No. 10571-2010

SOLICITORS DISCIPLINARY TRIBUNAL

SOLICITORS ACT 1974

IN THE MATTER OF RAVINDER BALLI, solicitor, the First Respondent
and SUKJHIT CHOHAN, solicitor's clerk, the Second Respondent

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

Mr D Potts (in the chair)
Mrs K Todner
Mrs V Murray-Chandra

Date of Hearing: 24th January 2011

FINDINGS & DECISION

Appearances

This matter came before the Tribunal on 24 January 2011 for a substantive hearing. Mr Jonathan Goodwin appeared on behalf of the Solicitors Regulation Authority (SRA). The Respondents appeared and were represented by Mr Kevin O'Donovan of Counsel.

The proceedings against the Respondents were commenced by way of an application and a supporting statement dated 14 July 2010.

Allegations

The proceedings against the Respondents were commenced by way of Applications and a supporting statement dated 14 July 2010.

The allegations against the First Respondent were that he:

1. Provided false and misleading information to the SRA, contrary to Rule 1 Solicitors Code of Conduct 2007 (SCC);

2. Provided false and misleading information to his professional indemnity insurer, contrary to Rule 1 SCC;

3. Practised as a solicitor in circumstances where he was not permitted to do so, contrary to Rules 1, 5, 12 and 14 SCC;

4. Provided misleading information to clients, contrary to Rule 2 SCC;

5. Failed to cooperate with the SRA in an open, prompt and cooperative way, contrary to Rule 20.07 SCC;

6. Permitted unauthorised withdrawals from client bank account, contrary to Rule 23 Solicitors Accounts Rule 1998 (SAR);

7. Acted otherwise than in accordance with the Money Laundering Regulations 2007.

The allegations against the Second Respondent were that he:

8. Provided false and misleading information to the SRA, contrary to Rule 1 SCC;

9. Provided false and misleading information to his professional indemnity insurer, contrary to Rule 1 SCC;

10. Failed to cooperate with the SRA in an open, prompt and cooperative way, contrary to Rule 20.07 SCC;

11. Was a member of and worked within a practice which was not a body recognised by the SRA, contrary to Rules 1, 5 and 14 SCC.

12. Made withdrawals from client bank account without written authorisation to do so, contrary to Rule 23 SAR;

Factual background

1. The First Respondent, who was born in 1984, was admitted as a solicitor on 1 May 2009. The Second Respondent was unadmitted.

2. The First Respondent practised together with the Second Respondent as a member of the firm R&S Law LLP, 72 Rookery Road, Handsworth, Birmingham B21 9NL. The Second Respondent was a member of, and thereby employed or remunerated by the firm.

3. R&S Law LLP was incorporated on 5 June 2009. The Respondents acted in partnership as the sole members of the firm. They were registered as such with Companies House and were held out as such on the firm's business cards. The firm was closed by the Law Society in June 2010.

4. The allegations against the Respondents resulted from investigations instigated by the SRA upon its discovery that the supervising partners, proposed and identified within two separate applications for the firm to be recognised as a body entitled to provide legal services, were not connected with the firm. Further issues were identified in an investigation by the Forensic Investigations Unit of the SRA in February 2010.

Allegations 1 and 8

5. An application was made to the SRA by the First Respondent for the approval and recognition of a new limited liability partnership under the name of R&S Law LLP on 11 August 2009 under cover of a letter from the First Respondent. The member named on form RB2 as qualified to supervise the practice was PJS, an Indian lawyer and solicitor. The Second Respondent was not mentioned anywhere within the form, despite his being a member of the LLP.

6. The SRA requested further information from the LLP to support the application because PJS had not held the requisite number of practising certificates and had no record of any career history as a solicitor in private practice.

7. On 17 and 18 September 2009, the First Respondent provided further information about his and PJS's employment histories and the training courses that they had undertaken. The First Respondent also listed the various solicitor and practice management roles assumed by PJS since his admission to the Roll. The First Respondent's letter stated that appropriate professional indemnity insurance was in place and that both he and PJS had invested financially in the business.

8. Based upon those representations, recognition status was granted on 22 September 2009. A condition was added that the LLP would not be able to engage trainee solicitors. Notification of the decision to grant recognition was sent to the First Respondent and PJS at 72 Rookery Road, being the address of the proposed new firm set out in the application.

