary funds and spoke to the bank. On 17 May 2005 Dhama Douglas applied to register the legal charge at Companies House.
94. By letter dated 20 May 2005 Matthew Arnold & Baldwin instructed by Barclays Bank sent a letter of claim to Dhama Douglas in respect of both the Acton property and the London property.
95. On or around 27 May 2005 Mr Dhama lent £19,000 to Mr A secured by way of a second charge dated 27 May 2005 over the Acton Property. The loan was for 6 months at interest of 4% above base rate. Accordingly, Mr Dhama acted where his own interest conflicted with Mr A's interest. On 4 July 2005 Stamp Duty including penalty and interest was paid by Mr A totalling £18,794.54. A land transaction return certificate was issued on 2 August 2005. The Acton property was registered at the Land Registry on 8 August 2005 subject to a charge dated 10 December 2003 in favour of Barclays Bank and a charge dated 27 May 2005 in favour of Mr Dhama.
96. On 5 August 2005 Matthew Arnold & Baldwin wrote a letter to the Law Society complaining that the bank had not received a registered legal charge or registered lease and had no security either in relation to either property and that Dhama Douglas had failed to comply with the undertakings relating to those properties dated 15 July 2003 and 1 December 2003.
97. On 2 September 2004 a letter from S & Co, said: "Following the inspection of our files we are able to confirm that simultaneous exchange and completion took place at

our offices on 10 December 2003. The buyer was represented by Mr Singh of Dhama Douglas Solicitors and a bankers draft in the sum of £450,000 was paid”.

98. Mr Dhama replied to the Law Society by letter dated 21 December 2005, denying that he had employed directly or indirectly Mr Surinder Singh Sandhu, a struck off solicitor. He indicated the matter was dealt with by Mrs JP (also known as “Mrs JF”), and that Mr Sandhu had a room close to the room she used and further that Mr Sandhu was known to Mr A. He indicated that Mr Sandhu appeared to have dealt with the transaction without his knowledge. Mr Dhama failed to exercise adequate or any supervision over the fee earner.
99. Mr Dhama stated that the letter dated 9 February 2004 was written by him when the matter had come to his attention and he had obtained whatever information he could. He indicated he did not mean to convey that Mr Sandhu was the person dealing with the matter. Mr Sandhu appeared to have attended the bank with Mr A without Mr Dhama’s authority and Mr Dhama had to explain the situation.
100. Mr Surinder Singh Sandhu was struck off the Roll of Solicitors on 30 November 1989. He died on 1 February 2004. Mr Dhama conceded that he knew Mr Sandhu and he was also referred to as Mr Singh. He stated that his former landlord had let a room to Mr Sandhu with the use of a telephone and fax machine, which was adjacent to the room used by Ms JP and that Ms JP was friendly with Mr Sandhu.
101. The Particulars of Claim prepared by Dhama Douglas against Mr A and O to obtain the files, referred in paragraph 9 to “...a representative of the claimant, a Mr Singh...”. These were signed by Mr Dhama. Accordingly he acted contrary to the provisions of Section 41 of the Solicitors Act 1974 or in the alternative allowed Mr Sandhu, who he knew to be a struck off Solicitor, an inappropriate and improper degree of involvement in his practice.
102. The purchasers relating to the London property and the Acton property exhibited certain characteristics warned against in the Law Society’s Green Card warning on property fraud, such as the misrepresentation of the purchase price and the unusual nature of the instructions and/or transaction.
103. On 21 December 2005 Mr Dhama wrote to the Law Society and stated the actual purchase price for the lease on the London property was £500,000. He indicated that Ms JP was the fee earner but there had been an “intervention” by Mr Sandhu, without his knowledge or authority. There was no evidence on the client matter file of any discussion with the bank, or Mr A or his company as to why the actual purchase price of £500,000 was different to that stated on the Report on Title to the bank said to be £900,000. According to the ledger card only £500,000 was sent to the sellers Solicitors.
104. In relation to the Acton property Mr Dhama confirmed the purchase price of £750,000 on the Report on Title was a mistake and stated there was no conflict between O and the bank. There was no evidence on the file of any discussions with the bank or Mr A or his company as to why the actual purchase price of £450,000 was different to that stated on the Report on Title to the bank. Only a bankers draft of £450,000 was handed to the sellers Solicitors.

105. In relation to the failure to comply with the two undertakings dated 15 July 2003 and 1 December 2003 Mr Dhama stated that when he found out about the problems, he took all the necessary steps to protect the bank's interest and comply with the undertaking.
106. Matthew Arnold & Baldwin, in their letter of 5 August 2005, also complained that Dhama Douglas failed to provide them with evidence that they had reported matters to their insurers. It was not until 23 November 2005 that Dhama Douglas wrote to Matthew Arnold & Baldwin providing details of their insurers. They failed and/or delayed in providing such information despite reasonable requests to do so.

