SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 Case No. 10791-2011

BETWEEN:

SOLICITORS REGULATION AUTHORITY Applicant

and

YOKE SUM WONG Respondent

Before:

Mr L. N. Gilford (in the chair)
Mr M. Sibley
Mr S. Hill

Date of Hearing: 28th June 2012

Appearances

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

The Respondent did not appear and was not represented.

JUDGMENT

Allegations

1. The Allegations against the Respondent were:

1.1 Contrary to Rules 1.01, 1.02, 1.03 and 1.06 of the Solicitors Code of Conduct 2007 ("SCC") and/or Rule 15 of the Solicitors Accounts Rules 1998 (and note (ix) thereto) ("SAR") the Respondent allowed the firm's client bank account to be used as a banking facility, in circumstances where no underlying legal transaction(s) were identified. It was alleged the Respondent had acted dishonestly.

1.2 Contrary to Rules 1.01, 1.02, 1.03 and 1.06 of the SCC the Respondent provided undertakings in circumstances where she knew that she was not in a position to honour the undertakings. It was alleged the Respondent had acted dishonestly.

1.3 Contrary to Rules 1.01, 1.02, 1.03 and 1.06 of the SCC the Respondent failed to make any or sufficient enquiry as to funds received into and funds paid out of her client bank account and in so doing, disregarded the guidance issued by the Law Society/Solicitors Regulation Authority, and/or failed to comply with the Money Laundering Regulations 2007.

1.4 The Respondent withdrew money from client bank account contrary to Rule 22(1) of the SAR. It was alleged the Respondent had acted dishonestly.

1.5 The Respondent withdrew money from client bank account in excess of money held on behalf of a client(s) contrary to Rule 22(5) of the SAR. It was alleged the Respondent had acted dishonestly.

1.6 The Respondent failed to keep accounting records properly written up contrary to Rule 32(1) of the SAR.

1.7 Contrary to Rules 1.02, 1.04, 1.06 and/or Rule 5.01(j) of the SCC the Respondent failed to make arrangements for the effective management of the firm as a whole and in particular, financial control of budgets, expenditure and cash flow.

1.8 Contrary to Rule 3.01 of the SCC the Respondent acted where there was a conflict or a significant risk of a conflict of interest between two clients.

1.9 Contrary to Rules 1.02, 1.06 and/or Rule 5.01(f) and Rule 10.05 of the SCC the Respondent failed to comply with and/or exercise adequate control of undertakings.

1.10 Contrary to Rules 1.02, 1.06 and/or Rule 5.01(c) of the SCC the Respondent failed to pay the premium due for indemnity insurance for the indemnity year 2010/2011 to Capita (which manages the Assigned Risks Pool ("ARP") on behalf of the SRA) within the prescribed period for payment or at all, and was in policy default in breach of Rule 16.02 of the Solicitors Indemnity Insurance Rules 2010.

1.11 Contrary to Rule 20.05 and/or Rule 20.08 of the SCC the Respondent failed to deal with the SRA in an open, prompt and cooperative way.

1.12 Contrary to Rules 1.02, 1.04, 1.05 and 1.06 of the SCC the Respondent failed to act with integrity and in the best interests of clients. It was alleged the Respondent had acted dishonestly.

1.13 Contrary to Rules 1.02, 1.04 and 1.06 of the SCC the Respondent instructed her assistant, Ms M, to make representations as regards the Respondent's whereabouts which were inaccurate, misleading and untrue. It was alleged the Respondent had acted dishonestly.

1.14 Contrary to Rules 1.02, 1.04 and 1.06 of the SCC the Respondent acted in a way which was fraudulent, deceitful or otherwise contrary to her position as a solicitor, in that she created a document dated 20 April 2010 that was false and misleading, and submitted the document to the Land Registry, purporting the document to be genuine. It was alleged the Respondent had acted dishonestly.

1.15 Contrary to Rules 1.02, 1.04, 1.06 and/or Rule 10.01 of the SCC the Respondent took unfair advantage of her former client for her own benefit and/or the benefit of another. It was alleged the Respondent had acted dishonestly.

1.16 Contrary to Rules 1.02, 1.04, 1.05, 1.06 and/or Rules 1(a) and (c) of the SAR the Respondent failed to keep clients funds safely in a client bank account. It was alleged the Respondent had acted dishonestly.

1.17 Contrary to Rules 1.02 and 1.06 of the SCC the Respondent involved herself in a transaction which had the hallmarks of property fraud.

1.18 Contrary to Rules 1.02 and 1.06 of the SCC the Respondent acted in a way which was fraudulent, deceitful or otherwise contrary to her position as a solicitor in that she improperly signed a document purporting the same to have been signed by her former partner, Miss R. It was alleged the Respondent had acted dishonestly.

Documents

2. The Tribunal reviewed all the documents submitted by the Applicant and the Respondent which included:

Applicant:

- Application dated 1 August 2011 together with attached Rule 5 Statement and all exhibits
- Supplemental Rule 7 Statement dated 9 January 2012 together with all exhibits
- Copy Notice of hearing placed in The Law Society Gazette dated 15 March 2012
- Copy Notice of hearing placed in The Times newspaper dated 13 March 2012
- Bill of Costs

Preliminary Matters

3. The Applicant confirmed the Respondent had not engaged with the proceedings and he had had no contact from her. On 2 November 2011 the Tribunal had made an Order for substituted service to take place by way of an advertisement of the proceedings in The Law Society's Gazette and The Times newspaper. This had been done and the Applicant provided the Tribunal with copies of the respective advertisements.

4. The Tribunal was satisfied substituted service had taken place as Ordered and therefore granted the Applicant leave to proceed in the Respondent's absence.

Factual Background

5. The Respondent was born on 15 November 1963 and was admitted as a solicitor on 2 September 2002. At the material time the Respondent carried on practice as Wingate Wong LLP at Third floor, 102 Queensway, London, W2 3RR ("the firm"). The Respondent's practice was intervened on 22 August 2011.

6. The SRA carried out an inspection of the Respondent's books of accounts and produced a Forensic Investigation Report ("FIR") dated 13 December 2010. The Respondent was interviewed by a Forensic Investigation Officer ("FIO") on 10 June 2010 and again on 1 November 2010. The books of accounts were not in compliance with the Solicitors Accounts Rules ("SAR").

7. The SRA carried out a further inspection and produced a second report dated 27 May 2011. During the second inspection, which commenced 12 May 2011, the Respondent was not in attendance. A legally qualified assistant, Ms M, was at the office. The Respondent informed the FIO on the telephone on 12 May 2011 that she was currently in Kuala Lumpur, Malaysia and had left the UK on 21 April 2011. She indicated her mother was ill and that she was unable to attend to the day to day running of her practice. She indicated she intended to close her practice on 20 May 2011.

8. On 17 May 2011 the FIO located the firm's bank statements for the period 1 February 2011 to 30 April 2011, together with various items of correspondence indicating that the firm was in serious financial difficulties. There were no books of account available for inspection however, a comparison of total liabilities with cash held in the client bank account as at 30 April 2011 identified an apparent cash shortage of £201,319.17. This had been caused by payments in excess of funds held resulting in debit balances totalling £203,702.15.

