

SOLICITORS DISCIPLINARY TRIBUNAL

SOLICITORS ACT 1974

IN THE MATTER OF HOLLY RICHMOND, solicitor (The Respondent)

Upon the application of Robin Havard
on behalf of the Solicitors Regulation Authority

Mr J. C. Chesterton (in the chair)
Mr R. Hegarty
Mr M. G. Taylor CBE DL

Date of Hearing: 4th and 5th November 2010 and 5th January 2011

FINDINGS & DECISION

Appearances

Michael Robin Havard, solicitor and partner in the firm of Morgan Cole Solicitors appeared on behalf of the Solicitors Regulation Authority ("SRA").

The Respondent was present and in person.

The original application to the Tribunal, on behalf of the SRA, was made on 9 June 2009 with a Supplementary Statement made on 26 March 2010, a Further Supplementary Statement made on 20 May 2010 and a Third Supplementary Statement made on 14 July 2010.

The allegations against the Respondent were that she had:

- A. Failed to maintain and preserve properly written up books of account, ledgers, and records in breach of Rule 32 of the Solicitors Accounts Rules 1998.
- B. Conducted herself in a manner that was likely to compromise her integrity contrary to Rule 1(a) of the Solicitors Practice Rule 1(a) and/or where such conduct related to a period after 1 July 2007, Rule 1.02 of the Solicitors Code of Conduct 2007.

- C. Conducted herself in a manner which was likely to compromise or impair her duty to act in the best interests of her clients contrary to Rule 1(c) of the Solicitors Practice Rules 1990 and/or where such conduct related to a period after 1 July 2007 Rule 1.04 of the Solicitors Code of Conduct 2007.
- D. Conducted herself in a manner which was likely to compromise or impair the good repute of the solicitors profession contrary to Rule 1(d) of the Solicitors Practice Rules 1990 and/or where such conduct related to a period after 1 July 2007, Rule 1.06 of the Solicitors Code of Conduct 2007.
- E. Allowed misleading information with regard to fees to be provided to clients contrary to Rule 2.03 of the Solicitors Code of Conduct 2007.
- F. Allowed fees to be falsely represented as disbursements on conveyancing transactions in the form of bank charges for telegraphic transfers, charges for the completion of Stamp Duty Land Tax documentation, and work relating to mortgages and charges on clients' properties.
- G. Either signed herself, or allowed the firm to enter into, agreements with introducers of work to the firm and thereafter failed to comply with, and was thereby in breach of Rule 9 of the Solicitors' Code of Conduct 2007.
- H. As the sole equity partner, failed to fulfil her supervision and management responsibilities in breach of Rule 5.01 of the Solicitors Code of Conduct 2007.

The additional allegations against the Respondent were that she had:

- I. Failed to comply promptly or at all with the directions contained within a Decision of an Adjudicator dated 1 September 2008.
- J. Failed to comply promptly or at all with the directions contained within a Decision of an Adjudicator dated 5 November 2008.
- K. Failed to pay a County Court Judgment in respect of an unpaid disbursement.
- L. Failed to respond to correspondence from the SRA in breach of Rule 22.05 of the Solicitors Code of Conduct 2007.

The additional allegations against the Respondent were that she had:

- M. Failed to pay a County Court Judgment in favour of AMP Limited in the sum of £4,401.32.
- N. Failed to comply promptly or at all with the directions contained within three Decisions of an Adjudicator dated 25 November 2009.

In addition, the Applicant complained that on 5 November 2008 an Adjudicator had made the following directions in relation to services rendered by the Respondent to AFPG Ltd:

- (i) pay compensation of £500 to AFPG Limited;

- (ii) limit their costs in acting for AFPG Ltd from 1 May 2004 to 30 June 2005 to the sum of £264,246.71 plus VAT and refund the sum of £88,082.25 plus VAT to AFPG Ltd;
- (iii) waive any right to further payment of costs or disbursements in the case;
- (iv) allow access to their files in this case to AFPG Ltd or their legal representatives;
- (v) pay costs of £840 to the LCS.

The Adjudicator had stipulated that the directions should be carried out within seven days. The Respondent had failed to comply with those directions.

Factual Background

1. The Respondent, born in 1951, was admitted to the Roll of Solicitors on 1 May 1996. As at the date of the hearing, her name remained on the Roll of Solicitors.
2. At all material times, the Respondent had practised as the sole equity partner in a firm under the style of Richmonds at 39 High Street, Keynsham, Bristol BS31 1DS. The only other partner in the firm had been DB, a salaried partner, who had retired from the practice on 30 June 2008.
3. Following an investigation, a Forensic Investigation Report, dated 26 June 2008, ("FIR") was issued. That FIR was based on an inspection by the Investigation Officer ("IO") of the SRA, Mr Cary Whitmarsh, who, when the Respondent was interviewed on 29 April 2008, had been assisted by a Senior Investigation Officer, Mr Norton.

Allegation A: Books of Account

4. A list of liabilities to clients as at 31 March 2008 had totalled £929,589.88. However, as a consequence of the financial position portrayed by two client matters, it had not been possible for the IO to express an opinion as to whether the list of liabilities was accurate and whether funds, held on behalf of clients, were sufficient to meet liabilities.
5. The two client matters investigated by the IO had been those of M and K.
6. In the M matter, the list of liabilities had shown a debit balance of £4,555.47 but the client ledger account had shown the balance as at 31 March 2008 as nil.
7. The client ledger account for Mrs K had shown that the sum of £18,900.29 had been debited from a designated deposit account but with no corresponding entry on either the client or office side of the ledger account.
8. Whilst an explanation had subsequently been provided by the firm's legal cashier that the sum had been in respect of fees, there had been no relevant entries in the documents inspected.
9. There had been evidence of historical problems with the accounting process as outlined in the Accountant's Report covering the period October to December 2007.

10. The Forensic Investigation Report also outlined additional irregularities relating to client balances, inappropriate use of a suspense ledger and unrepresented items which, despite representing three client account cheques, had been paid into a client ledger account entitled "Unrepresented Items".

Allegations B - F and H: Undisclosed profits

11. It was calculated that the Respondent's firm had generated a minimum undisclosed profit of £20,753.22 in relation to conveyancing transactions.

Purchase files

12. The cost to the client of the completion and submission of the Stamp Duty Land Tax form of £50 plus VAT was described as a "third party expense" whereas it had in fact been a fee generated for the benefit of the firm.
13. Although, in the client care letter, under the heading "Stamp Duty Land Tax", it was stated that the firm would charge a fee of £50 plus VAT for completing the forms on the client's behalf, it was described on the second page of the client care letter as a third party expense as opposed to being part of the fees charged by the firm.

Purchase and sale files

14. In respect of both purchases and sales, bank transfer fees or telegraphic transfer fees of £30 had been charged although it was accepted at interview that the actual amount charged by the bank had been £11.
15. The description used to relate to work undertaken on the clients' behalf in relation to mortgage applications or, in the case of a sale, an existing mortgage, had been the term "Mortgage Lenders' Fee". It related to fees generated for the firm and not to fees payable to the mortgage lender.

Allegations B to E, G and H: Referral fees

16. It was accepted by the Respondent that the agreements with the introducers had not been updated to take account of the introduction of the Solicitors Code of Conduct as from July 2007.
17. Further, in the 21 matters considered, all of which had been referred to the firm by the introducers:
 - (i) there had been no evidence that the clients had been informed that the firm had paid a fee for the referral of business;
 - (ii) in nine of the 21 matters, the client care letters had made no reference to any payment being made by the firm to the introducer for the business;
 - (iii) in eleven cases, not only was the referral fee paid by the firm for the business misleadingly described as an "arrangement fee", but also it was stated to form

part of the legal fees charged. Therefore, the client was in effect paying the referral fee;

- (iv) whilst there had been no evidence of a referral fee being paid on three of the 21 matters, in the remaining 18 matters the referral fee was paid direct from monies held in the client bank account.

Correspondence post FIR

18. On 30 July 2008 the SRA had written to the Respondent enclosing a copy of the FIR and inviting her to respond. An extension of time had been granted to 12 September 2008. No response had been forthcoming, although the SRA had been informed that the Respondent was suffering from ill health.
19. On 8 October 2008, the SRA had written to the Respondent again indicating that the matter was being referred for formal adjudication.
20. On 23 October 2008, the SRA had received a telephone call from the Respondent indicating that she had retired from practice as of 30 September 2008 and the firm had closed.
21. On 29 October 2008, Mr Lockley of Irwin Mitchell had provided a response on behalf of the Respondent to the FIR.
22. On 10 November 2008, a response had been provided to the SRA by Mr DB, a salaried partner at Richmonds Solicitors until 30 June 2008.
23. The Adjudicator determined that the Respondent be referred to the Solicitors Disciplinary Tribunal but decided to take no further action in respect of Mr DB.