9. On 24 September 2009, PJS contacted the SRA to inform them that he had just learned from the First Respondent that his name had been used in the registration of R&S Law LLP with the SRA, but that he had never consented to being a member of the partnership. Whilst he had responded to an advert for the position of solicitor by providing a copy of his curriculum vitae and had spoken to the Second Respondent and met the First Respondent on a number of occasions, PJS had not accepted a job nor consented to a partnership with the First Respondent at any time.

10. By email to the SRA of 11 October 2009, PJS clarified in response to enquiry by the SRA on 23 September 2009 that he had learned from the First Respondent that he had been proposed as a member of the firm.

11. PJS later clarified that the employment history provided by the First Respondent on 17 September 2009 was a fabrication. PJS was at all times (and remained) employed by the Royal Navy and he was never at any material time a partner of the First Respondent.

12. Further, PJS did not invest financially in the business.

13. PJS wrote to the First Respondent in similar terms on 27 September 2009, a copy of which PJS provided to the SRA.

14. Upon learning that the application did not accurately specify the members of the LLP nor the person qualified to supervise, because PJS was neither a member nor supervising solicitor within the LLP, the application was reconsidered by the SRA on

15 October 2009. The firm's recognition status was withdrawn. Therefore the SRA's recognition of R&S Law LLP, procured by misrepresentation, lasted 23 days from 22 September 2009 to 15 October 2009.

15. The First Respondent was notified that recognition had been rescinded by letter dated 16 October 2009. On 27 October 2009, the SRA wrote to the First Respondent requiring his explanation for the anomalies within the application. The First Respondent failed to respond to this letter.

16. Having received no response to the letter of 27 October 2009, the SRA sent a further letter, noting the First Respondent's failure to reply, on 23 November 2009. The First Respondent replied on 30 November 2009, to which he attached a copy of a letter which he purported to have sent on 2 November 2009 but which had not previously been seen by the SRA. The letter purported to have been sent on 2 November 2009 was erroneously dated 1 December 2009.

17. In his letter, the First Respondent denied that his application had been in any way misleading. The First Respondent stated that the 'partnership' with PJS "essentially was created verbally" and "came to an unexpected end."

18. On 6 January 2010, a further application for recognition status was made on form RB2. The member named on the form as qualified to supervise was DS. Section 2 of the application form stated that the firm intended to start providing legal services from 4 January 2010. Further that the form stated, in bold writing, "Please note that you are unable to commence practice until the LLP has been granted recognition".

19. The requested recognition was never forthcoming. On 17 February 2010, DS contacted the SRA and stated that he had been approached by the First Respondent, who asked him to join him in partnership on or around 10-12 January 2010, but that DS had contacted the First Respondent the following day and had stated that he was not interested in entering into partnership with him. DS told the SRA that he was unaware that the First Respondent had made an application for the partnership to be approved.

20. The SRA wrote to the First Respondent on 17 February 2010 and confirmed that in the light of DS's comments and expression that he did not wish the application to go further, the application for recognition was no longer being considered.

21. The application for recognition was refused. On 12 May 2010, the SRA wrote to the First Respondent requiring his explanation for his having submitted an application for the approval of R&S Law LLP with DS in circumstances where the First Respondent knew that DS did not wish to go into partnership with him.

22. The First Respondent replied on 17 May 2010 in terms that DS had signed and completed the form RB2 but had since "informed [the First Respondent] that [DS's] circumstances had changed and he no longer was interested in being my partner for R&S Law LLP. It was at this stage when I [the First Respondent] received a letter from the SRA informing me that the application submitted was rejected." DS told the SRA that the form was completed in contemplation of partnership and that he did not realise that the First Respondent had submitted the form to the SRA.

23. The Second Respondent told the Investigation Officer ("IO") that he was the First Respondent's business partner and described himself as an "equity partner". The Second Respondent also told the IO that he was a mortgage and insurance broker and that he owned the building from which the firm operated.

24. The First Respondent also referred to the Second Respondent as a partner in his letters to the SRA of 23 February 2010 and of 6 May 2010. In the letter of 23 February, the First Respondent stated that he and the Second Respondent "have joint business interests and we consider ourselves to be "business partners".