Allegations 35 and 36 (Mr Dhama)

107. Dhama Douglas acted for Mr M in or about 2002-2003 in connection with his dealings with a property whereby he was attempting to raise finance. Wards solicitors acted for B&W who agreed to provide refinance.
108. Wards enclosed a form of undertaking in connection with Wards' costs which they required Dhama Douglas to enter into prior to proceeding with the proposed refinance. The costs undertaking was limited to £450 plus VAT and indicated that if the transaction aborted at an early stage it may attract a lower fee depending on the amount of work carried out. By letter dated 25 July 2003 from Dhama Douglas to Wards, Dhama Douglas entered into the form of costs undertaking.
109. The matter did not proceed and on 16 February 2004 Wards wrote to Dhama Douglas and enclosed their account and requested payment in return in accordance with the undertaking showing the costs as £450 plus VAT totalling £528.75. This was chased up in subsequent correspondence, dated 29 March 2004, 8 April 2004 and 15 April 2004. Mr Dhama failed to deal promptly or adequately with the correspondence.
110. On 3 May 2004 Wards wrote to the Law Society complaining of Dhama Douglas's failure to comply with the undertaking. Subsequently Wards confirmed that they had received payment from Dhama Douglas on 19 July 2004.

Allegations 37 (Mr Dhama) and 51 [RESPONDENT 3]

111. The Adjudicator found on 16 October 2006 that the service provided by Dhama Douglas to Mr O'K was inadequate and directed Dhama Douglas to pay Mr O'K £600 compensation. Mr Dhama and [RESPONDENT 3] failed to make the payment.

Allegation 40 and 41 (Mr Dhama)

112. Mr D instructed [RESPONDENT 4] of Legal Desk on 12 July 2002 to deal with a personal injury action. [RESPONDENT 4] provided Dhama Douglas with a written authority from Mr D to obtain the file of papers from Mr D's previous solicitors. The file was provided to Dhama Douglas on 14 August 2002. [RESPONDENT 4] had also been instructed to deal with Mr D's divorce in April 2002.
113. In or around November 2002 [RESPONDENT 4] negotiated a settlement with Zurich

Insurers to settle the personal injury matter for £65,000 plus costs. It appeared [RESPONDENT 4] intended to deduct costs from Mr D's damages and then make a further claim for costs from Zurich. The sum of £65,000 was paid by Zurich to Legal Desk on 27 December 2002.

114. Legal Desk had obtained a letter from Mr D's previous solicitors with a schedule of their costs and forwarded same, together with details of the costs of Dhama Douglas and Legal Desk to Zurich in or around 6 January 2003. Negotiations concerning the costs broke down when it was established that Legal Desk were not a firm of solicitors and therefore not entitled to costs. [RESPONDENT 4] paid £4,000 to Mr D in January 2003 and a further £37,000 in July 2003 together with £10,000 in Premium Bonds. On 20 September 2003 [RESPONDENT 4] sent the balance of £4,568.11, which he stated was due to Mr D in respect of the personal injury and a divorce matter.
115. Mr D maintained that he paid [RESPONDENT 4] in cash the sums of £100, £380 and £1,000, totalling £1,480. A further £1,000 plus VAT totalling £1,175 was deducted from the personal injury settlement of £65,000 to give a total of £2,655 in respect of profit costs and VAT paid to [RESPONDENT 4] in respect of the divorce. A further sum of £619.39 was deducted from Mr D's personal injury settlement in relation to what appeared to be disbursements, together with a further sum of £7,637.50 being deducted from Mr D's personal injury settlement said to be in respect of [RESPONDENT 4]'s costs inclusive of VAT.
116. Mr Dhama in a letter dated 8 December 2004 confirmed Mr D had instructed Dhama Douglas to take over the matter. He stated that the contents of the bills supplied to Zurich were not supplied by Dhama Douglas and that he was not aware that this matter had been settled until they had been informed by Mr D. They had not received payment and were unable to comment about it.
117. On 11 May 2006 an Adjudication Panel found that the services provided by Dhama Douglas to Mr D were inadequate and directed Dhama Douglas to pay compensation of £1,000 to Mr D and return to Mr D the sum of £11,857.33 paid by him. An appeal lodged by Mr Dhama was dismissed on 10 August 2006, and the Adjudication Panel directed Dhama Douglas to pay Mr D the total sum of £13,363.36.
118. On 6 February 2007 the Solicitors acting for Dhama Douglas's Professional Indemnity Insurers indicated that the insurers were only responsible for the award of compensation in the sum of £1,000 under the terms of the relevant policy of insurance. A cheque in the sum of £1,000 payable to Mr D was sent to the Law Society on 20 February 2007. Mr Dhama failed to comply with the direction as to payment of the balance of the monies directed to be paid in the sum of £12,363.36.