Failure to Comply with Adjudicator's Decisions

Allegations B, C, D (as particularised in paragraph 2 of the Statement of 9th June 2009), I, J

24. These allegations arose out of a very substantial matter in which in 1996, initially when an assistant solicitor at Thomas W Bray & Co, the Respondent had been instructed to act on behalf of a group of civil servants, at one stage numbering 2,000, in respect of issues concerning their pension rights.
25. The group of civil servants sought recompense for unallocated pension rights for the period pre-1975 for which no pension rights had been allocated to them or to their spouses.
26. When the Respondent had set up her practice as Richmonds Solicitors in 1998, those clients had maintained their retainer with her. In 1999 the group of civil servants became known as the Armed Forces Pension Group ("AFPG").
27. In September 1999, the Respondent had made an application to the Bristol Employment Tribunal on behalf of AFPG regarding the claims for unallocated pension rights for the period pre-1975. The claim had been opposed by HM Treasury.

The claim had been withdrawn, prior to a hearing, on the basis of a recent adverse authority ruling against the claim.

28. In September 2002 proceedings had been issued in the High Court. The claim had subsequently been struck out. On 4 November 2003 the Court of Appeal had upheld the High Court's decision to strike out the claim. The House of Lords had subsequently refused permission to appeal.
29. As a result of concerns over the management and liabilities of AFPG, the group had been incorporated in March 2004 as a company limited by guarantee. The purpose of AFPG Ltd was to take over the day-to-day management, including the accounts and membership records, of AFPG.
30. On 21 September 2004 an application had been made to the European Court of Human Rights ("ECHR") on behalf of AFPG Ltd. [It was understood that the ECHR apparently ruled the application inadmissible.]
31. At around that time, AFPG Ltd had developed concerns about the validity of the legal costs being charged by the Respondent. At the time of the application to the ECHR, AFPG had been advised that it would be in their interests to lobby Members of Parliament about the issues relating to pension rights with which they were concerned. To that end, the Respondent had been instructed by AFPG Ltd to prepare "lobbying materials". Although the Respondent had charged AFPG Ltd for that work, the lobbying materials had not been forthcoming.
32. The Respondent and AFPG Ltd had met on or around 24 November 2005. Minutes of the Meeting had been taken on behalf of AFPG Ltd. Minutes of the Meeting also appeared to have been prepared by the Respondent. AFPG Ltd had queried the progress with the lobbying materials. It had been agreed that the Respondent would send the lobbying materials to AFPG Ltd for distribution. AFPG Ltd had been given to understand that the lobbying materials had been prepared by the Respondent, but would not be released until all outstanding monies due from AFPG Ltd to the Respondent had been paid. Such sums had amounted to £15,030.43. Notwithstanding their concerns about the validity of that claim, AFPG Ltd had agreed to pay the sums specified on the understanding that the lobbying materials would be released to them for distribution before the end of November 2005. The payment had been made shortly after the meeting. As at 4 April 2006, the lobbying materials had still not been released.
33. As a result of the concerns at the way in which the Respondent had been conducting the case, AFPG Ltd had lodged a complaint with the Consumer Complaints Service of The Law Society on 4 April 2006 which had led to an investigation of AFPG Ltd's concerns. The complaint had related to the conduct of the Respondent in acting for AFPG prior to, and following, incorporation as AFPG Ltd.
34. In summary the complaint alleged that the Respondent had:
 - (i) previously refused to allow the AFPG Steering Group control of or access to, the membership database prior to incorporation and had subsequently afforded limited access to AFPG Ltd;

- (ii) failed to provide any information to AFPG Ltd in respect of the management and collection of contributions from members of the AFPG;
 - (iii) failed to provide AFPG Ltd with accounts detailing the amounts contributed by members of AFPG;
 - (iv) failed to provide AFPG Ltd with sufficient accounts detailing expenditure, incurred by AFPG and AFPG Ltd, including expenditure in respect of the legal costs of the Respondent;
 - (v) failed to provide a breakdown of the legal costs and associated charges that had been raised by the Respondent against AFPG and AFPG Ltd;
 - (vi) failed to follow instructions in connection with the lobbying of Members of Parliament in connection with an application to the ECHR;
 - (vii) sought and received payment for work that had not been undertaken either properly or at all, namely in connection with the preparation of materials to lobby Members of Parliament pursuant to the instruction at (vi) above.
35. The core of the complaint was that the Respondent had failed to account fully to AFPG Ltd for income and expenditure in relation to AFPG, namely monies collected from the membership and costs incurred. AFPG Ltd had sought information from the Respondent about how much money had been collected from AFPG members and how that money had been spent on, in particular, the legal costs incurred by the Respondent.
36. The position of AFPG Ltd was that the Respondent had placed herself in a position whereby she had had control over the accounts of AFPG and had then failed to provide information to AFPG Ltd about how that control had been exercised.
37. AFPG Ltd had stated that they had not been provided with accurate information about AFPG prior to incorporation, and as a consequence, had been unable to properly account to their current members.
38. AFPG Ltd had estimated that their members had, through contributions, raised a figure in the region of £1.5 million, which had not been accounted for satisfactorily by the Respondent. Despite requests and in the absence of any comprehensive explanation from the Respondent, the position of AFPG Ltd was, and remained, that the Respondent had by her actions misapplied the funds of her clients, AFPG and AFPG Ltd.
39. The complaint had first been communicated to the Respondent by way of letter dated 21 June 2006.
40. In her letter dated 21 July 2006, the Respondent had stated that the firm had not delivered a final account to AFPG Ltd and were exercising a lien in respect of the lobbying materials.

41. By way of letters dated 23 October 2006, 4 December 2006 and 12 December 2006, the Respondent had further refuted the complaints and had provided documents purporting to support her arguments. Reference in those letters had been made to an alleged failure by AFPG Ltd to pay an additional £10,000 on account prior to any further work being undertaken.
42. AFPG Ltd had not been satisfied that its complaint had been satisfactorily investigated by the Consumer Complaints Service and had referred the matter to the Legal Services Ombudsman. By a Decision of 6 November 2007, the Legal Services Ombudsman had requested the Consumer Complaints Service, by which time having become the Legal Complaints Services ("LCS") to reconsider its decision not to pursue the issue further. In order to ensure that the complaint was considered promptly, it had been passed to the Solicitors Indemnity Fund ("SIF") who was working on behalf of the LCS. The SIF had requested production of documents, by 30th April 2008, by the Respondent.
43. On 27 June 2008, the SIF had prepared a report which provided a useful summary of the factual background which had forced AFPG Ltd to pursue their complaint. That letter had also been sent to the Respondent.
44. The author of the report, Tehmina Chaudri, had made various recommendations of steps that needed to be taken before the complaints made by AFPG and AFPG Ltd against, in effect, the Respondent as sole principal at the firm, could be properly considered by an Adjudicator. The recommendations were that the Respondent should:
 - (i) submit the final bill to AFPG Ltd within 14 days or confirm that no further bills remained outstanding;
 - (ii) produce a detailed statement of account showing all the payments received by her on behalf of AFPG and AFPG Ltd as well as all payments made both to the firm for costs, and to third parties, supported by bills and invoices;
 - (iii) produce copies of all the information as to costs given by her to AFPG and AFPG Ltd.
45. On 30 June 2008, Ms Chaudri had written to the Respondent indicating that she was inviting the Adjudicator to make an Order that the Respondent pay The Law Society fixed costs of £840 on the basis that the Respondent had not cooperated with the investigation by the LCS.
46. Although the Respondent had made observations, she did not provide a substantive response to the correspondence from the SIF.
47. On 1 September 2008, the Adjudicator had made a Decision in which he had directed that the Respondent's firm, Richmonds Solicitors, should provide an estimate of its final bill and the amount of costs owing, supported by computerised printouts, to show the time expended. It was stipulated that the direction should be carried out within 14 days, failing which the matter would be referred, without further notice, to

the SRA with a view to an application being made to the Solicitors Disciplinary Tribunal.

48. The Respondent failed to comply with the Decision which was sent to her by letter of 10 September 2008. Despite further correspondence from the SIF dated 15 October 2008, 20 October 2008, 23 October 2008 and 28 October 2008, no response was received from the Respondent.
49. Consequently, on 5 November 2008 the Adjudicator had made a Decision and had found that the services provided by Richmonds Solicitors had been inadequate in the following ways:
 - (i) they had failed to provide adequate costs information during the period of their retainer with AFPG and later AFPG Ltd;
 - (ii) they had failed to deal with the complaint made on behalf of AFPG Ltd under their own in-house complaints handling procedure.
50. In his Decision of 15 September 2008, the Adjudicator had directed the Respondent to:
 - (i) pay compensation of £500 to AFPG Ltd;
 - (ii) limit their costs in acting for AFPG Ltd from 1 May 2004 to 30 June 2005 to the sum of £264,246.71 plus VAT and refund the sum of £88,082.25 plus VAT to AFPG Ltd;
 - (iii) waive any right to further payment of costs or disbursements in the case;
 - (iv) allow access to their files in this case to AFPG Ltd or their legal representatives.
51. Paragraph 6 of the Decision had stipulated that the directions should be carried out within seven days. Non compliance would result in the matter being referred, without further notice, to the SRA with a view to an application being made to the Tribunal. A supplemental Decision, in which the Adjudicator had directed Richmonds Solicitors to pay LCS's costs of £840, was made on the same date.
52. On 17 November 2008, a further copy of the Decision and Supplemental Decision was sent to the Respondent confirming that she must comply with the directions by 25 November 2008.
53. On 19 February 2009, AFPG Ltd had written to the SRA pursuant to the referral made by virtue of the Respondent's non-compliance with the direction of the Adjudicator. In their letter, AFPG Ltd had clarified the position of their members that the invoices raised against AFPG's account had never been submitted to the AFPG Steering Committee for approval or as confirmation of costs to date, and that the invoices provided by the Respondent to the CCS in the correspondence dated 4 December 2006 had not previously been seen by any member of AFPG or AFPG Ltd.