<u>Allegation 1.1</u>

9. The FIR identified that between 10 December 2008 and 30 March 2010 the Respondent received funds totalling £7,308,406.48 and distributed the sum of £7,296,041.09. During the interview on 10 June 2010 with the FIO, the Respondent conceded that she had allowed her client account to be used as a conduit for the transfer of funds from the remitting party to the receiving party without any underlying legal transaction to justify the use of the firm's client account. She agreed

the majority of client matters related to monies remitted and distributed on the instruction of Mr F. The Respondent had no contact with the remitter of the funds, failed to establish that the funds were derived from a legitimate source, and failed to confirm with the remitter the purpose for which the funds were been provided.

10. The FIO identified 31 cases where funds totalling £4,928,811.35 were remitted into the firm's bank account, from which a total of £4,919,072.65 was paid out to various third parties on the instructions of Mr F, in circumstances where there were no underlying legal transactions justifying the use of the client account and where the Respondent had carried out no material legal work in relation to those matters. The transactions were variously described in the ledgers as "miscellaneous", "loans" and/or "bridging" and covered the period from November 2008 to March 2010.

11. The FIO identified that funds totalling £1,102,310 had been remitted by third parties to the firm and credited to client accounts in the name of Mr F with no evidence of money laundering checks have been conducted and without verification from the remitter as to the purpose of the payment. During the interview on 10 June 2010 the Respondent conceded she had not conducted any money laundering checks in relation to a number of individuals. She stated she had known Mr F for the past two years but she had not enquired into his background prior to 2006.

12. The Respondent subsequently conceded that she became aware in December 2009 that Mr F had been convicted in October 2001 for conspiracy to defraud, deception and money laundering, and that she was also aware of a conviction in 2004 when Mr F was convicted and sentenced to a term of three years in prison for conspiracy to steal. The Respondent conceded that Mr F himself had told her about the convictions. A judgment from the Divisional Court dated 25 May 2010 in relation to Mr F's conviction on 18 October 2001 stated he was convicted of nineteen counts of conspiracy to defraud, deception and money laundering and that the amount from which he had benefited from his crimes was in excess of £5,500,000.

13. Mr F instructed the Respondent on 1 February 2010 to assist him in relation to a loan he had arranged with Mr HB. This matter was subsequent to the Respondent becoming aware of Mr F's convictions for fraud. The client file contained a copy of Mr F's passport, driving licence and an internal money laundering certificate signed by the Respondent. The client care letter dated 2 February 2010 to Mr F indicated an agreed fee of £750 but did not specify the nature of work to be undertaken. The loan agreement dated 1 February 2010 provided for a loan of £300,000 from Mr HB to Mr F for a period of three weeks and was conditional upon the lender receiving an "unconditional, irrevocable and unequivocal undertaking from the borrower's solicitors to repay the loan on the repayment date."

14. On 2 February 2010 the sum of £153,375.00 was deposited into the Respondent's client account. There were no written instructions on the file from Mr F regarding distribution of the funds. Between 2 February 2010 and 3 February 2010 part of the monies were distributed to various third parties and part transferred to another ledger. There was no evidence on the file that any legal work had been undertaken or that there was any underlying legal transaction to justify the use of the firm's client bank account. During interview on 1 November 2010 the Respondent confirmed she had provided an undertaking to Mr HB.

15. On 7 January 2010 the Respondent received instructions from Mr F to assist him in respect of a further loan arranged with Mr HB. This matter also took place after the Respondent became aware of Mr F's convictions. A client care letter dated 10 January 2010 to Mr F indicated an agreed fee of £750 but did not specify the nature of work to be undertaken. On 7 January 2010 the sum of £225,000 was received into the firm's client bank account with a further £1,000 being received on 26 January 2010. The monies were distributed from 8 to 26 January 2010 to various third parties. There was no evidence on the client matter file that any legal work had been undertaken or that there was any underlying legal transaction to justify the use of the firm's client bank account.

16. Mr and Mrs B instructed the Respondent in relation to the purchase of a property for £700,000. On 8 January 2010 the sum of £200,000 was transferred to the client ledger being funds from the loan between Mr HB and Mr F. Mr and Mrs B's purchase was aborted on 13 January 2010. The monies, together with funds transferred from various other client ledgers totalling £253,000 were distributed between 14 January 2010 and 26 January 2010 to Mr F and various third parties. The client file did not contain any written instructions as to the distribution of funds. During interview on 1 November 2010 the Respondent admitted she had allowed her client bank account to be used as a conduit for the receipt and distribution of funds on the instructions of Mr F.

17. The Respondent was instructed by Mr and Mrs M in July 2009 in relation to the sale of a property for £747,000. The transaction completed on 30 October 2009 and the net proceeds of sale were lodged in the Respondent's client bank account. During interview the Respondent stated Mr and Mrs M had instructed her on 30 November 2009 that they had agreed to loan the proceeds of sale to Mr F. A letter of authority dated 2 December 2009 authorised the transfer of the proceeds of sale in the sum of £640,587.65 to Mr F. The client file did not contain any details relating to the loan save that Mr M had informed the Respondent that a draft agreement had been prepared and that Mr F had agreed to provide a charge as security.

18. On 1 December 2009 Mr F instructed the Respondent to distribute the funds which had been loaned to him by Mr and Mrs M. A client care letter dated 4 December 2009 sent to Mr F indicated an agreed fee of £1,000 for the work to be done but did not specify the nature of the work. Between 2 December 2009 and 5 January 2010 the sum of £640,587.65 was distributed to Mr F and various third parties. The client file contained no evidence that any legal work had been undertaken or that there was any underlying legal transaction to justify the use of the firm's client account.

19. The Tribunal's attention was drawn to other matters where the Respondent had received instructions from Mr F to assist him in relation to loans with various individuals. On each case a client care letter was sent to Mr F indicating an agreed fee but not specifying the nature of the work to be undertaken, sums were received into the firm's bank account which were distributed to various third parties in circumstances where there was no evidence on the file of any legal work having been undertaken or any underlying legal transaction to justify the use of the firm's client bank account.

Allegation 1.2

20. The Respondent assisted Mr F in relation to a number of loans which had been granted subject to the lender receiving an

> "unconditional, irrevocable and unequivocal undertaking from the borrower's solicitor to repay the loan on the repayment date."

The Respondent provided undertakings in five matters in relation to funds totalling £924,200. She also provided an undertaking to Mr HB in relation to the loan of £300,000.

21. It was ascertained from a consideration of the firm's accounting records at the time the undertakings were given by the Respondent that the firm was not in possession of sufficient funds held either on behalf of Mr F in the firm's client bank account, or in the firm's office bank account to honour the undertakings if called upon by the lenders to do so.

22. During interview on 10 June 2010 the Respondent indicated she had issued undertakings totalling £1.110 million. During interview on 1 November 2010 the Respondent conceded that she knew at the time the undertakings were given that she did not have sufficient funds to honour the undertakings if called upon to do so, and that the granting of the undertakings was potentially prejudicial to the lender. She also conceded that she knew lenders would have relied upon her undertakings and that the undertakings were worthless.