Allegations 42, 43 (Mr Dhama) and 52 [RESPONDENT 3]

119. Mr K instructed Dhama Douglas in relation to the re-mortgaging of two properties, with the assistance of a mortgage of approximately £1.6 million from Barclays Bank. The loan was to be secured by way of a charge on both properties. The Report on Title dated 28 April 2005 contained various undertakings given by Dhama Douglas. The bank's charge was registered against only one of the titles and as a result the bank

did not have good security and could not obtain possession until 2047. Mr Dhama and [RESPONDENT 3] failed to comply with the terms of the undertaking dated 28 April 2005 and failed to act in the client's best interest.

Allegation 44 (Mr Dhama) and 58 [RESPONDENT 3]

120. The Cease to Hold Accountants Report for Dhama Douglas for the period 1 April 2006 to 18 August 2006 was received on 26 April 2007, notwithstanding it was due to be received on or before 18 February 2007.

Allegation 57 [RESPONDENT 3]

121. The Applicant did not specify the facts upon which allegation 57 was based.
122. The Tribunal reviewed all the documents submitted by the Applicant which included:-
- (a) Rule 5 Statement dated 16 June 2008 together with all enclosures;
 - (b) Email dated 27 April 2010 from [RESPONDENT 3] to the Applicant;
 - (c) Letter (sent by email) dated 23 April 2010 from the Applicant to [RESPONDENT 3];
 - (d) Letter dated 6 May 2005 from Dhama Douglas LLP to the Law Society (signed "S P Dhama");
 - (e) Letter dated 3 May 2005 from SP Dhama on behalf of Dhama Douglas to The Law Society;
 - (f) Letter dated 19 April 2005 from S P Dhama on behalf of Dhama Douglas to the Law Society.
123. The Tribunal reviewed all the documents submitted by or on behalf of the First Respondent, Mr Dhama, which included:-
- (a) Letter dated 13 July 2010 from Mrs Dhama to the Applicant, together with enclosures;
 - (b) Letter dated 27 January 2010 from Dr Zoe Pinto;
 - (c) Letter dated 25 January 2009 from Mrs Neena Dhama together with all enclosures;
 - (d) Letter dated 17 January 2010 from Mrs Dhama to the Applicant;
 - (e) Letter dated 7 October 2008 from Mrs Dhama to the Tribunal, together with all enclosures;
 - (f) Letter dated 1 November 2007 from David Lipkin (Consultant Cardiologist);

- (g) Details of Mr Dhama's medication.
 - (h) Letter dated 27 January 2009 from Dr Tobiansky (Consultant Old Age Psychiatrist)
124. The Tribunal reviewed all the documents submitted by the Second Respondent, [RESPONDENT 3], which included:-
- (a) Letter dated 10 March 2010 from [RESPONDENT 3] to the Tribunal;
 - (b) Witness statement of [RESPONDENT 3] dated 10 March 2010 together with all enclosures;
 - (c) Second witness statement of [RESPONDENT 3] dated 19 July 2010 together with all enclosures.
 - (d) Disclosure request from [RESPONDENT 3] dated 28 January 2010.

Witnesses

125. The following witnesses gave oral evidence:-
- Tracey Helen Townsend (Forensic Investigation Officer from the Solicitors Regulation Authority);

Findings as to Fact and Law

126. The Tribunal had considered carefully the submissions of the Applicant and all the documents provided by all the parties, which included the letters and enclosures from Mrs Dhama on behalf of Mr Dhama.
127. [RESPONDENT 2] had been dealt with separately and the Tribunal had accepted undertakings made by him. The Tribunal had granted consent to the allegations against [RESPONDENT 2] and [RESPONDENT 5] to lie on the file.
128. Neither Mr Dhama nor [RESPONDENT 3] had appeared before the Tribunal nor had they been represented, and the Tribunal had not been provided with any comprehensive and detailed submissions from either of them on the allegations. There had been no application to adjourn the proceedings and the Tribunal had not been provided with any independent medical evidence relating to Mr Dhama's medical condition. The Tribunal had considered each allegation, which had to be proved to the required high standard.

Mr Satya Prakash Dhama

129. In relation to Mr Dhama, the Tribunal found all the allegations were proved, save allegations 12 and 30. The Tribunal commented on the allegations as follows:-

Allegations 1-4

130. The Tribunal found, having heard evidence from Tracey Townsend, that there had been breaches of the Solicitors' Accounts Rules. Ms Townsend had confirmed that whilst the shortages on client account had been partially replaced on 4 April 2005 and 20 April 2005, there was still a sum of approximately £1,700 outstanding.

Allegations 5 and 6

131. The Tribunal was satisfied that Mr Dhama had failed to heed the warnings given in The Law Society's "Yellow Card", "Blue Card" and "Green Card". It was quite clear to the Tribunal that there were obvious signs of banking instrument fraud, money laundering and property fraud, which Mr Dhama had failed to heed. Solicitors were the gatekeepers of mortgage clients' monies and Mr Dhama had clearly allowed his firm to become involved in transactions warned against by The Law Society and had allowed his client bank account to be utilised for the purposes of transactions which exhibited the characteristics of fraudulent transactions. It was even more concerning that he had no knowledge of some of the matters and had trusted other staff.