54. On 23 February 2009, the SRA had written to the Respondent (further to their letter dated 2 May 2008 in which it was confirmed that a referral had been made in respect of the matters arising from the original complaint) informing her that the Conduct Investigation Unit of the SRA was considering matters. The Respondent had been asked to respond by 9 March 2009. On 10 March 2009, the Respondent had contacted the SRA by telephone to request a 14 day extension to provide her response. The SRA had agreed to the extension and asked the Respondent to provide her response by 24 March 2009.
55. On 24 March 2009, the Respondent had contacted the SRA by telephone to explain that she would be unable to complete her response given the volume of documents involved. The Respondent had invited the SRA to attend her offices to review the files.
56. On 21 August 2009, the SRA had written to the Respondent informing her that the matters were being considered for inclusion in existing disciplinary proceedings against her. No response was received from the Respondent.

Allegations B, D, K and L: Failure to pay County Court Judgment

57. By letter of 4 December 2006, the Respondent had placed instructions with a firm of estate agents, M&A, to prepare valuations of properties in B--- Road, Keynsham, Bristol. Whilst it would appear that the instructions had related to a property development in which the Respondent was personally involved, the letter of instruction had been sent from Richmonds Solicitors.
58. The initial fee quoted for the work was £1,500 plus VAT. However, the instructions had subsequently been varied to require additional valuations of the individual units on the property. As a result of a variation in those instructions, the original quote had been increased to £2,000 plus VAT as confirmed in an undated email sent to the Respondent.
59. By letter dated 24 January 2007, Mr A of M&A had provided his preliminary report to the Respondent. There had been no correspondence from the Respondent. Notwithstanding the variation in the instructions, M&A had submitted an invoice dated 27 June 2007 for £1,500 plus VAT.
60. The Respondent had failed to pay the fees of M&A who had obtained a Judgment in the Bristol County Court on 21 November 2008 in which it was ordered that the Respondent pay M&A the total sum of £2,052.10 within 14 days.
61. By letter of 13 February 2009, M&A had lodged a complaint with the SRA, that, at that time, they had not received any payment from the Respondent despite the County Court Judgment.
62. On 14 May 2009, the SRA had written to the Respondent at 69 B--- Road, Keynsham, Bristol, asking her to provide an explanation for her conduct within 14 days. The Respondent had not replied.

63. On 15 June 2009, the SRA had written once again to the Respondent reminding her of her obligation to deal promptly with correspondence from the SRA and requesting a response within eight days.
64. By letter dated 24 June 2009, the Respondent had written to the SRA firstly complaining that the letter from the SRA had been sent to the incorrect address and secondly requesting further time to respond to the SRA's letter and also indicating her intention to lodge a complaint against M&A.
65. The SRA had written on two further occasions to the Respondent, on 1 and 20 July 2009, but the Respondent had failed to reply.
66. By a Decision of 27 August 2009, the conduct of the Respondent, in relation to her failure to pay the County Court debt and her failure to respond to correspondence from the SRA, were added to the current proceedings and the Respondent was notified of this Decision by letter of 28 August 2009.
67. On 14 January 2010, the SRA had intervened into the practice of Richmonds Solicitors. However, the circumstances giving rise to the intervention did not form part of the proceedings against the Respondent.
68. As at 11 June 2009, client money was still held in the client account of the firm in the sum of £3,578.91 despite the fact that the firm had closed on 30 September 2008. Whether there should be an intervention, and whether any potential breaches of the Solicitors Accounts Rules should be added to the current proceedings, were considered by the SRA on 21 October 2009. On receiving certain assurances that the outstanding client monies would be resolved, the decision whether or not to intervene was deferred until 19 December 2009.
69. Despite such assurances from, or on behalf of, the Respondent, as at 17 December 2009, the Respondent had failed to demonstrate, to the satisfaction of the SRA, that she was taking adequate steps to deal with the money held in client account and therefore the decision to intervene was made.
70. Further proceedings had arisen out of a failure on the part of the Respondent to pay to AMP Ltd (a personnel agency) sums owing in respect the supply of temporary staff between February 2008 and April 2008. Whether or not the Respondent paid AMP Ltd the amount owed, AMP Ltd had a contractual responsibility to pay the temporary staff.
71. By a Judgment dated 3 March 2009, AMP Ltd had obtained Judgment against the Respondent in the sum of £4,401.32.
72. The Respondent had applied unsuccessfully on 19 May 2009 to vary the Judgment and suspend the Warrant of Execution.
73. On 4 November 2009, the Respondent had applied unsuccessfully to Recorder Adrian Palmer QC for permission to appeal against the Order of the District Judge of 19 May 2009.

74. On 10 October 2009, AMP had written to The Law Society regarding the Judgment and that this had been referred to the LCS.
75. By letter dated 24 February 2010, the LCS had written to the Respondent inviting her to provide a response. The Respondent had failed to reply.
76. By a Decision of 27 April 2010, the matter had been referred to the Tribunal.

Allegations C, D (as particularised in paragraph 2 of the Statement of 9 June 2009) and N: Failure to comply with Directions contained in the Decision of the Adjudicator dated 25 November 2009

77. These allegations arose out of three complaints pursued by Ms T, Ms C and Ms Cr relating to an accident that occurred on 3 March 2006.
78. On 3 March 2006, a horse being exercised by Ms C had received an electric shock and Ms C had sustained injury. Claims were pursued against the power company, EDF, for personal injuries sustained by Ms C and also arising out of the fatal injuries sustained by the horse. EDF admitted liability.
79. At the outset Ms T, the owner of the horse, Ms C, the rider, and subsequently Ms Cr, the trainer, had instructed the Respondent's firm up to June 2008 when the retainer with the Respondent's firm had been terminated. The file had been transferred to Howell & Co. It was as a consequence of the manner in which the case had been conducted that Ms T, Ms C and Ms Cr had lodged a complaint against the Respondent's firm.
80. On 30 October 2009 the reports in respect of Ms T, Ms C and Ms CR had been sent to the Respondent. The Respondent had been invited to provide her comments by 13 November 2009. The Respondent had not replied.
81. By Decisions dated 25 November 2009, the Adjudicator had directed, inter alia, that Richmonds Solicitors pay compensation of £1,500 to each of Ms T, Ms C and Ms Cr and that such payment should be made within seven days of the date of the letter enclosing this Decision, namely 4 December 2009. The Respondent failed to do so.
82. On 14 December 2009, the LCS had written to the Respondent indicating that, unless payment was made within the next seven days, the matter would be referred to her professional indemnity insurers and had requested details of the Respondent's professional indemnity insurers. The Respondent had not replied.
83. On 22 December 2009, the LCS had written again to the Respondent indicating that the LCS had referred the complainants to the Respondent's professional indemnity insurers.
84. On 24 February 2010, the matter having been referred to them by the LCS, the SRA had written to the Respondent outlining her failure to comply with the directions contained in the Decisions of the Adjudicator dated 25 November 2009 and requesting an explanation for that failure to be submitted within fourteen days. The Respondent failed to reply.

85. By a Decision dated 27 April 2010, the failure of the Respondent to comply with the Adjudicator's Decisions dated 25 November 2009 was referred to the Tribunal.

Preliminary Matters

86. Mr Havard explained to the Tribunal that the matter had been listed for a substantive hearing on three previous occasions. He referred the Tribunal to the detailed directions, relating to the filing and service by the Respondent of a written response and of evidence, given at directions hearings on the 8 July 2010 and on 16 August 2010.
87. Mr Havard said that on the morning of the first day of the substantive hearing, he had been placed in an impossible position in that he had heard nothing from the Respondent until yesterday (the day before the hearing) when 187 pages of documents and a witness statement from a Mr J had been emailed to him at 1.47pm. Moreover, the Respondent had, at about 9.30am, just before the commencement of the hearing, attempted to serve him with yet another bundle of documents and her lengthy statement. Mr Havard informed the Tribunal that he had refused to accept service.
88. In the light of the specific directions given by the Tribunal at hearings on the 8 July 2010 and on 16 August 2010, Mr Havard made an application that Mr J's witness statement should not be admitted, that Mr J should not be permitted to give evidence and that the Respondent's documents, both those served yesterday and those brought to the Tribunal on the day of the hearing, should not be admitted. He submitted that the Respondent's rights under Article 6 of the European Convention on Human Rights (ECHR) had been more than adequately catered for by the process followed by the Tribunal in allowing some three adjournments of the substantive hearing and in making clear and detailed directions as to the service and filing of statements and documents which she had failed to follow.
89. The Respondent apologised, both to the Tribunal and to the Applicant, for the lateness of statements and documents. She asked the Tribunal to admit all of the documents including her statement and that of Mr J.
90. In response to a question from the Tribunal, the Respondent explained that Mr J had prepared his own statement although she had paragraphed and numbered it. She confirmed that she had asked him to do his statement in July 2010 but that some three to four weeks ago it had not been done.
91. In relation to the preparation of her own statement, the Respondent told the Tribunal that she had opened files on each of the allegations following the closure of her firm and had been preparing for some two years but had needed until just before the hearing because of her health difficulties.
92. Dealing with her failure to supply a medical report as directed by the Tribunal on 16 August 2010, the Respondent explained that she did not know how she had missed that direction.
93. Overall the Respondent explained that she was not unwilling to do things properly but that it had only been in the last few weeks that had she been able to handle paperwork

properly. She referred to the provisions of the Disability Discrimination Act and asked that she be provided with a fair playing field.