25. The Second Respondent was not, however, mentioned on either of the application forms submitted by the First Respondent for recognition of the practice by the SRA, despite the First Respondent having signed the 'declaration of compliance' at Section 19 of each form to declare that "there are no members other than those named in this form". Moreover Section 13 of each form, within which the Second Respondent's details needed to be disclosed to the SRA, was not merely left blank but was apparently intentionally struck through and marked "N/A", to give the impression that it was not relevant to the firm.

26. In his letter of 6 May 2010, the First Respondent stated that neither he nor the Second Respondent provided the SRA with false information.

27. The First Respondent was arrested by West Midlands Police in May 2008 for his part in an alleged mortgage fraud. The First Respondent was charged with conspiracy to defraud on the basis that he had purportedly witnessed documents which were used as an instrument to perpetrate fraud.

28. The charges were dropped on 3 November 2009. However, the SRA learned that the First Respondent forfeited £11,000 as a result of the police investigation.

29. During an interview with the SRA as part of its investigation on 23 February 2010, the First Respondent was asked about the money which he forfeited. The First Respondent did not address the point but replied "I will need to speak to my solicitor. I am not sure".

30. The First Respondent wrote to the SRA later that day in which letter he wrote of the subject of the criminal charges that he was "vindicated of all wrongdoing".

31. The First Respondent went on to write that he made an application in Birmingham Magistrates Court in November 2009 to have his assets, which had been seized during the criminal investigation, released. The First Respondent wrote "the court ordered that my assets be retuned [sic] to me and they duly were".

32. However, the SRA obtained a Memorandum of Entry in the Register of Birmingham Magistrates Court. The First Respondent appeared at Birmingham Magistrates Court on 29 January 2010 upon which date it was ordered that he forfeit £11,000 plus interest in accordance with Section 298 Proceeds of Crime Act 2001.

33. On 6 May 2010, the First Respondent wrote to the SRA in connection with obtaining the SRA's recognition of R&S Law LLP. He explained that:

> "Unbeknown to me PJS abandoned the practice and advised the SRA that he was no longer involved in the firm. PJS advised me and my colleague [the Second Respondent] that he was to take a short holiday. We did not know his true intentions were to leave the firm. As such, it has recently come to our knowledge that he left the firm and [the Second Respondent] and I have been trying to find another suitable supervising partner. [The Second Respondent] and I did not knowingly continue to practise as a recognised body. It is apparent by the minimal amount of files that we completed (only 32 cases) that R&S Law LLP did not intentionally practise [sic] as an unrecognised body, or try to undermine the SCC".

34. The First Respondent told the IO that R&S Law LLP had closed on 19 February 2010. Within his letter of 6 May 2010, the First Respondent repeated this and stated that R&S Law LLP stopped trading on Friday 19 February 2010 and had no live client matters.

35. R&S Law LLP took out Professional Indemnity Insurance cover from H from 1 October 2009. The SRA obtained a copy of the professional indemnity insurance proposal form completed by the First Respondent on 22 July 2009.

36. The First Respondent recorded that PJS was a principal in the firm even though he was not. The First Respondent also failed to disclose that the Second Respondent was a member of the LLP (even though the Second Respondent was recorded as such at Companies House). The First Respondent also indicated that R&S Law LLP was a recognised body and stated "no" in answer to all of the questions pertaining to 'practising certificate and regulatory issues'.

37. The First Respondent signed the declaration at Section 14 of the form which was in the following terms:

> "I declare that I have informed the Insurer of all facts which are likely to influence the Insurer in the acceptance or assessment of this Insurance. I understand that failure to do so would invalidate this Insurance. I accept that if I am in any doubt whether any fact may influence the Insurer I should disclose it".

By signing the declaration and submitting the application, the First Respondent declared to the Insurer that there were no other factors which might influence the Insurer's decision to provide insurance cover to the firm.

38. The First Respondent later failed to advise the insurer that the SRA had withdrawn its recognition of the firm as a recognised body.

39. The First Respondent told the SRA that he did not disclose his being arrested and charged by the West Midlands Police to his insurer as he did not consider it to be a material fact. The First Respondent said that he was sure that the allegations were untrue which he considered did not make them disclosable.

40. During meetings with the IO on 19 and 24 February 2010, the First Respondent was informed that the SRA required him to notify his insurers of these details in writing.

The First Respondent informed the IO that he had verbally disclosed the information to his insurers.

41. In an email of 26 February 2010 the First Respondent stated that he was not aware of a confiscation order made at Birmingham Crown Court.