Allegation 7

132. This allegation involved the matter of Mr PA in relation to the purchase of a property from H which had been considered by the Forensic Investigation Officer. H were acting for themselves as they appeared to be property developers and told Dhama Douglas that they wished to exchange and complete simultaneously so there was no need for any deposit to change hands. However, the Tribunal noted [RESPONDENT 2] was a director and shareholder of H, who were the sellers, and there was no evidence of disclosure of [RESPONDENT 2]'s personal interest to either Mr PA or to the lender. Nor was there any evidence that Mr PA was advised to seek independent legal advice. No company search was carried out against H and the only monies passing through Dhama Douglas's client account were from the lender. The Tribunal found this allegation proved.

Allegation 8

133. It was clear to the Tribunal that the sum of £127,163.12 which was paid into client account on 23 July 2003 was paid out in circumstances where there was no underlying legal transaction and where client account should not have been used. Accordingly this allegation was proved.

Allegation 9

134. The Tribunal was satisfied this allegation was proved as there had been non-accounting for "VAT". A number of invoices sent to clients that claimed legal fees plus VAT had not passed through the firm's bill book. Accordingly, clients had paid VAT which had not been fully accounted to the authorities. The Tribunal noted from Mrs Dhama's letter of 25 January 2009 that non-accounting for VAT had subsequently been rectified.

Allegation 10

135. There was absolutely no doubt at all in the Tribunal's mind that Mr Dhama had employed, directly or indirectly, Mr Surinder Singh Sandhu, who was a struck off solicitor. In particular, the Tribunal noted that the Particulars of Claim prepared by Dhama Douglas against Mr A and O referred to Mr Singh as a representative of the claimant. Mr Dhama had accepted that Mr Surinder Singh Sandhu was also known as Mr Singh. This allegation was proved.

Allegation 11

136. The Tribunal had been provided with a number of examples where Mr Dhama had failed to exercise any or any adequate supervision of employees of the practice. In particular, he had failed to properly supervise Ms JP (also known as Mrs F) in relation to the transaction concerning Mr A. He had failed to properly supervise [RESPONDENT 5]. The Tribunal rejected Mr Dhama's assertion that [RESPONDENT 5] had never been an employee of the firm or that his firm's letterhead had been used without authorisation, particularly in light of the fact that Mr Dhama accepted [RESPONDENT 5] had assisted his firm as an interpreter. Furthermore, Mrs Dhama in her letter of 25 January 2009 stated "my husband accepts, with regret, that there was a lack of supervision in his office." This allegation was proved.

Allegation 12

137. The Tribunal had found this allegation was not proved to the standard required. Mr Dhama had advised the Law Society that his firm had not received any funds from Mr C and the Tribunal had not been provided with any evidence that such funds had been received by Dhama Douglas. Accordingly, the Tribunal found Mr Dhama had not made representations to the Law Society which were misleading and/or inaccurate.

Allegation 13

138. The Tribunal had been referred to a number of letters sent to Mr Dhama by The Law Society and were satisfied he had failed to reply substantively or at all to that correspondence. This allegation was proved.

Allegations 14 and 15

139. Dhama Douglas had given an undertaking to the Savjani Partnership on 17 March 2003 and although that undertaking was complied with eventually, there had been a substantial delay and the firm had failed to keep The Savjani Partnership informed as to the reason for the delay in compliance. Furthermore, the Tribunal noted that all the monies did not pass through Dhama Douglas's client account and that the firm had therefore made misleading representations to The Savjani Partnership. These allegations were proved.

Allegation 16

140. The Tribunal was satisfied this allegation was proved. Mr Dhama had failed to pay the fees of Winbourne Martin & French Surveyors, despite having received these funds from the Legal Services Commission.

Allegation 17

141. The Tribunal was satisfied that Mr Dhama had failed to pay the sum of £3,750 to Mr MQK as directed by an Adjudicator on 3 January 2006. This allegation was proved.

Allegations 18 and 19

142. The Tribunal was satisfied that Mr Dhama had delayed in providing details of his professional indemnity insurers to Keith Flower & Co. These had initially been requested on 17 December 2003 but were not provided until 15 September 2004 when Mr Dhama advised the Law Society of his insurers' details.
143. Furthermore, Mr Dhama had provided inadequate client care information to GD, who had thought Mrs O was a qualified solicitor when this was not the case. The client care letter did not in addition advise Mrs O's status or the likely overall costs and Mr Dhama had failed to discuss the complaints handling procedure with GD or VD after a complaint had been lodged.

Allegation 20

144. The Tribunal was satisfied that as Mr Dhama had failed to send any bill of costs or a proper account to GD, he had not accounted to GD for the sum of £2,913.75 which had been paid on account of disbursements, at the conclusion of the retainer.