94. The Respondent apologised for only being able to put before the Tribunal, for a second time, a report, dated 26 June 2009, from an Occupational Therapist and Clinical Specialist in Rheumatology, dealing with a general overview of the main symptoms of Fibromyalgia and an outline of the main body systems affected. However, she referred the Tribunal to the last paragraph of that report in that it dealt with the specific effects of Fibromyalgia on her.

The Decision of the Tribunal

95. The Tribunal was extremely concerned by the late production of documentation by the Respondent. While taking into account the limited medical evidence available, as well as the submissions of the Respondent relating to her disabilities, the Tribunal was satisfied that previous divisions of the Tribunal had structured their directions so as to accommodate the needs of the Respondent arising from the evidence before the Tribunal as to her disabilities. Unfortunately, the Respondent had failed to comply with those directions.
96. On the 8 July 2010 the matter had come before the Tribunal for a substantive hearing, having previously been adjourned in April 2010. The Respondent had told the Tribunal on that occasion that she had not had sufficient time to deal with the allegations, some of which were not clear to her, as she had been hampered by health difficulties and had not had the help she needed.
97. The Tribunal had not considered that a psychiatric report, produced by the Respondent, was sufficient to support her application for an adjournment. The Chairman had taken the Respondent through the allegations and had assisted with explanations where appropriate. In that way, it had been established that the Respondent had been denying all the allegations.
98. Although the Applicant had been ready to proceed and had had two witnesses in attendance, the Tribunal had considered that in view of the Respondent's denials, the matter would require two full days and it would not be desirable for the hearing to go part-heard.
99. Having confirmed the availability of the parties and the witnesses; one from the SRA and one from AFPG Ltd, the Tribunal had adjourned the substantive hearing until 16 and 17 August 2010. The Respondent had expressed some concern that the help she would need at the hearing with handling papers would not be available by those dates.
100. The Tribunal had made a very clear direction on 8 July 2010 in that it had directed the Respondent to deliver to the Applicant and to file with the Tribunal, a written response to all of the allegations setting out the basis of her denials of the allegations or her denials of the facts upon which the Applicant sought to rely. In addition, it had directed that she was also to deliver and file witness statements of any witnesses that she wished to call at the substantive hearing. Her response and the witness statements were to be delivered and filed no later than close of business on 27 July 2010.

101. Subsequently, on 13 August 2010, in the light of a written application by the Respondent, supported by a statement from her physical support carer and a letter from her GP dated 13 August 2010, the substantive hearing, listed for 16 and 17 August 2010, had been adjourned to the first available date for two days after 1 October 2010. In fact the case was subsequently listed for 4 and 5 November 2010.
102. The Tribunal who had considered the Respondent's adjournment application had made both observations and further clear directions that were recorded in a Memorandum dated 18 August 2010 and sent to the parties.
103. The Chairman of the Tribunal had noted that the difficulties expressed by the Respondent on 8 July 2010; that she could not cope at the substantive hearing without the assistance of a physical support carer, had been addressed.
104. The Chairman had also noted, with regret, that the Respondent had ignored the direction, made on the 8 July 2010, that she file a full response to the allegations. He had reminded her that as a solicitor, she had a duty to co-operate both with her professional regulator and with the Tribunal.
105. The Tribunal had also made clear directions to assist the parties and to ensure that all matters would be dealt with in readiness for the relisted two day substantive hearing.
106. The Tribunal had stated that the Respondent had not dealt with the matter of her health satisfactorily in that despite the Tribunal's practice note on adjournments, she had submitted a letter from her GP, rather than a medical report from a consultant, in support of her application for an adjournment. In order to be assured that its decision to adjourn the substantive hearing, listed for 16 and 17 August 2010, had been appropriate, the Tribunal had directed that no later than two weeks before the date fixed for the adjourned substantive hearing, the Respondent was to file and serve a medical report, prepared by a consultant, setting out the details of the Respondent's physical and mental health and commenting upon her GP's letter submitted in support of her latest adjournment application.
107. Moreover, the Tribunal had directed that before the close of business on 9 September 2010, the Respondent was to file with the Tribunal and to serve on the Applicant, a full response to each and every allegation against her, setting out a summary of the facts on which she intended to rely in support of her case and also to file and serve statements of any witnesses on who she intended to rely.
108. The Tribunal had made it clear to the Respondent in its Memorandum that she was to be aware that her failure to comply with its directions as to the filing and service of her response and of witness statements might lead the Tribunal to seek to limit the presentation of her case at the substantive hearing.
109. Having considered the representations of the parties, the Tribunal was satisfied that the Respondent had failed to comply with clear directions as to the submission of evidence given on two occasions. It was also satisfied that on both occasions the available medical evidence as to the Respondent's health and disability had been taken into account. The Tribunal considered that it was totally unsatisfactory that both on the day before and on the actual day of the hearing, the Respondent should

seek to introduce large quantities of documentation including a witness statement and documentation from a Mr J.

110. The Tribunal noted its obligations under Article 6 but also noted that its obligations in relation to fairness were not just to the Respondent but to both parties. In all the circumstances, given the clear directions made on two earlier occasions, the Tribunal refused to admit the documentation sent to the Applicant on the day before the hearing or the documentation that the Respondent had sought to file and serve on the day of the hearing.
111. The Tribunal noted that the Applicant had not been given sufficient time to consider and take instructions on a large amount of documentation. However, the Tribunal considered that given the seriousness of the allegations and the delays to date, it was in the public interest that further delay should be avoided. It noted that a lay witness was in attendance on a second occasion. It was of great concern to the Tribunal that there was no medical evidence before it to justify yet another adjournment or to account for the Respondent's failure to comply with directions. In reality, had the Respondent made her documentation available even a week before the hearing, the situation might have been different. For the avoidance of doubt, the Tribunal confirmed that the Respondent could of course read from and rely upon her own prepared statement. However, Mr J would not be allowed to give either written or oral evidence before the Tribunal.

Application by the Respondent for an Adjournment

112. The Respondent applied for an adjournment of the substantive hearing to enable her to appeal to a higher court against the Tribunal's decision to exclude some of her evidence.
113. In the light of its previous decision, the Tribunal found the application for an adjournment to be without merit and refused to adjourn the substantive hearing.

Documentary Evidence before the Tribunal

114. Inter alia, the Tribunal reviewed the Rule 5(2) Statement, dated 9 June 2009, a Supplementary Statement made on 26 March 2010, a Further Supplementary Statement made on 20 May 2010 and a Third Supplementary Statement made on 14 July 2010 together with their documentary exhibits.

The Submissions of the Applicant

Allegations A - H

115. The Applicant explained to the Tribunal that in the useful time allowed by the Tribunal for discussion, he had been able to clarify with the Respondent which allegations were admitted and which denied. He informed the Tribunal that although the Respondent admitted the facts of allegations K, L, M and N, she did not admit the associated breaches of Rule 1 of the Solicitors' Practice Rules.

116. The Applicant took the Tribunal through the facts in support of allegations A - N and the evidence in support of those allegations. He confirmed that he was not putting forward an allegation of dishonesty.
117. In relation to allegation A - breaches of the Solicitors' Accounts Rules (SARs), the Applicant said that it was, in its totality, not of the most serious case of its type.
118. As to allegation B - undisclosed profits, the Applicant submitted that on purchase files, the cost to the client of the completion and submission of the Stamp Duty Land Tax Form of £50 plus VAT had been described as a "third party expense" whereas in fact it had been a fee generated for the benefit of the firm. The Applicant noted that it had been described on the second page of the client care letter as a third party expense as opposed to being part of the fees charged by the firm.
119. As to the firm's charging for telegraphic transfers (TTs), fees had been charged as disbursements at £30 whereas the actual amount charged by the bank had been £11.
120. Turning to the work done on behalf of clients in relation to mortgage applications or existing mortgages, the Applicant submitted that the term "Mortgage Lenders Fee" as used to describe such work, had suggested that a fee was payable to the mortgage lender whereas, in fact, it had related to fees generated for the firm and not to any fees paid to the mortgage lender.
121. The Applicant also dealt with the facts of the allegations relating to referral fees. He explained that there had been no evidence on the files, or otherwise, that clients had been told that referral fees were being paid, via mortgage arrangement fees, on their behalf from the firm's client account.