42. The First Respondent denied that he provided false and misleading information to his insurers and, in his letter to the SRA of 6 May 2010, stated that "clear precise information was provided that portrayed an accurate position of [PJS] and I".

43. The firm's insurers disagreed that they were provided with the accurate position and wrote to the SRA and stated that the facts set out in the IO's letter of 9 March 2010 had not been disclosed to them.

44. The insurers went on to state that if the information had been disclosed, they would not have issued a policy to R&S Law LLP either on similar terms or at all: "had the above information been disclosed prior to inception [of the policy], the policy would never have been underwritten by H". They confirmed that they were entitled to and would avoid the policy ab initio, based upon the First Respondent's non-disclosure of material information.

45. As a consequence, R&S Law LLP did not have valid qualifying insurance, in breach of the Solicitors Indemnity Insurance Rules 2009.

Allegations 3 and 11

46. The First Respondent continued to practise as a solicitor after the initial recognition of R&S Law LLP as an authorised practice was rescinded in October 2009. The First Respondent was advised of the decision to rescind the authorisation of the firm on 16 October 2009, which advice was repeated in the SRA's letter of 27 October 2009.

47. The First Respondent was admitted as a solicitor in May 2009 and was not qualified to supervise the practice alone as he did not have the necessary experience stipulated within Rule 5.02 SCC. He was therefore not authorised to practise as a sole practitioner.

48. On 19 February 2010, the First Respondent told the IO that he was aware that the SRA did not recognise the practice and that he was not authorised to trade.

Allegation 4

49. The IO examined the client matter file in relation to DMB, who instructed the firm in late November 2009. By this date, the First Respondent was aware that he was not permitted to practise as R&S Law LLP.

50. The client care letter provided to DMB wrongly gave the impression that there was more than one "Mr Balli" at the firm and differentiated between "Ravinder Balli" and "Mr Balli" by suggesting that the "senior partner", "Mr Balli", would supervise the work of "Ravinder Balli". The letter was used on many of the files reviewed by the IO.

51. The First Respondent told the SRA that he did not consider that the letter was misleading. In his oral testimony, he said that he had used as a template a letter which had been in use at his previous firm.

Allegations 5 and 10

52. Upon arriving at the offices of R&S Law LLP to commence the inspection on 11 February 2010, the SRA's IO was advised by the firm's receptionist that the First Respondent was available. The IO was then told that the First Respondent was not available. The IO met the Second Respondent, who referred to himself as "Mr Singh", and who stated that the First Respondent was travelling back to the UK from India and would not arrive at the airport until 8pm.

53. Notwithstanding what the Second Respondent had told the IO about the First Respondent's arrival in the UK, at 3.20pm the IO telephoned the Second Respondent and the First Respondent was with him. The IO spoke with the First Respondent, who confirmed to the IO that he would be at the firm's offices the following morning.

54. The following morning, 12 February 2010, the First Respondent wrote to the IO by email and stated that he was too ill to attend the office for the agreed appointment.

55. The SRA attended upon the First Respondent's residential address to hand deliver notice pursuant to Section 44B Solicitors Act 1974 but the First Respondent either ignored repeated attempts to summon him to the door or was not there. The documents were posted through the door and scanned copies were emailed to the First Respondent upon the same day.

56. The First Respondent replied to the Notice four days later on 16 February 2010 and the IO was able to attend upon the firm on 19 February 2010.

57. At that meeting, the First Respondent told the IO that the firm was now closed, having recently received professional advice that it should be closed on account of it not being recognised by the SRA.

58. In fact, the firm was not closed and the Respondents continued to provide legal services to clients.

Allegations 6 and 12

59. The Respondents were both recorded on the bank mandates of both the client and office bank accounts of the firm.

60. Mr and Mrs B instructed the firm to deal with the sale of a property and the redemption of an existing mortgage in favour of NatWest Bank plc. The First Respondent told the SRA that he supervised the transaction, although the he was in India between 28 January 2010 and 10 February 2010.

61. On 5 February 2010, £56,071.92 was paid out of client bank account in order to redeem Mr and Mrs B's existing mortgage. The First Respondent told the IO that the Second Respondent made the payment.

62. The First Respondent went on to state that the Second Respondent made "a number of payments from the firm's client bank account" while he was away in India.