Allegations 21 and 22

145. The Tribunal had not been provided with any evidence that GD had been asked to attend the offices or sign court documents earlier than 5 June 2002. Mr Dhama had failed to keep the client properly informed of the position and had delayed in issuing the claim form within the time given in the Undertaking dated 21 May 2002. As a result, the claim had been issued six days late on 11 June 2002 and the action was struck out. Accordingly, Mr Dhama had failed to carry out his client's instructions diligently and promptly.

Allegations 23-25

146. The Tribunal was satisfied that Mr Dhama had failed to advise GD to take independent legal advice when it was quite clear that there was a conflict or potential conflict of interest between Dhama Douglas and GD as a result of the firm's failure to issue proceedings within the time given in the Undertaking. Furthermore, GD's file had been requested by his new solicitors on 18 March 2003 but these files were not sent to the Law Society until 8 March 2005, whereupon the Law Society forwarded them to the clients. This was a delay of two years which would no doubt have caused the client great inconvenience, and possible further damage.

Allegations 26 and 27

147. These allegations related to a property transaction which did not complete in circumstances where Dhama Douglas had given SJ Solicitors an undertaking to pay their costs plus VAT and disbursements whether or not the matter proceeded to completion. Dhama Douglas were informed on 18 July 2003 that the bank had charged SJ Solicitors interest in the sum of £621.36. Dhama Douglas failed to pay this interest until 13 August 2004, which was a substantial delay in both complying with the undertaking and paying the interest. The allegations were found to be proved.

Allegation 28

148. The Tribunal was satisfied that Mr Dhama had failed to pay Mrs MO the sum of £997.50 as directed by an Adjudicator on 20 April 2005. The Tribunal noted in particular that Mr Dhama's appeal against the Adjudicator's decision was dismissed on 6 December 2005 and therefore, certainly after 6 December 2005, there was no excuse for the failure to pay.

Allegation 29

149. The Tribunal was satisfied Mr Dhama had failed to comply with the two Undertakings given to Barclays Bank dated 15 July 2003 and 1 December 2003, and that Dhama Douglas had failed to explain to either Barclays Bank or their solicitors, the reason for the delay.

Allegation 30

150. The Tribunal found this allegation was not proved. Whilst the Tribunal accepted Mr Dhama had delayed in providing details of his firm's profession indemnity insurers to the solicitors acting for Barclays Bank, the Tribunal did not find that he failed to do so, as such insurance details were provided to the solicitors acting for Barclays Bank on 23 November 2005, albeit this was some 6 months after these details had initially been requested.

Allegation 31

151. The Tribunal had been referred to a letter dated 20 May 2005 from Matthew Arnold & Baldwin Solicitors, addressed to Dhama Douglas, confirming they acted for Barclays Bank. However, the Tribunal had also been provided with copies of letters dated 23 May 2005 from Dhama Douglas to Barclays Bank and had also been referred to a telephone conversation between Dhama Douglas and Barclays Bank dated 25 May 2005 and 8 June 2005. In addition, there was a further letter dated 8 June 2005 from Dhama Douglas to Barclays Bank and the Tribunal was satisfied, in the circumstances, that Dhama Douglas had communicated with Barclays Bank without obtaining their solicitors' consent at a time when those solicitors were acting for Barclays Bank.

Allegation 32

152. The Tribunal was satisfied Mr Dhama had acted where his own interests conflicted or potentially conflicted with the interests of his client, particularly in circumstances where he had lent money to a client (Mr A) and had failed to advise that client to take independent legal advice.

Allegation 33

153. The Tribunal noted that the transaction concerning Mr A and O completed on 10 December 2003. However, Barclays Bank's Charge was not registered until 8 August 2005. In the circumstances, the Tribunal was satisfied that Mr Dhama had failed to carry out Barclays Bank's instructions diligently and promptly.

Allegation 34

154. Barclays Bank had requested title information documents and a charge form from Dhama Douglas on 23 January 2004 which related to the purchase of the leasehold property in London by Mr I. It appeared that in August 2005, Dhama Douglas had written to the bank, asking the bank to transfer its loan to E and accordingly, the Tribunal was satisfied that Dhama Douglas had failed to provide title information documents and the charge form relating to Mr I which was the basis of the instructions given by Barclays Bank.

Allegations 35 and 36

155. Dhama Douglas gave an undertaking to Wards solicitors on 25 July 2003 in connection with payment of their costs. The matter did not proceed and the costs were not paid until 19 July 2004. Accordingly, the Tribunal was satisfied that Mr Dhama had delayed in complying with that undertaking and that he had failed to inform Wards solicitors as to the reasons for delay. Furthermore, Wards Solicitors had sent letters to Dhama Douglas dated 29 March 2004, 8 April 2004 and 15 April 2004 which had not been dealt with promptly.