Allegation 1.3

23. The Respondent indicated she had known Mr F since 2006 but had made no effort to establish anything about him prior to that date. The Respondent continued to act for Mr F after she became aware in December 2009 that he had convictions. Whilst the Respondent had obtained a copy of Mr F's passport and driving licence she did not conduct any further due diligence enquiries even after she became aware of his convictions. The FIO identified two transactions totalling £1,700,102.05 which were remitted into the Respondent's client account in circumstances where enhanced customer due diligence should have been carried out.

Allegation 1.4

24. The Respondent was instructed by Ms TA in relation to the sale of a property for £161,000. The transaction completed on 15 December 2008 when proceeds of sale were received from the buyer's solicitors. Ms TA instructed the Respondent to pay service charge arrears and agents fees, and then to remit the balance of the proceeds in the sum of £120,000 to Ms TA. On 16 December 2008 a sum of £50,000 was remitted to the client leaving a balance of £70,000 outstanding.

25. Documentation on the file confirmed that on 18 December 2008 the sum of £10,000 was paid to a restaurant owned by the Respondent's husband and an amount of £60,000 was paid to Mr F. The FIO found a letter from solicitors acting on behalf of Ms TA dated 7 April 2011 indicating court proceedings were to be commenced in

relation to the balance of the proceeds of sale. A further letter dated 25 May 2011 from Ms TA's solicitors stated Ms TA was an elderly client, well into her eighties, frail and vulnerable. The letter also stated Ms TA had been persuaded by the Respondent to leave the balance of the proceeds of the sale of her property with the Respondent's firm on the basis that the Respondent would settle a £10,000 liability for Ms TA and invest the remaining £60,000 with an undisclosed third party investor on her behalf.

Allegations 1.5 and 1.8

26. The Respondent acted for the seller and purchaser in relation to the sale of a property for the sum of £205,000. Simultaneous exchange and completion took place on 15 April 2011. On the same day, completion funds of £199,045 were remitted to the seller. There was no indication on the file or in the bank statements that the purchase price was ever paid by the purchaser.

Allegation 1.6

27. It was ascertained from the firm's client bank account that during the period 21 February 2011 to 25 February 2011 funds totalling £1,301,000 were received relating to a property. The bulk of the money appeared to have been distributed to NA and CS Limited. However no client matter file could be found relating to the transaction and no documents could be found identifying the parties. From 1 March 2011 to 30 April 2011 six payments were made to NA totalling £837,796 for which no explanation could be found.

Allegation 1.7

28. The FIO identified that the firm was in serious financial difficulties. Various statements of account received from a number of creditors indicated sums totalling £33,271.33 were owed. In a number of cases letters demanding payment had been received and bailiff notices had been issued in respect of outstanding debts.

Allegation 1.9

29. The FIO found various items of correspondence indicating that proceedings were contemplated or had been issued against the firm arising out of the failure on the part of the firm to honour certain professional undertakings. There were three matters where the Respondent had failed to comply with undertakings and the total claims amounted to £956,430.

30. The Respondent provided an undertaking dated 28 April 2011 to Mr P who had agreed to loan Mr RC the sum of £70,000. The Respondent entered into a personal guarantee for payment of the monies lent by a deed dated 28 April 2011 and which required repayment of the loan and interest on or before 5 May 2011. Mr P transferred the sum of £70,000 into the Respondent's client account on 28 April 2011 but had not received repayment of the £70,000 or the agreed interest of £5,000 by the due date or at all. In an email from Mr P to the SRA dated 1 September 2011 to Mr P stated:

> "The £70,000 I transferred to the solicitors account was based on an undertaking by Wingate Wong and Yoke Sum Wong …… This money was my life savings and I only lent it out as I was convinced by the solicitor that the money was guaranteed and there was no risk associated with the bridging loan. Having read into undertakings, I was provided additional comfort that these are serious commitments. ….. I am truly devastated by this experience. I was told by the Legal Ombudsman that they cannot get any compensation for me as the solicitors firm is now closed….."

Allegation 1.10

31. The Respondent's firm entered into the Assigned Risks Pool ("ARP") in October 2010 with a premium for cover being £28,350. The first payment was due on 1 October 2010. This sum remained unpaid.

Allegation 1.11

32. The Respondent failed to reply to letters from the SRA dated 12 May 2011 and 1 June 2011 relating to her failure to pay the ARP premium. The SRA wrote to the Respondent on 3 June 2011 in relation to various matters and she indicated in an email dated 24 June 2011 that she would revert with a full response once she returned to the UK. No detailed response was received and the SRA wrote to the Respondent again on 28 July 2011. The Respondent failed to reply.

33. The SRA wrote to the Respondent on 3 and 22 August 2011 in relation to her former partner's signature on a finance agreement. The Respondent failed to reply or provide any explanation. The Respondent also failed to reply to the SRA's letter dated 18 August 2011 seeking her explanation in relation to number of other matters. The Respondent failed to provide the SRA with any accounting records or bank statements when requested. She also failed to reply to numerous text messages asking her to contact the FIO during the course of the investigation.

Allegations 1.12 and 1.16

34. The Respondent's firm was instructed to deal with the sale of a property for Mr GM. Completion took place on 25 February 2011. Although the Respondent received sufficient funds to redeem the Charge with the lender, in excess of £654,000, she failed to redeem the mortgage. Mr GM obtained a copy of the Respondent's deposit account statement which showed that a cheque in the sum of £656,074.73 was withdrawn from the firm's client account on 11 March 2011. On 26 May 2011 the Respondent informed Mr GM that she had paid the cheque into the wrong account and requested until 30 June 2011 to trace the cheque. Mr GM had heard nothing further.

35. On 3 February 2011 Mr GH instructed the Respondent to act on his behalf in relation to the purchase of a property for £925,000. Mr GH transferred the sum of £375,289.69 to the Respondent's client account on 2 April 2011 as part of the completion monies. On or around 5 April 2011 Mr GH's lender provided the sum of £596,710.63 by way of mortgage to the Respondent's firm. Completion was due to take place on 3 May 2011 but, notwithstanding a Notice to Complete and subsequent

emails from Mr GH between 10 May 2011 and 23 June 2011, the transaction was not completed and Mr GH had heard nothing further from the Respondent's firm since 1 April 2011. Subsequent enquiries revealed that between 3 March 2011 and 5 May 2011 eight payments totalling £867,796 were made from the Respondent's client account to NA.

36. On 3 September 2010 the Respondent's firm was instructed to act for Company A in relation to the sale of a property for the sum of £220,000. Completion took place on 25 March 2011 but the company had not received the balance of completion monies in the sum of £197,272.78. The company were informed that the funds were to be retained by the Respondent's firm until the purchaser's solicitors were in receipt of the original leases and that the Respondent had signed an undertaking to the purchaser's solicitors confirming she would not release the funds to the company until this had been resolved. However, when the company spoke to the purchaser's solicitors on 18 July 2011 they were informed that the authority to release the Respondent from the undertaking to retain the funds had been given "quite recently" and that the purchaser's solicitors were not holding any funds in favour of the company. The company attempted to contact the Respondent but was unable to do so. The funds due to the company had not been paid.