63. Rule 23 SAR does not permit the withdrawal of monies without specific written authority. The First Respondent did not give written authority to make any withdrawals from client account. The Second Respondent was unable to give written authority as he had not been approved to be a non-lawyer member of a recognised body under Regulation 3 of the Recognised Bodies Regulations and the firm was not recognised in any event.

64. In their oral evidence before the Tribunal, the Respondents explained that all the necessary preparation for making the electronic payment was carried out by the First Respondent before he left for India. The Second Respondent merely completed the transaction on the due date by following the verbal instructions given by the First Respondent.

Allegation 7

65. In January 2010, the firm was instructed by YB in the remortgage of a property. YB was referred to the firm by VP, a property agency. The firm also represented the mortgagee. The property was leasehold, was clear of any existing charges and YB was the registered proprietor.

66. The First Respondent did not undertake any due diligence procedures, notwithstanding that the matter involved a remortgage. Instead, the First Respondent relied upon a faxed copy of YB's passport which was received from VP.

67. The First Respondent provided the mortgagee with a certificate of title dated 12 January 2010. The advance of £76,072.50 was requested.

68. The matter file contained an undated note which stated that the proceeds of the remortgage should be paid into the client's nephew's bank account.

69. The First Respondent told the SRA that YB attended the office and signed all of the appropriate documents and confirmed the account to which her monies should be sent. The First Respondent stated that YB did not have a bank account. Nothing upon the client matter file suggested that the First Respondent had ever seen YB and despite a request for the same, the First Respondent has been unable to provide the SRA with evidence in support of his assertions. The file showed that the First Respondent relied only upon the faxed passport from VP.

70. In his oral evidence before the Tribunal, the first Respondent said that YB had been a client of his previous firm and that he had met her on a number of occasions in that context.

Witnesses

71. The following witnesses gave oral evidence at the hearing:

- Mr Cassini-Middleton, the Investigating Officer

- The First Respondent, Mr Balli
- The Second Respondent, Mr Chohan.

Submissions

72. Mr Goodwin explained that the case against the Respondents, in relation to allegations 1, 2, 3, 8 and 9, was put on the basis that the Respondents had acted dishonestly. Mr Goodwin addressed the Tribunal in relation to the test to be applied, based on Twinsectra Ltd v Yardley and Others [2002] UKHL 12. There was no dispute between the parties on the test to be applied.

73. Mr Goodwin asserted that there was no partnership with PJS: the only partnership was between the First and Second Respondents, who were both founding members of the LLP. At no stage did the First Respondent inform the SRA that PJS and DS no longer wished to be his partner or that the Second Respondent in fact was his partner and was recorded at Companies House as a member of the LLP. Despite his knowledge that R&S Law LLP was not recognised by the SRA, the First Respondent continued to practise under the name R&S Law LLP in the months which followed, in partnership with the Second Respondent. The Second Respondent was not and is not an admitted member of the profession.

74. Mr Goodwin argued that the First Respondent knowingly made a false declaration in relation to the Second Respondent's involvement in the firm. Rule 14 of the SCC requires that 75% of a firm's managers must be individuals who are entitled to practise as lawyers. There were only two 'managers' in R&S Law LLP at all material times. The First Respondent was not qualified to supervise a firm in accordance with Rule 5.02 SCC. The Second Respondent was and is unadmitted and is not a lawyer as defined in Rule 24 of the SCC.

75. Mr Goodwin further asserted that the First Respondent's suggestion that R&S Law LLP stopped trading on 19 February 2010 was not correct. The IO visited R&S Law LLP unannounced on 10 May 2010 whereupon he found that the practice remained open. The Tribunal's attention was drawn to a letter dated 7 May 2010 from R&S Law LLP to Darbys Solicitors LLP which demonstrates that R&S Law LLP were acting for a client, AKB, at that date; and letters from R&S Law LLP dated 27 April 2010 and 28 April 2010 to Barclays which related to the registration of an apartment with the Land Registry.

76. Mr O'Donovan submitted that the Tribunal had seen the First Respondent give evidence at length and it had become more transparent during his testimony that he was a person trying to give a truthful account. The Applicant faced a heavy burden in proving the allegations.

77. In relation to the dealings with PJS, Mr O'Donovan pointed out that the Tribunal had the benefit of the First Respondent's oral testimony but only a written statement from PJS which had not been tested. The Tribunal was invited to prefer the evidence of the First Respondent where their accounts were inconsistent with one another.