Allegation 37

156. The Tribunal was satisfied that Mr Dhama failed to pay Mr O'K £600 as directed by an Adjudicator on 16 October 2006.

Allegations 40 and 41

157. An Adjudication Panel had ordered Dhama Douglas to repay to Mr D the sum of £11,857.33 together with compensation of £1,000 on 11 May 2006. Mr Dhama appealed this decision and the Adjudication Panel had then directed on 10 August 2006 Dhama Douglas to pay Mr D the total sum of £13,363.36. £1,000 of that figure had been paid by Dhama Douglas's professional indemnity insurers but the remainder of £12,363.36 was still outstanding. The Tribunal was satisfied Mr Dhama had failed to account to Mr D for that amount.

Allegations 42 and 43

158. Dhama Douglas gave various undertakings to Barclays Bank on 28 April 2005 which included registering the bank's Charge against two properties. The bank's Charge was only registered against one of the properties and as a result of this, the Tribunal was satisfied Mr Dhama had failed to comply with the undertaking and had failed to act in the bank's best interests as the bank did not have good security as a result of Dhama Douglas's actions.

Allegation 44

159. The Tribunal was satisfied that by delivering a cease to hold Accountant's Report on 26 April 2007, when it was due to be received on or before 18 February 2007, Mr Dhama had delayed in the filing of that report. Mrs Dhama in her letter of 25 January 2009 had submitted Mr Dhama was not supposed to play any part in the practice by this time, however, he was a partner of the practice during 1 April 2006 to 18 August 2006 and therefore had responsibility for that report to be filed.
160. In addition to the above findings, the Tribunal also made orders, as requested by the Applicant in relation to allegations 17, 28, 37 and 41, that the Directions of the Adjudicator dated 3 January 2006, 6 December 2005, 16 October 2006 and 11 May 2006 respectively be treated for the purposes of enforcement as if they were contained in Orders made by the High Court.

[RESPONDENT 3]

161. The Tribunal was considerably exercised by the date upon which [RESPONDENT 3] became a partner of Dhama Douglas. In [RESPONDENT 3]'s statement dated 10 March 2010 he accepted he started to receive letters from the Law Society on 23 January 2006. In his letter of 10 March 2006 to the Law Society, [RESPONDENT 3] stated he agreed to become a partner of the practice on 23 January 2006. This was again confirmed by [RESPONDENT 3] in his statement dated 26 January 2009. Accordingly, the Tribunal was satisfied that he became a partner of the practice from that date. The evidence provided by the Applicant of [RESPONDENT 3] being a partner on 6 April 2005 relied upon communications from Mr Dhama to the Law Society and the Tribunal was not prepared to rely on that evidence as it did not prove to the highest standard that [RESPONDENT 3] was a partner prior to 23 January 2006. Furthermore, the evidence of Ms Townsend did not deal, on oath, with the issue of whether [RESPONDENT 3] was a partner on a date prior to 23 January 2006. Accordingly, the Tribunal found [RESPONDENT 3] was a partner of Dhama Douglas from 23 January 2006.
162. In relation to the allegations against [RESPONDENT 3], the Tribunal found all these allegations were proved, save allegation 52 and 57. The Tribunal dealt with each of the allegations as follows:-

Allegation 49

163. The invoice from Winbourne Martin & French Surveyors was dated 18 December 2002, which was a date prior to [RESPONDENT 3] becoming a partner of the

practice. However, the practice received payment of this fee on 21 March 2006 which was after [RESPONDENT 3] became a partner and on this basis, the Tribunal found that he had failed to pay that fee after he became a partner of the practice.

Allegation 50

164. The direction made by the Adjudicator requiring Dhama Douglas to pay to Mr MQK the sum of £3,750 was dated 3 January 2006, shortly before [RESPONDENT 3] became a partner of the practice. However, that direction was not complied with and remained outstanding even after [RESPONDENT 3] became a partner of the practice. In his statement dated 10 March 2010, [RESPONDENT 3] confirmed he started to receive correspondence from the Law Society from 23 January 2006. Accordingly the Tribunal found the allegation proved against [RESPONDENT 3].

Allegation 51

165. The Tribunal was satisfied that [RESPONDENT 3] failed to pay Mr O’K £600 as directed by an Adjudicator on 16 October 2006. In his witness statement dated 10 March 2010, [RESPONDENT 3] submitted all the correspondence from the Law Society had been addressed to Mr Dhama except a letter dated 19 January 2007. [RESPONDENT 3] said that he left for India on 11 January 2007. However, he was a partner of the practice and as such had responsibility to ensure compliance. The allegation was proved.

Allegation 52

166. The Tribunal found this allegation was not proved against [RESPONDENT 3]. The undertaking was given on 28 April 2005 which was prior to [RESPONDENT 3] becoming a partner of the practice on 23 January 2006. Accordingly, the Tribunal found that [RESPONDENT 3] was not liable for complying with an undertaking given prior to him becoming a partner of the practice.