37. Mr and Mrs M agreed in December 2009 to invest the proceeds from the sale of their property in the sum of £640,587.65 with Mr F for two months in return for an interest payment of 1% on the sum of the two month period. Whilst they received the interest payment and understood the capital would be returned to the firm's client account at the end of the two month period, Mr and Mrs M agreed to leave the proceeds of sale with the Respondent for 18 months until they instructed her on 6 June 2011 to act in the purchase of another property. However, by this time, the Respondent's practice was closed. The Respondent told the clients that they would be covered under insurance held by another firm of solicitors. Mr and Mrs M were unable to contact the Respondent or locate their money.

Allegation 1.13

38. The FIO attended the Respondent's office on 12 May 2011 but she was not in attendance. Her assistant, Ms M informed the FIO that the Respondent had "gone out for lunch" and that "she had an appointment at 1pm that afternoon". Ms M agreed to telephone the Respondent and gave the telephone to the FIO. The Respondent informed the FIO that she was currently in Kuala Lumpur in Malaysia having left the UK on 21 April 2011.

39. The SRA wrote to the Respondent on 3 June 2011 seeking her explanation as to why she had instructed Ms M to inform the FIO that she was at lunch when, in fact, she was not in the UK but in Malaysia. In a letter dated 8 June 2011 the Respondent stated:

> "I told [A] to say that I am out for lunch so that the clients are not worried about not able [sic] to talk to me about their matters when they attend the office."

Allegations 1.14 and 1.15

40. The Respondent's firm was instructed by Mr MH in connection with the purchase of a property in 2008. In an email dated 11 July 2011 from solicitors in the UK acting for Mr MH to the SRA, it was asserted that:

- The Respondent had forged Mr MH's signature on a Charge in favour of WOL Ltd over the property, the Charge being dated 20 April 2010 and registered at the Land Registry on 6 July 2010;
- The sum borrowed by the Respondent was £800,000;
- No payments were made to WOL Ltd who subsequently took proceedings to recover possession of the property;
- Mr MH had not authorised the Respondent's actions in any way.

41. Mr MH's solicitor in Malaysia, Mr TK, provided a statement dated 8 July 2011 to Mr MH's solicitor in the UK in which he stated he had met the Respondent on 5 July 2011 at his office and at that meeting the Respondent had admitted she had fraudulently charged the property to a lender called WOL Ltd for a loan amounting to £800,000.

42. Mr MH also provided a statement dated 14 July 2011 in which he stated:

> "I had no idea that a charge had been taken out over my property until Mr [TK] told me on 5 July 2011. At no time did I ever authorise or instruct Ms Wong or anyone else to take out a charge over my Property.……I had never seen the Charge until it was provided to me by [the UK solicitors] on 12 July 2011……I did not sign the Charge…..At no time did I authorise or instruct Ms Wong, or anyone else, to execute the Charge on my behalf.…… I can only conclude that the signature that appears on the Charge is a forgery."

43. Mr MH's solicitors in the UK wrote to the SRA on 16 August 2011 enclosing an expert report dated 12 August 2011 from Dr Giles of the Giles Document Laboratory which stated:

> "On the basis of the evidence before me therefore, I have concluded that there is strong support for the view that Mr [MH] did not sign the following documents:
>
> | | |
> |---|---|
> | [2] Fee Deduction Authority Form | 11 April 2010 |
> | [3] Facility Letter | 11 April 2010 |
> | [4] Application Form (part) | (Undated) |
> | [5] Copy Mortgage Deed | 20 April 2010." |

Some of the documentation was sent or referred to the Respondent's home address.

Allegation 1.17

44. The Respondent's firm acted in the sale of a property for Mrs OB while she was out of the country. The Respondent was initially instructed to act on behalf of Mrs OB's

son, EOB, who intended to purchase the property from Mrs OB. However, the Respondent was subsequently instructed by an agent, Mr RO on 19 July 2010 to act on behalf of the seller, Mrs OB, instead. Mr EOB was represented by other solicitors. As Mr EOB was unable to secure finance, the property was eventually sold for £335,000 to a third party, Mr JR. The Respondent witnessed the signing of the Transfer Deed on 9 August 2010.

45. The client file showed that Mr RO was an associate of Mr JR. Mr RO had referred the purported Mrs OB and Mr EOB to the Respondent's firm, he had attended the firm's office with them and had provided instructions on occasion. There were a number of matters which indicated the transaction was not genuine as follows:

- Mrs OB provided evidence from her passport confirming she was in Ghana between 1 May 2010 and 1 September 2010. The Respondent's firm received instructions from the purported Mrs OB on 19 July 2010 and the transfer was completed two weeks later on 9 August 2010.

- Mrs OB provided the SRA with a copy of her passport which showed her date of birth as 11 November 1932. However the driving licence provided by the purported Mrs OB on the Respondent's file recorded her age as significantly younger, giving a date of birth as 11 November 1952. This would put her at a similar age to her son, Mr EOB whose date of birth was 9 April 1956. Furthermore, the photograph on Mrs OB's passport differed from the photograph on the driving licence on the Respondent's file.

- The signature on the TR1 Form witnessed by the Respondent appeared to differ from Mrs OB's signature appearing on the Transfer of Equity Form signed in 1993.

- There was a discrepancy in the spelling of Mrs OB's name on her driving licence which was signed "M O". Mrs OB had difficulty writing and her usual signature was different from that on the driving licence.

- A telephone note dated 19 July 2010 recorded that Mr RO provided instructions to the Respondent even though he was not the firm's client. He informed the Respondent that she was to deal with the sale on behalf of Mrs OB and that the son would be represented by the solicitors. He also instructed the firm that exchange and completion was projected for 23 July 2010.

- Solicitors acting for EOB, who were instructed on 22 July 2010 provided a copy of a bill dated 13 July 2010 said to have been provided by EOB for identification purposes. This recorded EOB's address as the address believed to be Mr RO's address.

- The property was sold at an undervalue. The TR1 Form stated the property was sold for £335,000 in August 2010. At that time it was believed the property was worth about £575,000.

- A file note dated 6 August 2010 stated an occupational licence was to be drawn up allowing Mrs OB to stay in the property for six months, as she

intended to buy her son a new business and subsequently buy the property back from Mr JR. Solicitors acting for Mr JR indicated a licence was agreed only for six weeks. The requisitions on title for the aborted sale to EOB's solicitors, signed and dated by the Respondent on 22 July 2010, indicated the property was "already vacant".

- A letter from Mrs OB to the Respondent dated 29 July 2010 and signed "M O" instructed the firm to send the sale proceeds to a company BA and to deduct 2% of the balance for agents fees. The file contained a bank statement belonging to BA dated 1 May 2010. An undated completion statement showed that after charges on the property were paid, agents fees of £10,000 were to be deducted leaving a balance of £248,404. The Respondent's bank accounts recorded the firm received the sum of £335,000 on 9 August 2010 and made three separate payments to 2 third party recipients. £100,000 and £148,404 were paid out on 10 August 2010 and 17 August 2010 respectively to BA followed by a £10,000 payment to an undefined beneficiary with a Barclays bank account on 17 September 2010.