Allegations I and J

122. The Applicant outlined the factual background in relation to the allegations arising from the Respondent's involvement in substantial litigation on behalf of the Armed Forces Pension Group (AFPG). He explained that the allegations related to a failure, on the part of the Respondent, to provide full details of all the contributions received by the firm on behalf of the AFPG and to provide a detailed breakdown of her firm's costs throughout the period of her instructions.
123. The Applicant submitted that the Respondent had been in a position of trust in that she had had control over the accounts of AFPG and its data-base. It had been estimated that her firm had received contributions of some £1.5million from the members of AFPG but that the Respondent had failed to properly account for those monies.
124. The Applicant referred to a letter of 2 April 2008 from the Solicitors Indemnity Fund solicitor, Tehmina Chaudhri, to whom the complaint from AFPG had been referred, making what he submitted to have been reasonable requests for:
 - (i) Copies of all letters sent to the client relating to costs, including the client care letter, letters giving estimates of the costs and any other cost information

- (ii) Copies of the accounts of the Fund maintained by you on behalf of the client showing all the monies received and expended, and
- (iii) Copies of all bills rendered to the client together with a breakdown of the work done in respect of each bill.”

The Applicant told the Tribunal that the information requested from the Respondent had not been supplied despite many reminders.

125. The Applicant explained that in her letter of 4 December 2006 to the Complaints Department of The Law Society, the Respondent had explained that she was still unwell and severely restricted and had enclosed various invoices and statements relating to AFPG from May 2004 to June 2005 amounting to some £252,000. However, not only had those bills failed to account for the contributions of some £1.5 million, but the Applicant explained that AFPG had said that those invoices had not been sent to them when raised.
126. The Applicant referred to Ms Chaudhri’s letter of 13 October 2008, which had summarised the serious complaints made on behalf of AFPG and AFPG Ltd relating to the provision by Richmonds Solicitors of inadequate costs information and to their failure to provide a final bill within a reasonable time.
127. The Applicant referred to the Adjudicator’s decision dated 5 November 2008 which had made directions that, he submitted, the Respondent had ignored in that she had taken no appropriate action either to dispute or to comply with the Adjudicator’s directions.

The Third Supplementary Statement dated 14 July 2010

128. In response to concerns raised by the Respondent in relation to the Third Supplementary Statement, the Applicant explained that it did not raise any new allegations but sought an Order from the Tribunal that the Directions made by the Adjudicator on 5 November 2008 be treated, for the purposes of enforcement only, as if they were contained in an Order made by the High Court.
129. The Respondent stated that she wished to challenge the merits of those directions. Following the decision in R (Thompson v Law Society [2004] 1 WLR 2522 the Tribunal agreed that it would be considering the reasonableness of the directions.

Allegations K and L

130. In relation to the Respondent’s failure to pay a county court judgment obtained by M&A, the Applicant referred the Tribunal to the letter of instruction to M&A, dated 4 December 2006 and sent on the firm’s notepaper with the Respondent’s reference and signed by the Respondent. He reminded the Tribunal that the Respondent had failed to reply to any correspondence from the SRA seeking her explanation for her failure to pay. The Applicant submitted that the Respondent had never suggested that she had been unable to pay and that as a solicitor had she been unable to pay, she should have explained her position.

Allegations M and N

131. While the facts of allegations M and N were admitted by the Respondent, the Applicant noted that the resultant conduct issues were not admitted. Again he submitted that the Respondent had never suggested that she had been unable to pay and that as a solicitor had she been unable to pay, she should have explained her position. The damage caused to the Profession by a solicitor who used agency staff, who had to be paid in any event by the agency, and who subsequently failed to pay the agency for those staff, was, the Applicant submitted, considerable.

Witnesses

132. Cary Whitmarsh, an Investigation Officer with the SRA, gave evidence of his inspection of the Respondent's firm leading to the Forensic Investigation Report dated 26 June 2008. He confirmed that he had interviewed the Respondent on 29 April 2008 with the assistance of a Senior Investigation Officer, Mr Norton.
133. In cross-examination, inter alia, in relation to the costs for TTs, Mr Whitmarsh confirmed that on the bills to clients, the TT costs had been described not as fees but as disbursements.
134. In relation to the firm's referral arrangements, Mr Whitmarsh confirmed that all the relevant arrangements had been overdue for review such that there had been a failure to comply with Rule 9 of the Solicitors' Code of Conduct. Toby Richmond (the Respondent's son) had said that the referral arrangements had been his responsibility as Head of the Conveyancing Department and that he had reported to the Respondent.
135. Nigel Lodge, a director of AFPG Ltd, gave evidence relying on his witness statement. Inter alia, his evidence covered the concerns about the management and liabilities of AFPG and its incorporation and the details of the complaint pursued by AFPG/AFPG Ltd against the Respondent.
136. In cross-examination, inter alia, Mr Lodge agreed that he had received notice of a meeting on 14 October 2009 but had considered the tone of the invitation aggressive and the meeting unconstitutional.
137. Mr Lodge denied that in submitting the complaint on behalf of the membership of AFPG and AFPG Ltd, he had been motivated by any personal animosity against the Respondent. He explained that he had joined the Board in 2005 and his fellow directors had agreed that the complaint should be submitted. AFPG had become a limited company in 2004 and the Respondent taken off the record in February 2006.
138. Mr Lodge denied that the complaint against the Respondent had been made to avoid a meeting after a decision taken in Strasbourg.
139. Mr Lodge insisted that the Respondent had exercised sole control in relation to the finances of her client AFPG/AFPG Ltd by drafting minutes, collecting subscriptions, keeping the subscriptions records and maintaining the data-base and the web-site. However, he explained that both before and after the incorporation, there had been concerns about over-charging by and the lack of costs information from the

Respondent. Mr Lodge said that he had not been aware of the instruction of independent accountants or of any spreadsheets sent by the Respondent.

140. In relation to the membership data-base, Mr Lodge agreed that he had been aware of data protection issues but not that the Respondent had written to members or of any objections from members.
141. Mr Lodge explained that he had read the Minutes of Steering Committee meetings and had been sufficiently concerned about various costs matters that having raised them with the Respondent to no avail, he had written to the Legal Complaints Service.
142. Mr Lodge said that the list of invoices, raised by Richmonds and presented at the AGM in 2004, had related to matters from 1996. That had caused him great concern such that he had asked when those invoices had been seen and signed off by AFGP. He said that he had been appalled to have been told by the Respondent that there was a deficit of some £200,000.
143. As to the lobbying materials, Mr Lodge explained that they had not been expecting what they eventually got; materials that they themselves could have printed from the Web. Moreover, the materials had been promised in 2005 and had been received at the end of April 2006. Mr Lodge explained that the Respondent had said that she had prepared suitable lobbying materials but that they would not be released until her final bill had been paid.

Oral Evidence from the Respondent

144. Dealing with the debt to M&A, the Respondent explained that using her firm's notepaper to instruct the estate agents had been an error in that as the instructions to M&A had in fact been joint instructions in respect of a potential property redevelopment. The Respondent said that she had not paid their invoice because they had acted unprofessionally and negligently. She had been unable to deal with the proceedings issued by M&A because of her illness although she had made unsuccessful attempts to set aside the judgment and a statutory demand and to obtain a re-hearing. The Respondent stressed that she would never have paid M&A because she does not bow to bullies or to people trying to cheat one of monies.
145. In response to a question from the Tribunal, the Respondent explained that she had had a serious road accident in June 2005 and that it was probable that because her post traumatic stress disorder had not been treated, it had developed into fibromyalgia which had been undiagnosed and misdiagnosed for some years.
146. The Respondent explained that because of her illness, she had planned to retire. Her retirement was to have been funded by the property redevelopment for which she had both planning permission and funds at the end of 2006. Because of the economic situation, she had had to make some ten of the firm's conveyancing staff redundant. The economic situation and its effect on the proposed development, together with her illness and the resultant state of her firm had caused her to become penniless almost overnight. All attempts to sell her firm had been unsuccessful.

147. In relation to the monies owing to the personnel agency, the Respondent explained that she had had a close and long running business relationship with the agency with no previous payment problems. The Respondent insisted that she had promised to make payment because she had believed that she would shortly be in receipt of funds but an offer of development finance had been withdrawn. She stressed that the agency had had plenty of business from her in the past and she had been distressed by their efforts to enforce their judgment.
148. The Respondent explained that her failure to comply with the directions of the Adjudicator dated 25 November 2009 had resulted from difficulties with a former solicitor employed by the firm. Because of those difficulties the dealings with the complaints from the three former clients had become protracted. Although, the Respondent stressed, she had explained the situation fully to the Legal Complaints Service, by the time the direction had been made she had had no funds to meet the payments.
149. In relation to allegations E and F, the Respondent explained that they related to conveyancing matters and that she had never signed conveyancing bills. She had relied on the two solicitors undertaking the conveyancing work and had sent them on the appropriate courses.
150. In relation to allegation G - referral fees, the Respondent explained that she had not really understood the arrangements or what had been wrong with them and why referral fees had not been paid from office account. She stressed that she had tried to ensure that people had received appropriate training and had done her best to maintain the highest standards.
151. Turning to the allegations relating to AFPG/AFPG Ltd, the Respondent explained the background of the claims and how she had come to be instructed. She said that her firm had opened a separate client account for AFPG and that monies for legal costs would be voted for each succeeding year at the organisation's AGM. Subsequently, and until Mr S had taken over, Richmonds had also dealt with the administration of AFPG. The Respondent stressed that with a membership of some 3,500 and some 3,500 potential members, she had a room full of files.
152. In relation to the lobbying, the Respondent explained that she had understood that she was to have undertaken the lobbying herself and that there had been a misunderstanding as to the nature of the lobbying materials that she had agreed to provide. Explaining her background as a local councillor, the Respondent explained that her contacts would have been key to the lobbying process and she could not have supplied a do-it-yourself lobbying kit as expected by Mr Lodge.
153. In response to a question from the Tribunal, the Respondent explained that AFPG had been unable to use a professional lobbying organisation because of cost.
154. Once the organisation had become a company limited by guarantee, the Respondent said that there had been some confusion as to who was the client in a position to give instructions. The Respondent claimed that over the years her firm had written off huge sums of costs owed by AFPG and that finally in May 2005 she had told Mr S that she was unable to undertake further work without payment. One of the problems

with AFPG, the Respondent explained, was that no-one in the organisation had understood the amount of work to be done and the professional obligations in relation to that work. For example, because of Data Protection legislation, individual signatures had been needed to transfer the files of some 3,500 members which had involved enormous costs and had taken a year to achieve.