Allegations 53, 54, 55 and 56

167. In his statement dated 26 January 2009 [RESPONDENT 3] stated he had not operated the office or client bank account until the practice was wound up. However, even after [RESPONDENT 3] became a partner of the practice, the accounts were not in a satisfactory state and [RESPONDENT 3] had to take responsibility for the failures and breaches of the Solicitors’ Accounts Rules for those breaches which had occurred after he became a partner of the practice.

Allegation 57

168. The Applicant had failed to set out the facts upon which this allegation was based and therefore failed to prove this allegation. (See also paragraph 181 below).

Allegation 58

169. The Tribunal was satisfied that by delivering a Cease to Hold Accountant’s Report on 26 April 2007, when it was due to be received on or before 18 February 2007,

[RESPONDENT 3] had delayed in the filing of that report.

170. The Tribunal also ordered, as requested by the Applicant in relation to allegations 50 and 51 that the directions of the Adjudicator dated 3 January 2006 and 16 October 2006 respectively be treated for the purposes of enforcement as if they were contained in orders made by the High Court.

Mitigation

171. The Tribunal had a number of documents from both Mr Dhama's wife and [RESPONDENT 3] which contained matters relating to mitigation.
172. Mrs Dhama had stated that Mr Dhama was in poor health, and had received treatment for various medical problems. This had affected his ability to supervise the office and he had trusted his staff. He was a frail and disabled pensioner, suffering from severe depression and on the verge of insolvency. Mrs Dhama stated there was no chance Mr Dhama would ever practice again. He had not renewed his practising certificate and had volunteered to have himself removed from the Roll. The Tribunal had been provided with various medical letters and medical records confirming the Respondent's ill health.
173. [RESPONDENT 3] referred to his "severe financial condition" and had advised the Tribunal that there were conditions on his practising certificate which prevented him from opening his own practice, or obtaining employment. [RESPONDENT 3] requested the Tribunal modify a condition on his practising certificate.

Costs Application

174. The applicant requested an Order for his costs. These were substantial and he was unable to provide the Tribunal with a Schedule. The Applicant had notified Mr Dhama and [RESPONDENT 3] of his intention to request an Order for costs and [RESPONDENT 3] had acknowledged the email sent by the Applicant advising him of this. The position regarding costs was rather complicated as contributions to costs were to be made by [RESPONDENT 4] and by [RESPONDENT 2]. Furthermore, there were clearly far more allegations against Mr Dhama than there were against [RESPONDENT 3] and the Applicant considered it would be appropriate for the Tribunal to apportion costs accordingly.
175. The Applicant reminded the Tribunal that it appeared from Mrs Dhama's letters that Mr Dhama was an elderly man, he was very ill and appeared to be on the verge of insolvency. However, the Tribunal had not been provided with any details of either Mr Dhama or [RESPONDENT 3]'s means, so it was difficult to be able to assess their ability to pay any costs.
176. The Applicant also reminded the Tribunal of its duty to consider the cases of William Arthur Merrick -v- The Law Society [2007] EWHC 2997 (Admin) and Frank Emilian D'Souza v The Law Society [2009] EWHC 2193 (Admin) in relation to both Respondents' ability to pay those costs.

Previous Disciplinary Sanctions before the Tribunal

177. Mr Dhama had appeared before the Tribunal on one previous occasion on 7 and 8 February 2006.

Sanction and Reasons

178. The Tribunal had considered all the matters very carefully and in particular had taken into account the number of allegations faced, particularly by Mr Dhama. The Tribunal had considered all the letters and medical evidence presented by Mr Dhama's wife and was aware that he suffered considerable health problems. However, the Tribunal was also mindful that neither Mr Dhama nor [RESPONDENT 3] had complied with the Tribunal's previous orders dated 26 October 2009 and 8 March 2010 requiring them to file witness statements.
179. The number and nature of allegations against Mr Dhama showed that his practice was out of control and displayed a total disregard for the obligations to comply with the regulations and the manner in which a practice should be operated. This behaviour could have been due to his deteriorating health, which was a contributing factor, but the Tribunal noted Mr Dhama had appeared before the Tribunal on a previous occasion in relation to similar breaches of the Solicitors' Accounts Rules. The Tribunal was of the view that Mr Dhama had displayed a complete disregard for the principles and rules which were in place for the protection of the public and to preserve the good reputation of the profession. Furthermore, the failure to honour undertakings that had been given was completely unacceptable. These undertakings were relied upon by the profession and a solicitor must ensure compliance in order to preserve the position of trust that the giving of such undertakings entailed. There were numerous awards that had been made by Adjudicators for inadequate professional services which had not been complied with and this showed Mr Dhama had not taken his responsibilities seriously. When the breaches had been put to Mr Dhama, he had been slow to acknowledge his responsibilities and put things right.
180. The Tribunal found that it was very sad that Mr Dhama should find himself before the Tribunal at this stage in his career, but it was clear that as a result of the breaches, members of the public had suffered and Mr Dhama had brought the profession into disrepute. It was necessary for members of the public to be protected from solicitors who operated in this manner and accordingly the Tribunal felt that there was no alternative but to apply the ultimate sanction to Mr Dhama. Accordingly, the Tribunal ordered Mr Dhama be struck off the Roll of Solicitors.
181. Concerning [RESPONDENT 3], when considering the Tribunal's written findings, it came to the Tribunal's attention that the Tribunal's findings in respect of allegation 57 were incorrect. The Tribunal had found this allegation was proved against [RESPONDENT 3]. The Tribunal should have found this allegation not proved. This finding does not affect the sanction that the Tribunal imposed against [RESPONDENT 3] at the end of the hearing and the Tribunal hereby confirms that the sanction that it imposed remains the proper sanction.
182. Having clarified this point, [RESPONDENT 3]'s role was much more junior and indeed, he only became a partner in January 2006. However, while Mr Dhama had