Allegation 1.18

46. A leasing business entered into two unregulated finance agreements for the supply of office equipment to the Respondent's practice. Two personal guarantees were taken with the Respondent and the Respondent's former business partner, Miss R respectively. The Respondent's practice defaulted under the terms of the agreements which were terminated and demand was made on the firm for the full outstanding balance to be paid. No payments were made and proceedings were issued against the Respondent's firm and the two individual guarantors.

47. During the course of litigation, default judgements were obtained and Miss R applied to have the default judgement set aside on the basis that her signature on the agreements had been forged. In a letter dated 13 May 2011 Miss R wrote to the Respondent in relation to the agreements and stated:

> "The purported guarantee carries a signature of my name. However I did not sign, execute or provide this guarantee in any way shape or form nor did I have any knowledge of its existence until relatively recently. Please provide an explanation for the presence of the said signature as set out in the above guarantee."

48. The Respondent replied in a letter dated 23 May 2011 and stated:

> "The agreement dated 7 December 2007 between [AF] and Wingate Wong LLP which referred to your signature as guarantor was signed by me…… I signed on representation from [GC] on behalf of [NCS] that [NCS] will be paying the most [sic] the cost of leasing by the way [sic] of cash back on annual basis……. I apologised [sic] for the anguish that I have caused you."

Witnesses

49. The following witnesses gave evidence:

- David Ernest Bailey, Forensic Investigation Officer with the SRA

Findings of Fact and Law

50. The Tribunal had considered carefully all the documents provided, the evidence given and the submissions of the Applicant. The Respondent had not engaged with the proceedings at all. The Tribunal confirmed that all allegations had to be proved beyond reasonable doubt and that the Tribunal would be using the criminal standard of proof when considering each allegation.

51. **Allegation 1.1: Contrary to Rules 1.01, 1.02, 1.03 and 1.06 of the Solicitors Code of Conduct 2007 ("SCC") and/or Rule 15 of the Solicitors Accounts Rules 1998 (and note (ix) thereto) ("SAR") the Respondent allowed the firm's client bank account to be used as a banking facility, in circumstances where no underlying legal transaction(s) were identified. It was alleged the Respondent had acted dishonestly.**

51.1 The Tribunal had been provided with examples of several transactions where funds had been received into the firm's bank account, and had subsequently been remitted and distributed to various third parties on the instructions of Mr F. The FIO had found no evidence of any underlying legal transaction, or of any material legal work being carried out in relation to those matters. Funds in the total sum of £4,928,811.35 had been received into the firm's bank account from which a total of £4,919,072.65 had been distributed to various third parties on Mr F's instructions. Furthermore, funds totalling £1,102,310.00 had been remitted by third parties to the firm and credited to Mr F's client accounts without verification from the remitter as to the purpose of the payment and without any evidence of money laundering checks having been conducted.

51.2 The FIO had interviewed the Respondent at length on 1 November 2010. During the course of that interview the Respondent had admitted she did not carry out any money laundering checks in relation to a number of individuals. She admitted Mr F had told her in about December 2009 of his convictions and that she had continued to accept instructions from him after this date. The Respondent also admitted she had allowed her client account to be used as a conduit for money coming in and then being distributed out. As such, the Tribunal was satisfied that the Respondent had allowed her client bank account to be used as a banking facility without making any or sufficient due diligence enquiries in relation to the persons sending money, third parties receiving money, nor indeed Mr F from whom she was taking instructions.

51.3 This allegation contained an allegation of dishonesty. The Tribunal had been referred to the case of Twinsectra Ltd v Yardley & Others [2002] UKHL 12 which set out the test to be applied when considering the issue of dishonesty. Firstly, the Tribunal had to consider whether the Respondent's conduct was dishonest by the ordinary standards of reasonable and honest people. Secondly, the Tribunal had to consider whether the Respondent herself realised that by those standards her conduct was dishonest.

51.4 Funds in excess of £7 million had been received into and paid out of the firm's client bank account in circumstances where there was no underlying legal transaction

identified. The Tribunal was satisfied that allowing her firm's bank account to be used in this way would be regarded as dishonest by the ordinary standards of reasonable and honest people. The Respondent had allowed money to come in and simply go out of her client account without knowing where it had come from, or the reason why it was being paid to various third parties other than what Mr F had told her, in circumstances where she knew he was a convicted fraudster. She had consciously allowed her client account to be used in circumstances where there was no legal transaction and no material legal work had been performed. The Tribunal was therefore satisfied the Respondent knew that by those standards her conduct was dishonest. The Tribunal found the Respondent had acted dishonestly in relation to allegation 1.1.

52. **Allegation 1.2: Contrary to Rules 1.01, 1.02, 1.03 and 1.06 of the SCC the Respondent provided undertakings in circumstances where she knew that she was not in a position to honour the undertakings. It was alleged the Respondent had acted dishonestly.**

52.1 During her interview with the FIO on 1 November 2010 the Respondent was questioned about the undertakings she had given. She accepted that she had never been in a position to honour the undertakings, even at the time that she issued them and, furthermore, she accepted the undertakings were worthless. The Tribunal was satisfied that she had given undertakings in circumstances when she knew she was not in a position to honour them.

52.2 In relation to the question of dishonesty, the Tribunal considered the case of Twinsectra Ltd v Yardley again and was satisfied that a solicitor giving undertakings in the knowledge that they were not in a position to honour them would be regarded as dishonest by the ordinary standards of reasonable and honest people. The Respondent had accepted the lender would have relied on the undertakings she had issued. She was asked by the FIO whether, at the time that she gave the undertakings she knew they were worthless to which she replied "yes". The Respondent had given undertakings which she knew she was unable to honour at the time that she gave them, as the firm was not in possession of sufficient funds either held on behalf of Mr F in client account or in the firm's office account. She also knew that lenders would rely on those undertakings. The Tribunal was satisfied the Respondent knew that by the standards of reasonable and honest people, her conduct was dishonest. The Tribunal was satisfied the Respondent had acted dishonestly in relation to allegation 1.2.

53**.** **Allegation 1.3: Contrary to Rules 1.01, 1.02, 1.03 and 1.06 of the SCC the Respondent failed to make any or sufficient enquiry as to funds received into and funds paid out of her client bank account and in so doing, disregarded the guidance issued by the Law Society/Solicitors Regulation Authority, and/or failed to comply with the Money Laundering Regulations 2007.**

53.1 The Respondent stated to the FIO that she had known Mr F since 2006. She also confirmed Mr F had told her in or about December 2009 of his previous convictions. The Respondent accepted she had not looked into Mr F's background prior to 2006. Whilst the Respondent had taken a copy of Mr F's passport and driving licence, she had not undertaken any further checks and nor did she conduct any additional due

diligence enquiries, even after she became aware of his convictions. Furthermore, during the interview on 10 June 2010 with the FIO the Respondent was specifically asked if she had carried out money laundering checks on a number of specific individuals, who had either remitted money to the firm or received funds from the firm, to all of which she had replied "No". The Tribunal was satisfied the Respondent had failed to make any or sufficient enquiry into funds received into and paid out of the client account and was satisfied allegation 1.3 was proved.