155. The Respondent explained that Mr S had visited her offices and had gone through the paperwork. She maintained that the AFPG Steering Committee and the Board of Directors had not understood the situation. The Respondent referred to eight lever-arch files full of AGM Minutes which she said had reflected the agreement between her and the Board. She explained that for example, there had been some 20 pages quantifying the loss on the litigation with appropriate spreadsheets. Further information had been provided on the organisation's web-site.
156. The Respondent insisted that until 2004 when Mr S had taken over and the case had been concluded in the English courts, AFPG had been provided with a complete breakdown of the costs and further that legal advice had been confirmed in the Minutes prepared by the firm. From 1999 – 2004 bills had been sent to Mr G.
157. The Respondent told the Tribunal that she had understood that she had fully complied with all the requests made by the Legal Complaints Service for information. Further that she had also responded fully to Ms Chaudhri at the SIF and had explained to Ms Chaudhri that provided she had the full file from the Legal Complaints Service, then Ms Chaudhri would also have all the relevant information.
158. The Respondent said that she could not understand why the Legal Services Ombudsman had reached a different decision about AFPG's complaint to that of The Law Society's Consumer Complaints Division which had determined that her offer to conciliate the complaint by waiving all outstanding costs was a reasonable solution.
159. The Respondent told the Tribunal that she could not understand how Ms Chaudhri, the solicitor at the SIF, had reached the conclusions that she had in her report of 27 June 2008. It was her belief, the Respondent said, that the Complaints Service, the SIF nor the Legal Services Ombudsman had understood the scale of the case and that if they had bothered to attend at her offices they would have seen from the files filling a whole room that the firm had done everything.
160. In response to a question from the Tribunal about the documentary exchange in the bundle indicating letters seeking documents that the Respondent had not supplied, the Respondent said that she had become utterly confused as to what they had wanted in that the various requests for information made to her had been too vague.
161. The Respondent insisted that on many occasions she had previously sent what had subsequently been requested again. She explained to the Tribunal that she had invited the people seeking more information to attend at her offices to look at all the files and to take what they wanted. The Respondent referred to her letter of 17 June 2008 to the Conduct Investigation Unit of the SRA in which she had sought to ascertain what had been required.

162. In cross-examination, the Respondent agreed that she had been the sole equity partner of the firm but as there had been a salaried partner, who had supervised conveyancing and probate, she had not considered herself responsible for any supervisory or other issues relating to conveyancing other than making sure that risk and other training had been carried out.
163. The Respondent agreed that her work relating to AFPG had turned into a major piece of litigation. She stressed that her responsibility had been to report to the Steering Committee and that there had never been any complaints until Mr Lodge had become involved.
164. As to the lobbying materials, the Respondent agreed that AFPG had paid £15,000 before the end of November 2005 but insisted that AFPG already had the appropriate materials and had been sent the additional materials only because of their insistence. The Respondent explained that “lobbying materials” were “what is inside my head” and that had she done the lobbying all would have gone smoothly.
165. The Respondent agreed that the draft minutes of a meeting between Richmonds and AFPG on 24 November 2005 had recorded that Mr S had expressed the fact that the Board of Directors had been unhappy with Richmonds’ costs but she insisted that the concerns raised had not amounted to a complaint. Indeed, the Respondent insisted that although she had been notified about a complaint to the Consumer Complaints Service (CCS), by June 2006 she had not received a complaint from AFPG Ltd.
166. The Respondent agreed that she had received the letter of 26 June 2006 from the CCS requiring her to be able to demonstrate that AFPG’s requests for a breakdown of costs had been acceded to. She also agreed that she had received an email of 14 February 2006 from Mr S, for and on behalf of the directors of AFPG Ltd, seeking statements of their accounts to include all bills to AFPG and income from the membership both pre and post February 11 2004 so as to be able to explain to the membership of AFPG how funds of some £1.5 Million had been spent. The Respondent confirmed that she had also received a warning from Mr S that if she did not provide the information required by 31st March 2006, AFPG would place the matter in other hands.
167. However, the Respondent insisted that AFPG had been supplied with every single piece of information that they had requested and that she had believed that they were making a concocted complaint in order to avoid payment. She said that aggressive emails had been sent to her when in fact she had written off costs of some £100,000.
168. In relation to the complaint made by Mr Lodge for and on behalf of the Directors of AFPG Ltd, the Respondent insisted that when, in his letter of 4 July 2006, he had referred invoices being raised against the AFPG account but no detailed advice having been given by the firm as to what the work had entailed, Mr Lodge had been confused. The Respondent said that if he had read the appropriate papers as well as the Steering Committee Minutes, he would have understood the situation.
169. The Respondent agreed that in her letter of 21 July 2006 to the Consumer Complaints Section, she had said that the delivery of a final account to AFPG Ltd remained outstanding but that the outstanding costs information had been contained in previous notes, minutes, letters and emails and that she was in the process of collating all of

that evidence. She had promised a response by mid-August 2006. The Respondent insisted that she had supplied the relevant information to the Consumer Complaints Section, i.e. invoices and detailed breakdowns, although she was not able to remember when the full breakdowns relating to the interim bills had been sent. Moreover, she said that both the Steering Group and later the Company had received invoices from the firm.

170. The Respondent explained that the AFPG accounts had been subject to an independent audit in mid 2003. She explained that although she had started to deal with the complaint in June 2006, it had not involved her in accessing a few files but a room full of files.
171. On being shown a copy of the AFPG Accounts for the year ended 31st March 2003, the Respondent agreed that it had not amounted to a full audit in that the accountants had stated in the Accounts that they had not carried out an audit. The Respondent also agreed that the accounts did not contain details of the work done by Richmonds for a total sum of £937,405.64 plus VAT but she explained that those details would have been contained in the various Minutes of the Steering Committee Meetings.
172. On being shown a letter dated 22 November 2006 to Richmonds from the Consumer Complaints Section again asking for copies of invoices and bills, the Respondent said that she had understood that such copies of invoices and bills had been sent at the beginning of the complaint process.
173. The Respondent agreed that in her letter of 4 December 2006 to the CCS she had sent copies of various invoices and statements, amounting to some £275,000, covering a period from May 2004 – July 2005.
174. The Respondent insisted that AFPG Ltd had previously had copies of those invoices. She explained that monies had been voted by the AGM and that it had been the responsibility of the Board of Directors and of the Steering Committee to check the fairness of the bills.
175. The Respondent agreed that following the Report of the Legal Services Ombudsman dated 6 November 2007, the AFPG complaint had been referred to the SIF for investigation. She also agreed that by letter of 2 April 2008, she had been asked to supply, inter alia:
 - “1. Copies of all letters sent to the client relating to costs, including the client care letter, letters giving estimates of the costs and any other cost information,
 2. Copies of the accounts of the Fund maintained by you on behalf of the client showing all the monies received and expended; and
 3. Copies of all bills rendered to the client together with a breakdown of the work done in respect of each bill.”
176. The Respondent accepted that the client (AFPG) had been entitled to all of that information but the Respondent insisted that the SIF’s solicitor, Ms Chaudhri, had already been supplied with the relevant documents and so the Respondent had not

sent them again. The Respondent stressed again that people just did not appear to understand the size of the AFPG file in that accounting records had been manual from 1997 – August 2004. The Respondent explained that by the Summer of 2008, she had only four staff and had been unable to cope with the hundreds of files stored in boxes filling a whole room.

177. The Respondent referred to difficulties in receiving post such that she maintained she had not at first received the decision of the Adjudicator. In fact, she claimed that she had been unaware of the directions of 5 November 2008 until her professional indemnity insurance broker had discovered that she was subject to a reservation of £100,000. The Respondent explained that she had not been able to afford the £50,000 needed for a detailed assessment of her costs and believed that all the people involved in dealing with AFPG's complaint should have realised that it was completely unfounded. She insisted that for some ten years she had acted with integrity for AFPG in the best interests of all the members.

Further Directions of the Tribunal

178. Having completed two days, the Tribunal noted that an extra day was needed to conclude the matter. All parties agreed to 5 January 2011 being the first available date for all the participants.
179. The Tribunal noted that all the evidence being concluded, the hearing would recommence with the Submissions of the Respondent.
180. In order to assist the Tribunal to deal with various matters in a fair and reasonable way, it suggested that it would be helpful if the Respondent prepared a detailed statement of her means supported by a statement of truth. The Tribunal explained that such a statement would assist it when considering any application for costs if the Respondent wanted her means to be a factor in the Tribunal's decision.
181. In addition, the Tribunal considered that further medical evidence might be helpful. It noted that it only had a medical report from 2009. While not expecting a consultant's report, a more detailed report from a GP, based upon contemporaneous notes from 2005 to the present, would probably be of assistance.
182. The Tribunal directed that if the Respondent wished to provide any of the documents as referred to above, they were to be filed with the Tribunal and served on the Applicant before Christmas 2010.