primary responsibility for the practice, [RESPONDENT 3] was still obliged to fulfil his obligations as a partner of the practice which he had failed to do. His behaviour had contributed to the damage caused to the profession and to clients suffering in the manner that they had. Accordingly, the Tribunal fined [RESPONDENT 3] the sum of £7,500 in view of the serious allegations that had been proved against him.

Decision as to Costs

183. In relation to the question of costs, the Tribunal were satisfied that Mr Dhama should bear the brunt of the costs, particularly as the majority of the allegations had been brought against him. [RESPONDENT 3] had only become a partner in the practice from 23 January 2006 and costs should therefore be apportioned accordingly. The Tribunal ordered Mr Dhama pay 80% of the Applicant's costs and [RESPONDENT 3] pay 20% of the Applicant's costs.
184. The Tribunal had considered carefully the cases of William Arthur Merrick -v- The Law Society and Frank Emilian D'Souza -v- The Law Society but had not been provided with any evidence of Mr Dhama or [RESPONDENT 3]'s financial means. However, the Tribunal did have letters from Mr Dhama's GP confirming he was in ill health, and as he had now been struck off the Roll of Solicitors, it was unlikely he would be in a position to pay the costs within the foreseeable future. [RESPONDENT 3] had indicated there were conditions on his practising certificate which had affected his prospects of employment. The Tribunal had no power to modify those conditions and it was a matter for the Authority. In all the circumstances, the Tribunal adopted the Applicant's suggestion that the Order for costs should not be enforced without leave of the Tribunal.

Orders

185. The Tribunal Ordered that the Respondent, Satya (being incorrectly spelt Sataya in the Order issued at the conclusion of the hearing) Prakash Dhama of 36 St Margaret's Road, Edgware, Middlesex, HA8 9UU, solicitor, be Struck Off the Roll of Solicitors and it further Ordered that he do pay 80% of the costs of and incidental to this application and enquiry to be subject to a detailed assessment unless agreed between the parties, such costs not to be enforced without the leave of the Tribunal.

The Tribunal also granted an Order pursuant to Paragraph 5(2) of Schedule 1A of the Solicitors Act 1974 (as amended) that the Directions of the Adjudicator of the Law Society dated 6th December 2005, 3rd January 2006, 11th May 2006 & 16th October 2006 be treated for the purposes of enforcement as Orders of the High Court.

186. The Tribunal Ordered that the Respondent, [RESPONDENT 3] of , Calcutta, India, solicitor, do pay a fine of £7,500, such penalty to be forfeit to Her Majesty the Queen, and it further Ordered that he do pay 20% of the costs of and incidental to this application and enquiry to be subject to a detailed assessment unless agreed between the parties, such costs not to be enforced without the leave of the Tribunal.
187. The Tribunal also grants an Order pursuant to Paragraph 5(2) of Schedule 1A of the Solicitors Act 1974 (as amended) that the Directions of the Adjudicator of the Law

Society dated 3rd January 2006 & 16th October 2006 be treated for the purposes of enforcement as Orders of the High Court.

188. Upon the Respondent [RESPONDENT 2] of India, (the address having been amended since the Order was made at the conclusion at the hearing) solicitor, having given the following Undertakings to the Tribunal on 20th July 2010:-

1. He will forthwith apply to the Solicitors Regulation Authority to remove his name from the Roll of Solicitors, and
2. He will not apply to be readmitted to the Roll for the rest of his life, and
3. He will not seek employment or remuneration in any capacity as a solicitor's clerk, member of the Institute of Legal Executives, as a licensed conveyancer or as a barrister; or in any other capacity in the legal profession.

No Order is made save that [RESPONDENT 2] pay costs in the agreed sum of £20,000.

Dated this 9th day of February 2011
On behalf of the Tribunal

D Glass
Chairman