54. **Allegation 1.4: The Respondent withdrew money from client bank account contrary to Rule 22(1) of the SAR. It was alleged the Respondent had acted dishonestly.**

54.1 The Respondent had acted for Ms TA in relation to the sale of a property, the proceeds of which were paid into the Respondent's client account on 15 December 2008. However from the proceeds of sale of £120,000, only the sum of £50,000 was sent to the client and the remaining £70,000 was distributed to the Respondent's husband's restaurant and Mr F. Indeed, Ms TA instructed new solicitors to act on her behalf to recover the outstanding amount for her. The Tribunal was particularly troubled turn to learn that Ms TA was an elderly client, suffering from ill health, and who was financially vulnerable due to heavy liabilities pertaining to her home. She appeared to have been persuaded by the Respondent to allow the Respondent to invest a portion of the net proceeds of sale on her behalf with a third party investor on the basis that a significant return could be assured. It appeared the identity of the third party investor was not disclosed. However, the Respondent used this money to make a payment to her husband's restaurant and to Mr F in circumstances where she had not obtained Ms TA's permission to do so. The Tribunal was satisfied that the Respondent had withdrawn money from her client account contrary to Rule 22(1) of the SAR.

54.2 The Tribunal then considered the issue of dishonesty and the case of Twinsectra Ltd v Yardley. The Tribunal was satisfied that using a client's money to make payments to third parties without authority from the client would be regarded as dishonest by the ordinary standards of reasonable and honest people. Furthermore, the Tribunal was satisfied that, when the Respondent made those payments, she knew that she was not authorised to make those payments having informed Ms TA that the monies would be invested on her behalf. The Respondent did not inform Ms TA of the identity of the investor and thereby concealed that payments were made to her husband's restaurant and to Mr F. Accordingly, the Tribunal was satisfied she knew that her conduct was dishonest by those standards. The Tribunal was satisfied the Respondent had acted dishonestly in relation to allegation 1.4.

55. **Allegation 1.5: The Respondent withdrew money from client bank account in excess of money held on behalf of a client(s) contrary to Rule 22(5) of the SAR. It was alleged the Respondent had acted dishonestly.**

Allegation 1.8: Contrary to Rule 3.01 of the SCC the Respondent acted where there was a conflict or a significant risk of a conflict of interest between two clients.

55.1 The Respondent had acted for both the seller and purchaser and had received completion funds in the sum of £199,045 on 15 April 2011. There was no indication on the file that this had been paid to the seller. An allegation of dishonesty had been made against the Respondent and the Tribunal again considered the test for dishonesty referred to in the case of Twinsectra Limited v Yardley. The Tribunal was satisfied that a failure to pay the proceeds of sale to the seller who was entitled to them would be regarded as dishonest by the ordinary standards of reasonable and honest people. The Respondent knew that the proceeds of sale should have been paid to the seller and she failed to make such payment. The Tribunal was satisfied that the Respondent knew her conduct was dishonest by those standards and accordingly the Tribunal found allegation 1.5 proved including dishonesty.

55.2 In relation to allegation 1.8, Rule 3.01 of the SCC stated a solicitor must not act if there is conflict of interests subject to certain exceptions set out in Rule 3.02. There was no evidence that this particular transaction fell within those exceptions and accordingly, the Tribunal was satisfied allegation 1.8 was proved.

56. **Allegation 1.6: The Respondent failed to keep accounting records properly written up contrary to Rule 32(1) of the SAR.**

56.1 The FIO had examined the firm's client bank account statements and found that during the period 21 February 2011 to 25 February 2011 funds totalling £1,301,000 had been received into the firm's client account. The bulk of this was distributed to Mr NA and to CS Ltd but the FIO could not locate any client matter file or any documentation identifying the parties involved. Furthermore, six payments were made to Mr NA totalling £837,796 for which no explanation could be found. In the circumstances, the Tribunal was satisfied allegation 1.6 was proved.

57. **Allegation 1.7: Contrary to Rules 1.02, 1.04, 1.06 and/or Rule 5.01(j) of the SCC the Respondent failed to make arrangements for the effective management of the firm as a whole and in particular, financial control of budgets, expenditure and cash flow.**

57.1 During the investigation in May 2011, whilst the Respondent was in Malaysia, having left the UK on 21 April 2011, the FIO identified 8 creditors who between them were owed the sum of £33,271.33. Letters of demand had been sent to the firm and indeed, on two matters, bailiff notices had been issued in respect of the outstanding debts. The FIO was of the view that the Respondent was in serious financial difficulties. It appeared that she had left the country and it was not known when she was unlikely to return. The Tribunal was satisfied in the circumstances that allegation 1.7 was proved.

58. **Allegation 1.9: Contrary to Rules 1.02, 1.06 and/or Rule 5.01(f) and Rule 10.05 of the SCC the Respondent failed to comply with and/or exercise adequate control of undertakings.**

58.1 The Tribunal's attention had been drawn to 3 matters where proceedings had been issued, or contemplated by parties who had been given undertakings by the Respondent in circumstances where the Respondent had failed to comply with those undertakings. The total amount involved was £956,430.00.

58.2 In one particular case, the Tribunal had been referred to an email dated 1 September 2011 from Mr NP in which he had confirmed he had transferred his life savings of £70,000 to the firm's account based on an undertaking from the Respondent upon which he had relied. The undertaking required the Respondent to repay the money together with interest on or before 5 May 2011. The Respondent had failed to make any payment. The Tribunal was satisfied in the circumstances that allegation 1.9 was proved.

59. **Allegation 1.10: Contrary to Rules 1.02, 1.06 and/or Rule 5.01(c) of the SCC the Respondent failed to pay the premium due for indemnity insurance for the indemnity year 2010/2011 to Capita (which manages the Assigned Risks Pool ("ARP") on behalf of the SRA) within the prescribed period for payment or at all, and was in policy default in breach of Rule 16.02 of the Solicitors Indemnity Insurance Rules 2010.**

59.1 The Respondent's firm had entered the ARP in October 2010 and the Respondent had failed to pay the premium due in the sum of £28,350. Accordingly, the Tribunal found allegation 1.10 proved.

60. **Allegation 1.11: Contrary to Rule 20.05 and/or Rule 20.08 of the SCC the Respondent failed to deal with the SRA in an open, prompt and cooperative way.**

60.1 The Tribunal had been referred to a number of letters that had been sent by the SRA to the Respondent dated 12 May 2011, 1 June 2011, 3 June 2011, 28 July 2011, 3 August 2011, 18 August 2011 and 22 August 2011 to which the SRA had either not received any response at all, or had not received an adequate response. Furthermore, the Respondent had failed to provide accounting records or bank statements as requested, she had failed to return to the UK to attend to the closure of her practice as indicated to the FIO and she had failed to reply to numerous text messages sent to her by the FIO during the second investigation in May 2011. In the circumstances, the Tribunal was satisfied allegation 1.11 was proved.