Submissions of the Respondent

183. At the request of the Tribunal the Applicant summarised the applications and the Respondent clarified her position in that she admitted allegations A, E, G, M and N.
184. Although she had received correspondence from the SRA relating to the Legal Services Ombudsman, sometime in November 2008 or February 2009, the Respondent said that she had not been in any state to deal with the matter because of her health and she had asked for someone to visit her office to inspect the paperwork

on the basis that she had supplied everything to the Consumer Complaints Section in 2006; sometimes sending the same information twice to stop the endless requests.

185. The Respondent reminded the Tribunal that she had only been able to begin to handle the situation from April 2009 and might not have been aware that she was liable to pay sums to anybody until early 2010.
186. As to allegation F, she submitted that as all clients had client care letters, completion statements and time spent with them, she believed that they had all understood what they had been paying for and they had had an option not to use TTs.
187. As to allegation H relating to supervision, the Respondent submitted that although she had been the sole equity partner, the responsibility for the supervision of all matters relating to conveyancing and probate had been that of her salaried partner.
188. The Respondent referred the Tribunal to her evidence relating to AFPG - allegations I and J.
189. As to allegations K and L, the Respondent submitted that she had done her utmost to deal with and answer correspondence until late November/December 2008, although she had been receiving huge piles of post some 50% - 60% of which had been rubbish.
190. The Respondent referred to her previous evidence as to the debt to M&A and to her unsuccessful efforts, while in very poor health, to set that judgment aside. She submitted that her creditor had been aware initially why she had not been prepared to pay its invoice and subsequently she had been unable to pay.
191. The Respondent submitted that her sudden financial difficulties combined with her illness had prevented her for the first time ever from paying debts resulting from complaints or otherwise.
192. The Respondent submitted that her unawareness of as well as the misdiagnosis of her health issues had led to her inability to cope and to the resultant allegations. However, she submitted that she had answered every single question and sent all relevant documentation.
193. The Respondent submitted that the Adjudication had been unfair because the Adjudicator had failed to consider all of the documentation that she had sent to the Consumer Complaints Section and also all the paperwork in her office.
194. The Respondent submitted that AFPG members had all been able to question the accounts at the AGMs held yearly until 2004 and that it had not been logical for the Adjudicator to order any repayment of costs given that the client had been provided with extensive costs information.
195. The Respondent submitted that her health problems had prevented her from challenging the adjudication, there had been no funds to obtain a detailed assessment and the SRA had failed to visit the firm's offices to consider the roomful of files

relating to AFPG. She submitted that by June 2005, when she became ill, the bulk of the work had been done.

196. The Respondent submitted that it was impossible for anyone to understand what had happened in the AFPG case unless they went through all the files as it that it had been a complicated case that had become even more complicated.

The Tribunal's Findings as to Fact and Law

197. The Tribunal had considered all of the evidence placed before it both documentary and oral together with the submissions from both parties, the oral evidence and submissions being summarised as above.
198. Some of the allegations were stand alone, for example allegation A, while others involved considerations of conduct under either the Solicitors Practice Rules or the Code of Conduct and were linked to other allegations (allegations B, C and D). The Tribunal determined each constituent part of all the allegations. In reaching its decisions the Tribunal applied the higher standard of proof.
199. When giving her evidence, the Tribunal found the Respondent to be evasive and to appear to experience great difficulty in answering simple questions without obfuscation. Much of her evidence in chief and her questions to witnesses in cross-examination raised issues not relevant to the allegations.

Allegation A: failing to maintain and preserve properly written up books of account, ledgers and records

100. The Tribunal found allegation A substantiated on the facts and proved indeed it was admitted.

Allegation E: allowing misleading information with regard to fees to be provided to clients and Allegation F: allowing fees to be falsely represented as disbursements

101. The Respondent admitted allegation E but denied allegation F and the conduct allegations (A, B and C) linked to both E and F. The Respondent had submitted that while as a Principal she had been responsible for undisclosed profits, in reality, she had had little or no involvement in conveyancing work. However, she agreed had that in so far as the cost of a TT had been included in a bill as an actual cost i.e. a disbursement, that had been misleading information as to costs in that the bank had charged the firm £11 for a TT and the balance of the cost charged to the client had been the administrative charges of the firm.
102. The Tribunal was satisfied that both allegations E and F were fully substantiated on the facts and proved. It found that as the sole equity partner in her firm, the Respondent had allowed misleading information with regard to fees to be provided to clients. The Tribunal found the description of the cost to the client of the completion and submission of the Stamp Duty Land Tax form as a "third party expense" to have been misleading. The Tribunal also found the use of the term "Mortgage Lenders Fee" to relate to work undertaken on the client's behalf in relation to mortgage applications or in the case of a sale to the redemption of a mortgage, to have been

misleading in that those fees should have been expressed clearly as being fees charged by and payable to the firm.

103. In relation to TTs, the Tribunal found that by not charging the true cost of the TT as a disbursement, i.e. £11 rather than £30, the Respondent's firm had generated a minimum undisclosed profit of £20,753.22 in relation to conveyancing transactions.
104. In finding the facts of allegations E and F proved, the Tribunal was also satisfied that the Respondent's conduct in those matters had been such as likely to compromise her integrity, to impair her duty to act in the best interests of her clients and to compromise or impair the good repute of the solicitors' profession.

Allegation G: allowing the firm to enter into agreements with introducers of work and thereafter failing to comply with Rule 9 of the Solicitors' Code of Conduct 2007

105. The Tribunal found allegation G substantiated on the facts and proved, indeed the factual allegation was admitted. Moreover, in failing to inform clients of the payment of referral fees and in paying referral fees from client account, the Tribunal was satisfied that the conduct of the Respondent, as the sole equity partner in her firm, had been such as likely to compromise her integrity, to impair her duty to act in the best interests of her clients and to compromise or impair the good repute of the solicitors' profession.

Allegation H: as the sole equity partner, failing to fulfil her supervision and management responsibilities

106. The Tribunal found allegation H to have been substantiated on the facts and proved. As the sole equity partner, the Tribunal was satisfied that the Respondent had failed in her supervisory and management responsibilities in relation to the preceding allegations. However, the Tribunal was not satisfied that the conduct issues had been proved in relation to allegation H.

Allegation I: failing to comply promptly or at all with the directions contained within a Decision of an Adjudicator dated 1st September 2008 and Allegation J - failing to comply promptly or at all with the directions contained within a Decision of an Adjudicator dated 5 November 2008

107. Although the Respondent accepted that she had not complied with the directions contained within a Decision of an Adjudicator dated 5 November 2008, she submitted that on the basis of her evidence, she had complied with all requests for detailed costs information and had kept AFPG/AFPG Ltd fully informed as to costs. On that basis she had asked the Tribunal to consider the reasonableness of the decision of 5 November 2008.
108. Having considered all the evidence before it including all the correspondence in relation to the long investigation of AFPG's complaint, the oral evidence of Mr Lodge and of the Respondent as summarised above, the Tribunal was satisfied, so that it was sure, that both allegations I and J were substantiated on the facts and proved. The Tribunal found Mr Lodge to be an honest and straightforward witness and noted that

much of what he had been asked in cross-examination had not been relevant to the issues before the Tribunal.

109. The Tribunal also considered the reasonableness of the directions and decisions of both 1 September 2008 and 5 November 2008 and found both sets of directions and decisions to have been reasonable and appropriate in the particular circumstances.
110. The Tribunal found that the Respondent had accepted instructions from AFGG/AFPG Ltd and had undertaken a very substantial piece of litigation on their behalf. The Tribunal heard a great deal of evidence as to those proceedings and the difficulties involved in their financing. However, the specific allegations against the Respondent related to failures to comply with directions made on two occasions. Having considered all the evidence much of which had also been placed before the Adjudicator, the Tribunal was not satisfied that the Respondent had ever provided an estimate of Richmonds' final bill in the matter of AFPG/AFPG Ltd, supported by computerised print-outs to show the time expended as directed on 1st September 2008.
111. The directions of 1st September 2008 had been interim directions. The Adjudicator had made further findings and directions on 5 November 2008. Again having considered all of the evidence before it, both written and oral, and the submissions of the parties, the Tribunal was satisfied that in accordance with the Findings of the Adjudicator, the Respondent had failed to provide adequate costs information during the period of the firm's retainer with AFPG/AFPG Ltd.
112. The Tribunal was also satisfied indeed the Respondent accepted that, the Adjudicator's directions of 5 November 2008 had been complied with. The Tribunal did not accept the evidence of the Respondent that she had been unaware of those directions until informed at some unspecified time in 2010 by her mortgage broker.
113. Having found allegations I and J proved in relation to the Respondent's failure to comply with directions issued by an Adjudicator, the Tribunal was satisfied that the conduct of the Respondent had been such as was likely to compromise her integrity, to impair her duty to act in the best interests of her clients and to compromise or impair the good repute of the solicitors' profession.
114. In relation to the direction given on the 5 November 2008, the Tribunal having noted the Respondent's failure to comply indicated that it intended to make a direction in accordance with paragraph 5(2) of Schedule 1A of the Solicitors Act 1974 (as amended).