78. The Respondents had not set out to mislead the SRA. There may have been misunderstandings or ambiguities with some of the information provided, but this does not amount to a disciplinary breach.

79. The evidence that the Respondents had acted dishonestly was insufficient to enable a finding to be made against them. They had not deliberately sought to mislead anyone.

80. The arrangements for the electronic payment made while the First Respondent was in India did not breach the Regulations. He set up the payment and gave instructions to the Second Respondent to complete the transaction. The Second Respondent could not alter the payment in any way and merely had to press a button to make the payment.

81. With regard to YB, it was clear that the First Respondent knew her from his previous firm and so he did comply with the Regulations.

82. The Tribunal reviewed all the documents submitted, which included:

- the Applications dated 14 July 2010 together with the supporting statement and documentation;
- the witness statement of the first Respondent;
- the witness statement of the Second Respondent;
- Outline Submissions on behalf of both Respondents;
- various references submitted on behalf of the Respondents.

Findings as to Fact and Law

83. The Tribunal reminded itself that the burden of proof was on the Applicant and that a disciplinary allegation can only be found proved if the Tribunal is satisfied so that it is sure that the allegation is proved.

84. The Tribunal considered the test it should be apply when determining the question of dishonesty. The test is that laid down by Lord Hutton in Twinsectra. It is referred to as the 'combined test'. Lord Hutton stated that:

> "Before there can be a finding of dishonesty it must be established that the defendant's conduct was dishonest by the ordinary standards of reasonable and honest people and that he himself realised that by those standards his conduct was dishonest."

85. The Tribunal went on to consider each of the allegations in turn.

Allegations 1 and 8

86. The Tribunal found allegation 1 proved against the First Respondent. He deliberately provided false and misleading information to the SRA in relation to the applications for recognition, the extent of the commitment made by the First Respondent and PJS

to the setting up of the firm, the confiscation order and his conduct on the occasions of the SRA visits to the firm's premises.

87. The Tribunal considered very carefully the evidence in relation to the "partnership" with PJS. As Mr O'Donovan rightly pointed out, the Tribunal did not hear evidence from PJS. However, the Tribunal concluded that it preferred the evidence of PJS over that of the First Respondent. This was for a number of reasons: PJS had taken immediate steps to report his concerns to the professional regulator when he became aware of the position, whereas the First Respondent had not; the First Respondent's account of the partnership was wholly unconvincing; the wording of the more detailed CV of PJS (which was inaccurate and which PJS denied ever seeing) bore a striking similarity to parts of the Respondents' own CVs and used identical terms and vocabulary.

88. In relation to the Second Respondent, the Tribunal found allegation 1 proved on the basis that the Second Respondent was a partner in the firm. There was no direct evidence of his involvement in providing false and misleading information.

Allegations 2 and 9

89. The Tribunal found allegation 2 proved against the First Respondent. He deliberately provided false and misleading information to his insurer in relation to the extent of PJS's involvement with the firm. He also failed to notify the insurer, as he should have done, of his arrest and prosecution.

90. In relation to the Second Respondent, the Tribunal found allegation 9 proved on the basis that the Second Respondent was a partner in the firm. There was no direct evidence of his involvement in providing false and misleading information.

Allegations 3 and 11

91. The Tribunal found allegation 3 proved against the First Respondent. He had been told by the SRA not to practise but he continued to do so. He was still dealing with legal work in May 2010. The letter-heading and presence of the words "Solicitors and Advocates" on the door supported this contention.

92. On the facts, the Tribunal found allegation 11 proved against the Second Respondent. He was a member of, and worked in, a practice which was not recognised by the SRA. He did carry out the duties of a solicitor's clerk.

Allegation 4

93. The Tribunal found this allegation proved. The client care letter clearly gave the impression that there was more than one Mr Balli and that there was a proper supervisory regime in the firm when this was not the case.

Allegations 5 and 10

94. The Tribunal found allegation 5 proved against the First Respondent on the basis of his misleading responses to letters, his conduct during the SRA visits, and his assertion that the firm had ceased providing legal services in February 2010.

95. In relation to the Second Respondent, the Tribunal was not satisfied so that it was sure that he had acted in such a way as to breach his professional obligations. His conduct during the visit was insufficient, in the view of the Tribunal, to substantiate this allegation to the required standard. Therefore, the Tribunal found this allegation not proved against the Second Respondent.