61. **Allegation 1.12: Contrary to Rules 1.02, 1.04, 1.05 and 1.06 of the SCC the Respondent failed to act with integrity and in the best interests of clients. It was alleged the Respondent had acted dishonestly.**

Allegation 1.16: Contrary to Rules 1.02, 1.04, 1.05, 1.06 and/or Rules 1(a) and (c) of the SAR the Respondent failed to keep clients funds safely in a client bank account. It was alleged the Respondent had acted dishonestly.

61.1 The Tribunal had been referred to four particular matters in relation to these allegations which were the matters of Mr GM, Mr GH, EFG (a company), and Mr and Mrs M. In each case the Respondent had received funds either from or on behalf of the client and had failed to pay or utilise those funds as instructed.

61.2 In the matter of Mr GM she had failed to redeem a Charge with a lender from the proceeds of sale, and nor had she paid the funds to Mr GM. Indeed, the funds were withdrawn from her client account on 11 March 2011.

61.3 In the matter of Mr GH completion did not take place as anticipated, however Mr GH's funds of £375,289.69 which had been transferred to the Respondent's client account on 2 April 2011 were not paid back to him and nor were the lender's funds of £596,710.63 returned to them. Instead, payments totalling £867,796.00 were made from the Respondent's client account to NA.

61.4 In the matter of Company A, the balance of completion monies were not paid to the company after the sale of a property took place on 25 March 2011. Finally, in the matter of Mr and Mrs M, the clients had agreed to invest the proceeds from the sale of their property in the sum of £640,587.65 with Mr F for a period of two months, in return for an interest payment and whilst they received the interest payment, the capital was not repaid to them at the end of the two month period or at all.

61.5 The Tribunal was satisfied that in each of these cases the Respondent had failed to act with integrity and in the best interests of clients, and she had failed to keep client funds safe in her client bank account. Allegations of dishonesty had also been made and the Tribunal once again considered the test in Twinsectra Limited v Yardley. The Tribunal was satisfied that failing to pay client funds to the respective clients, or failing to utilise them as instructed by the client, would be regarded as dishonest by the ordinary standards of reasonable and honest people. Furthermore, it was clear from the Respondent's bank statements that the funds belonging to Mr GM and Mr GH had been withdrawn from the client account during March 2011 without the clients' or lender's authority. The Tribunal was satisfied the Respondent knew these funds belonged to clients and the lender and that they should have been repaid to those clients and the lender, but instead she had allowed the funds to be withdrawn and, in the case of Mr GH, paid to a third party, NA, without any authority from those clients. The Tribunal was satisfied the Respondent knew that by those standards her conduct was dishonest. The Tribunal found the Respondent had acted dishonestly in relation to allegations 1.12 and 1.16.

62. **Allegation 1.13: Contrary to Rules 1.02, 1.04 and 1.06 of the SCC the Respondent instructed her assistant, Ms M, to make representations as regards the Respondent's whereabouts which were inaccurate, misleading and untrue. It was alleged the Respondent had acted dishonestly.**

62.1 When the FIO attended the Respondent's office on 12 May 2011 she was not in attendance and the FIO was informed by her assistant, Ms M, that the Respondent had "gone out for lunch" and that "she had an appointment at 1pm that afternoon". Ms M telephoned the Respondent who spoke to the FIO. The Respondent informed the FIO that she was not in the UK but in Malaysia. In a letter dated 8 June 2011 the Respondent stated she had informed her assistant to say that she was out for lunch:

> "so that the clients are not worried about not able [sic] to talk to me about their matters when they attend the office."

62.2 The Tribunal was satisfied that instructing her assistant to state the Respondent was out for lunch and that she had an appointment at 1pm that afternoon, when the Respondent was actually in Malaysia, was making inaccurate, misleading and untrue misrepresentations. An allegation of dishonesty had been made and the Tribunal once again considered the test in Twinsectra Ltd v Yardley. The Tribunal was not satisfied

that making such a statement would be considered as dishonest by the ordinary and reasonable standards of honest people. The statements made by Ms M on the Respondent's instructions were general statements and whilst instructing Ms M to advise clients of this could be regarded as rather foolish, the Tribunal was not satisfied that such conduct would be regarded as dishonest.

63. **Allegation 1.14: Contrary to Rules 1.02, 1.04 and 1.06 of the SCC the Respondent acted in a way which was fraudulent, deceitful or otherwise contrary to her position as a solicitor, in that she created a document dated 20 April 2010 that was false and misleading, and submitted the document to the Land Registry, purporting the document to be genuine. It was alleged the Respondent had acted dishonestly.**

Allegation 1.15: Contrary to Rules 1.02, 1.04, 1.06 and/or Rule 10.01 of the SCC the Respondent took unfair advantage of her former client for her own benefit and/or the benefit of another. It was alleged the Respondent had acted dishonestly.

63.1 The Tribunal had been referred to a number of documents relating to Mr MH who had instructed the Respondent to deal with the purchase of a property in 2008. It subsequently transpired that Mr MH found out in July 2011 that a Charge had been taken out over his property which he had not been aware of, nor had he authorised. Mr MH confirmed in a witness statement dated 14 July 2011 that he had not signed the Charge and that his signature was a forgery. He confirmed he had never seen the Charge until it was provided to him by his solicitors on 12 July 2011.

63.2 The Charge dated 20 April 2010 was registered at the Land Registry on 6 July 2010. The Tribunal had been referred to a report from a handwriting expert, which confirmed there was strong support for the view that Mr MH did not sign the Charge and nor did he sign a number of other related documents. The Tribunal had also been referred to a witness statement dated 8 July 2011 from a solicitor in Kuala Lumpur, Mr TK, in which he confirmed he had met the Respondent at his office in Kuala Lumpur and the Respondent had admitted to him that she had fraudulently charged the property to a lender for a loan amounting to £800,000. The reason the Respondent had given him was that she was under pressure from loan collectors when Mr F, for whom she had given guarantees, did not pay, and she borrowed £800,000 to pay off some of the debt. It was particularly pertinent that a number of documents relating to the Charge had been addressed and sent to the Respondent's home address.

63.3 Allegations of dishonesty had been made and the Tribunal once again considered the test in Twinsectra Ltd v Yardley. The Tribunal was satisfied that obtaining a Charge over a property in the name of the owner of that property, without the knowledge or authorisation of the owner of that property would be regarded as dishonest by the ordinary standards of reasonable and honest people. Mr MH had confirmed he had not signed the Charge and it appeared the Respondent had been in serious financial difficulties and had admitted to Mr TK that she had fraudulently charged the property for a loan to enable her to pay some of Mr F's debts which she had guaranteed. Furthermore a number of related documents referred to were sent to the Respondent's home address. The Tribunal was satisfied the Respondent knew she did not own the property, she knew Mr MH was not aware of the application for the Charge, and that

she fraudulently forged his signature on the Charge document so that he would not be aware that the Charge was being taken out. She deliberately used her own address to conceal her actions from Mr MH. The Tribunal was satisfied the Respondent knew her conduct was dishonest by those standards. The Tribunal found both allegations 1.14 and 1.15 proved including dishonesty.