Allegation K: failing to pay a County Court Judgment in respect of an un-paid disbursement

115. The Respondent gave evidence that although there had been a judgment leading to her bankruptcy, she had not meant to instruct M&A as a solicitor but in her personal capacity and that the work undertaken by them had been negligent.
116. Having considered all the evidence in relation to the allegation, including the failures of repeated applications, made by the Respondent, to set the judgment and the statutory demand aside, the Tribunal was satisfied that the allegation was proved. Moreover, in failing to pay the county court judgment obtained by M&A, the Tribunal

was satisfied that the conduct of the Respondent had been such as was likely to compromise her integrity and to compromise or impair the good repute of the solicitors' profession.

Allegation L - failing to respond to correspondence from the SRA

117. The Respondent gave evidence as to difficulties with her DX address as being responsible for some of her lack of response and her illness as another cause. Having noted the various addresses on correspondence from the SRA to the Respondent and the records of telephone calls and emails, the Tribunal noted a clear documentary trail of information being sought unsuccessfully from the Respondent and found the allegation proved. Moreover, in failing to respond to correspondence from the SRA, the Tribunal was satisfied that the conduct of the Respondent had been such as was likely to compromise her integrity and to compromise or impair the good repute of the solicitors' profession.

Allegation M: failing to pay a County Court Judgment in favour of AMP Ltd

118. The Tribunal found allegation M to have been substantiated on the facts and proved, indeed it had been admitted on a factual basis. The Respondent gave evidence that she had merely been unable to pay. However, the Tribunal found that she had not made that clear to AMP Ltd. Indeed, the Tribunal was satisfied that AMP Ltd had been given the very clear impression by the Respondent, by way of correspondence and by her actions in applying to vary the Judgment and suspend the warrant of execution that she had been seeking to avoid payment. In the circumstances, the Tribunal was satisfied that the conduct of the Respondent had been such as was likely to compromise her integrity and to compromise or impair the good repute of the solicitors' profession.

Allegation N - failing to comply promptly or at all with the directions contained within three Decisions of an Adjudicator dated 25 November 2009

119. The Tribunal found allegation N to have been substantiated on the facts and proved, indeed it had been admitted on a factual basis.
120. The Respondent gave evidence relating to bad feeling and problems with a former solicitor colleague but accepted that she had been unable to meet the compensation payments that she had been ordered to make to three former clients. In the event, the payments had subsequently been made by the firm's professional indemnity insurers.
121. Having found allegation N proved in relation to the Respondent's failure to comply with the three decisions of an Adjudicator dated 25 November 2009, the Tribunal was satisfied that the conduct of the Respondent had been such as was likely to impair her duty to act in the best interests of her clients and to compromise or impair the good repute of the solicitors' profession.

Mitigation

122. The Respondent said that although she found it difficult to make excuses, she wanted the Tribunal to understand that she had been so ill since 26 June 2005 that she had

been unable to do things properly. The Respondent referred to a medical bundle containing inter alia the letter from her GP dated 14 December 2010 and her GP records.

123. The Respondent expressed her concern that although she had told the SRA about her illness they had failed to visit her or to help her in any way.
124. Although now permanently disabled, the Respondent told the Tribunal that she was able to undertake work on a limited basis and that there was a firm willing to employ her as a part-time consultant.

Application for Costs

125. The Applicant sought an order for costs on the basis of his schedule in the sum of £39,079.19.
126. The Applicant referred to the medical bundle and to the limited documentation as to means produced by the Respondent. He reminded the Tribunal that it had sought a Statement of Means with a Statement of Truth from the Respondent that had not been forthcoming. Moreover, the Applicant submitted that there was no verification for the Respondent's assertions in relation to the decline in the value of her capital assets. However, the Applicant noted that the Respondent had been adjudicated bankrupt and as such her financial circumstances would be subject to detailed investigation. In the particular circumstances he asked that the Tribunal make an order for costs leaving it to the SRA to liaise with the Respondent's Trustee in Bankruptcy as appropriate.
127. The Respondent gave the Tribunal details of her limited means including income support payments. She asked the Tribunal to consider her age and her ill-health.

Previous Decisions of the Tribunal

128. On the 23 November 2004 the Respondent had appeared before the Tribunal when allegations relating to breaches of the Solicitors Accounts Rules had been substantiated. She had been Reprimanded and ordered to pay a contribution to the costs of £5,000.
129. On the 25 October 2007 the Respondent had appeared before the Tribunal for a second time when again allegations relating to breaches of the Solicitors Accounts Rules had been substantiated. On that occasion the Tribunal had said that the matter had given it real concern in that once again the Respondent had been found to be in breach of those important Rules that were in place to protect the public.
130. The Tribunal had said that the Respondent was a sole equity partner who as such had absolute liability for punctilious compliance with the Solicitors Accounts Rules. She had been fined £8,000 and ordered to pay costs in the sum of £9,995.56.
131. On that occasion in October 2007 the Tribunal had said that it:

“... trusted that the Law Society would give close consideration as to whether the Respondent should be permitted to practice on her own account and

whether any partnership or other arrangements which she might enter into were suitable.”

Sanctions and Reasons

132. Although there had not been an allegation of dishonesty, the Tribunal had found proved 11 allegations with associated Rule 1/Conduct breaches. It viewed the Respondent’s conduct as involving a particularly serious sequence of events.
133. The Tribunal was particularly concerned about the Respondent’s failures in relation to the AFPG/AFPG Ltd matters. It fully accepted that litigation can sometimes involve substantial fees and fail. However, the Tribunal considered that it was vital in those exact circumstances that clients were kept fully informed not only of the detailed costs being incurred on their behalf but of the work done to justify those costs. It was clear to the Tribunal that the Respondent had failed dismally in her duties to her clients in relation to costs information.
134. Having been satisfied that the directions given by the Adjudicator on 5 November 2008 had been properly made, the Tribunal upheld the Complaint made in the Third Supplementary Statement dated 14 July 2010 and directed that those directions be treated for the purposes of enforcement as if contained in an Order made by the High Court.
135. The Tribunal was also concerned about the Respondent’s failures to pay monies due to third parties who had supplied services to her firm resulting in County Court judgments leading to bankruptcy. The damage to the reputation of the Profession from the Respondent’s failures was in the Tribunal’s view considerable.
136. The Tribunal took into consideration the two previous appearances of the Respondent and what had been said to her by the respective divisions of the Tribunal on those occasions.
137. The Tribunal also took into consideration the evidence placed before it as to the Respondent’s ill health. It was important for the Tribunal to make it clear that the medical evidence placed before it had not been satisfactory. It had not been in the form of a comprehensive consultant’s report which would have enabled the Tribunal to be aware of the affects of the ill health which the Respondent claimed to have suffered from 2005 to the present. Doing its best with what had been provided the Tribunal accepted that the Respondent’s health had impacted to some extent upon her performance. However, it could not excuse the dearth of detailed costs information in relation to AFPG/AFPG Ltd or the Respondent’s repeated failure to comply with directions from the Tribunal.
138. The Tribunal noted its role in both protecting the Public and in maintaining the reputation of the Profession. It also took into account the high standards of integrity, probity and trustworthiness required of solicitors when discharging their professional duties, as detailed by the then Master of the Rolls in Bolton v Law Society [1994] 2 AER 486. Given its present findings and the findings on two previous occasions, the Tribunal considered that it was both appropriate and proportionate in all the

circumstances that the Respondent be Struck Off the Roll of Solicitors and it so Ordered.

The Tribunal's Decision as to Costs

139. The Tribunal was satisfied that the proceedings had been properly brought and fixed costs as claimed in the sum of £39,079.19.
140. In the light of the decisions in Merrick v Law Society [2007] EWHC 2997 and D'Souza v The Law Society [2009] EWHC 2193 (Admin) before adjourning part-heard on 5 November 2010, the Tribunal had asked the Respondent to consider if she wished the Tribunal to take her means into account in relation any potential order for costs. If she wanted her means to be considered, she had been told to file and serve a Statement of Means endorsed with a Statement of Truth.
141. The Respondent had produced some documentation as to income support but had failed to file an appropriate statement. In these circumstances and in the light of the Respondent's bankruptcy, the Tribunal considered that it was appropriate to make the order for costs fixed in the sum of £39,079.19 on the basis that the Trustee in Bankruptcy would be ascertaining the means of the Respondent.

The Order of the Tribunal

142. The Tribunal Ordered that the Respondent, Holly Richmond, solicitor, be Struck Off the Roll of Solicitors and it further Ordered that she do pay the costs of and incidental to this application and enquiry fixed in the sum of £39,079.19. Further the Tribunal directed that the directions made by the Adjudicator on 5 November 2008 relating to the sums of £500.00, £88,082.25 plus VAT and £840.00 to be treated for the purposes of enforcement as if they were contained in an Order made by the High Court.

Dated this 11th day of March 2011
On behalf of the Tribunal

J C Chesterton
Chairman