Allegations 6 and 12

96. The Tribunal found allegation 6 proved against the First Respondent and allegation 12 proved against the Second Respondent. There had been no written instructions provided.

Allegation 7

97. On the basis that the First Respondent knew the client from his previous firm, the Tribunal was not satisfied that he had failed to comply with the Regulations. Therefore, the Tribunal found allegation 7 to be not proved.

Dishonesty

98. Applying the combined test in Twinsectra, the Tribunal was satisfied that the First Respondent had acted dishonestly in relation to allegations 1, 2 and 3. He had deliberately written letters containing information which he knew to be false. He had deliberately given false information about the status of PJS. The Tribunal was satisfied so that it was sure that his conduct was dishonest by the ordinary standards of reasonable and honest people and that he himself realised that by those standards his conduct was dishonest.

99. With regard to the Second Respondent, the Tribunal was not satisfied that he had acted dishonestly.

Application for Costs

100. Mr Goodwin produced a Schedule of Costs in the sum of £26,849.52. He accepted that there had been some duplication between a number of lawyers who had worked on the case. Mr O'Donovan pointed out the costs of the forensic investigation (£8,027.41) and commented that this was an extensive investigation which would have put the case into context and should have minimised the costs of subsequent preparation by lawyers involved in the case.

Mitigation

101. Mr O'Donovan reminded the Tribunal of the First Respondent's age and lack of experience. He was, with hindsight, perhaps too young and inexperienced to become involved in trying to set up his own business.

102. The First Respondent accepted that a finding of dishonesty usually led to very severe consequences for a solicitor. In this case, however, Mr O'Donovan invited the Tribunal to take into account the Respondent's age and experience, the fact that no member of the public had suffered as a result of his actions, and the financial loss already sustained by the Respondent.

103. With regard to the Second Respondent, Mr O'Donovan said that he had no established record as a solicitor's clerk and his earnings had been, and continued to be, at a very low level.

104. The Respondents had both suffered as a result of the stress of the proceedings.

Sanction and Reasons

105. The Tribunal considered very carefully the submissions made by Mr O'Donovan in relation to the First Respondent, and noted the references that had been supplied on his behalf. Whilst it was true that the Respondent was relatively young and inexperienced, he had committed breaches of conduct across a range of areas of practice. It appeared to the Tribunal that the Respondent had sought to set up his practice in defiance of all regulation. That, coupled with the clear evidence of dishonesty, meant that only an Order striking the Respondent from the Roll of Solicitors was sufficient to protect the public and the reputation of the profession.

106. In relation to the Second Respondent, the Tribunal agreed that it was appropriate and necessary to make the Order sought by the Applicant, pursuant to section 43 of the Solicitors Act 1974.

Decision as to Costs

107. The Tribunal considered the comments made by Mr Goodwin and Mr O'Donovan and concluded that the appropriate amount of costs to be paid by the Respondents was £22,000.00. In view of the respective involvement and culpability of the two Respondents, the Tribunal decided that Mr Balli should pay 75% of the costs and Mr Chohan 25%. Therefore, the Tribunal ordered that Mr Balli should pay costs in the sum of £16,500.00 and Mr Chohan costs in the sum of £5,500.00.

Orders

108. The Tribunal Ordered that the Respondent, Ravinder Balli, solicitor, be Struck Off the Roll of Solicitors and it further Ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £16,500.00.

109. The Tribunal Ordered that as from 24th day of January 2011 except in accordance with Law Society permission:

(i) no solicitor shall employ or remunerate, in connection with his practice as a solicitor Sukjhit Chohan

(ii) no employee of a solicitor shall employ or remunerate, in connection with the solicitor's practice the said Sukjhit Chohan

(iii) no recognised body shall employ or remunerate the said Sukjhit Chohan

(iv) no manager or employee of a recognised body shall employ or remunerate the said Sukjhit Chohan in connection with the business of that body;

(v) no recognised body or manager or employee of such a body shall permit the said Sukjhit Chohan to be a manager of the body;

(vi) no recognised body or manager or employee of such a body shall permit the said Sukjhit Chohan to have an interest in the body;

And the Tribunal further Ordered that the said Sukjhit Chohan do pay the costs of and incidental to this application and enquiry fixed in the sum of £5,500.00.

Dated this 28th day of March 2011
On behalf of the Tribunal

D Potts
Chairman