64. **Allegation 1.17: Contrary to Rules 1.02 and 1.06 of the SCC the Respondent involved herself in a transaction which had the hallmarks of property fraud.**

64.1 The Respondent appeared to have been instructed by an agent, Mr RO on behalf of a purported seller, Mrs OB to deal with the sale of a property. The Respondent was initially instructed to act for the purchaser, who was Mrs OB's son, EOB. However, subsequently the instructions changed and the property was to be sold to Mr JR, and the Respondent was instructed by Mr RO to act for the seller, Mrs OB. The Tribunal's attention had been drawn to a number of discrepancies which should have immediately alerted the Respondent to be vigilant and make further enquiries before proceeding with the transaction, to ensure it was genuine. These included:

- Instructions being received from a third party
- Discrepancies in Mrs OB's date of birth on her driving licence which appeared to place her at a similar age to her son;
- A discrepancy in the spelling of Mrs OB's name on her driving licence and in her signature;
- The purchase price appearing to be significantly less than the value of the property;
- Mr EOB's identification documents containing the same address as the third party, Mr RO, who was providing instructions;
- Payments being made to third party recipients;
- Discrepancies about the length of a purported occupational licence, and whether Mrs OB was living in the property or whether the property was already vacant.

64.2 The Tribunal was satisfied the Respondent had allowed herself to become involved in a transaction that bore the hallmarks of property fraud and accordingly the Tribunal found allegation 1.17 proved.

65. **Allegation 1.18: Contrary to Rules 1.02 and 1.06 of the SCC the Respondent acted in a way which was fraudulent, deceitful or otherwise contrary to her position as a solicitor in that she improperly signed a document purporting the same to have been signed by her former partner, Miss R. It was alleged the Respondent had acted dishonestly.**

65.1 The Tribunal had been referred to a personal guarantee in relation to two finance agreements for the supply of office equipment to the Respondent's practice which was purportedly signed by the Respondent's former business partner, Miss R. Miss R had confirmed in a letter dated 13 May 2011 that she did not sign or provide the guarantee and did not have any knowledge of its existence until relatively recently. She

requested an explanation from the Respondent to which the Respondent replied in a letter dated 23 May 2011:

> "The agreement dated 7 December 2007 between [AF] and Wingate Wong LLP which referred to your signature as guarantor was signed by me…… I apologised [sic] for the anguish that I have caused you."

65.2 The Respondent had therefore admitted in her letter that she had improperly signed a document purporting the same to have been signed by Miss R. An allegation of dishonesty had been made and the Tribunal considered the test set out in Twinsectra Ltd v Yardley. The Tribunal was satisfied that signing a document with the signature of another person without their knowledge or permission would be regarded as dishonest by the ordinary standards of reasonable and honest people. Furthermore, the Tribunal was satisfied that the Respondent, when signing that document in Miss R's name, had concealed the document from Miss R, she knew that the signature was not that of Miss R and that Miss R had no knowledge of it. She had led the finance company to believe Miss R had signed the personal guarantee and was aware of it when she knew Miss R had not signed and did not know about the document. The Respondent therefore knew that her conduct would be regarded as dishonest by those standards. The Tribunal found allegation 1.18 proved including the allegation of dishonesty.

Previous Disciplinary Matters

66. None.

Sanction

67. The Tribunal had considered carefully the documents provided. The Respondent had not engaged with the process and had made no submissions, nor had she provided any mitigation or explanations for her conduct. The Tribunal had found a large number of extremely serious allegations proved, including numerous allegations of dishonesty. The Respondent had given a large number of undertakings which third parties had relied upon when she knew full well that those undertakings could not be fulfilled. Undertakings were the bedrock of the procedure that solicitors use in conveyancing transactions and they formed the basis that solicitors did business daily. It was crucial that a third party must be able to rely on a solicitor's word and the Respondent had clearly exploited this without any thought or regard for the consequences. A number of clients had relied upon the undertakings given by the Respondent and suffered financially as a result, in some cases, losing their life savings. Furthermore, the Respondent had failed to keep client funds safe, she had paid client funds to third parties without the clients' knowledge, she had acted fraudulently on at least two separate occasions, she had failed to keep accounting records properly written up, she had failed to pay her professional indemnity insurance premium putting clients at risk, she had failed to co-operate with the SRA, and she had failed to act in the best interests of her clients and lenders who had suffered considerable financial losses. In one case the Respondent had fraudulently obtained a loan for £800,000.00 and secured a Charge over a client's property without the client's knowledge or consent.

68. The Respondent's conduct had been absolutely disgraceful and this was one of the worst cases the Tribunal had dealt with. Substantial amounts of client funds had gone missing, and the Respondent's conduct collectively demonstrated an abuse of her status as a solicitor and a complete abdication of her duties and responsibilities. The Respondent was not fit to be a solicitor and had caused serious and considerable damage to the reputation of the profession. She was clearly a risk to the public and could not be permitted to continue to be a member of the profession. The Tribunal Ordered the Respondent be struck off the Roll of Solicitors.

Costs

69. The Applicant requested an Order for his costs to be assessed if not agreed. The Respondent's whereabouts were not known and the Applicant accepted the prospect of recovery of costs may be limited. The forensic investigation costs alone amounted to approximately £35,000 and the Tribunal was provided with a Schedule of Costs setting these out. The Applicant requested the Tribunal to make an Order for the Respondent to pay interim costs of £40,000. If the Respondent could be located, the SRA could then enforce the Order for interim costs and consider whether to incur the additional costs of a detailed assessment hearing.

70. The Tribunal had considered the matter of costs and was satisfied that the Respondent should pay the costs incurred. Accordingly, the Tribunal made an Order that the Respondent should pay the Applicant's costs in to be subject to detailed assessment unless agreed between the parties. The Tribunal also Ordered the Respondent to make an interim payment of £40,000 towards costs within 28 days.

71. The Tribunal was mindful of the cases of William Arthur Merrick v The Law Society [2007] EWHC 2997 (Admin) and Frank Emilian D'Souza v The Law Society [2009] EWHC 2193 (Admin) in relation to the Respondent's ability to pay those costs. The Tribunal also had particular regard for the case of SRA v Davis and McGlinchey [2011] EWHC 232 (Admin) in which Mr Justice Mitting had stated:

> "If a solicitor wishes to contend that he is impecunious and cannot meet an order for costs, or that its size should be confined, it will be up to him to put before the Tribunal sufficient information to persuade the Tribunal that he lacks the means to meet an order for costs in the sum at which they would otherwise arrive."

72. Although the Respondent's livelihood had been removed as a result of the Tribunal's Order, as the Respondent had not engaged with the Tribunal at all, the Tribunal did not have any information or evidence of her current income, expenditure, capital or assets. In the absence of these, it was impossible for the Tribunal to take a view of her financial circumstances.

Statement of Full Order

73. The Tribunal Ordered that the Respondent, Yoke Sum Wong, 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 to be subject to a detailed assessment unless agreed

between the parties to include the costs of the Investigation Accountant of the Law Society. The Respondent is to make an interim payment of £40,000 within 28 days.

Dated this 20th day of August 2012
On behalf of the Tribunal

L. N. Gilford
Chairman