SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 Case No. 10958-2012

BETWEEN:

SOLICITORS REGULATION AUTHORITY Applicant

and

IAN ALLISON VICTOR PRATCHETT First Respondent

and

MATTHEW APAU OBENG Second Respondent

and

ARINDUM DAS Third Respondent

Before:

Mr E. Nally (in the chair)
Miss T. Cullen
Mr D. Gilbertson

Date of Hearing: 11th February 2013

Appearances

James Moreton, Solicitor of Field Fisher Waterhouse LLP, 35 Vine Street, London, EC3N 2AA for the Applicant.

The First Respondent did not appear and was not represented but had been in contact with the Tribunal.

The Second Respondent did not appear and was not represented.

The Third Respondent did not appear and was not represented.

JUDGMENT

Allegations

1. The allegations against the Respondents, Ian Allison Victor Pratchett, Matthew Apau Obeng and Arindum Das, on behalf of the Solicitors Regulation Authority were as follows:

In respect of the First Respondent alone:

1.1 that by his actions, he compromised or impaired or acted in a way which was likely to compromise or impair his independence or integrity, contrary to Rules 1.02 and 1.03 of the Solicitors' Code of Conduct 2007 ("the Code");

1.2 that he failed to act in his mortgagee client's best interests, contrary to Rule 1.04 of the Code;

1.3 that he behaved in a way that was likely to diminish the trust the public places in him as a solicitor and in the legal profession, in breach of Rule 1.06 of the Code;

1.4 that he withdrew money from client account other than in accordance with Rule 22 of the Solicitors Account Rules 1998 ("SARs 1998");

1.5 that he failed to remedy breaches of the SARs 1998 promptly upon discovery in breach of Rule 7 of the SARs 1998;

1.6 that he failed to keep books of accounts properly written up for the purposes of Rule 32 of the SARs 1998;

1.7 that he failed to send clients written notification of costs in breach of Rule 19(2) of the SARs 1998;

In respect of the Second Respondent:

1.8 that by his actions, he compromised or impaired or acted in a way which was likely to compromise or impair his integrity, contrary to Rule 1.02 of the Code;

In respect of the Third Respondent:

1.9 that by his actions, he compromised or impaired or acted in a way which was likely to compromise or impair his integrity, contrary to Rule 1.02 of the Code;

1.10 that he failed in his duty to co-operate with the Solicitors Regulation Authority, contrary to Rule 20.05 of the Code.

Documents

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

Applicant:

- Rule 5 Statement dated 19 March 2012 with exhibit
- Photocopy advertisement of proceedings in the Law Society's Gazette dated 13 December 2012
- Notice pursuant to the Civil Evidence Act dated 23 March 2012
- Notice to admit documents dated 23 March 2012
- Weston v The Law Society [1998] Times, 15 July
- Judgment in Weston 1998 WL 1043481
- Levy v Solicitors Regulation Authority [2011] EWHC 740 (Admin)
- Copy of Land Registry office copy entries in respect of the First Respondent's residence
- Schedule of costs dated 11 February 2013

First Respondent:

- Statement by the First Respondent signed but undated
- Statement of Graham John Fothergill dated 31 October 2012 with attachment
- Personal financial statement of the First Respondent dated 8 February 2013
- P60 Certificate for year 2010/2011 in respect of pension
- Building Society Statement for the year to 31 December 2012
- Letter from Cambridgeshire Constabulary to the First Respondent dated 5 January 2012
- Letter from the First Respondent's GP to the First Respondent dated 4 December 2012
- Judgment in case of Davison v Nationwide Building Society [2012] EWCA Civ 1626
- Other documents relating to financial and health matters
- Email exchanges with the Tribunal and Mr Moreton between 5 and 11 February 2013

Second Respondent:

- None

Third Respondent:

- None

Preliminary Matters

3. The First, Second or Third Respondents were not present. The First Respondent had been in contact with the Tribunal and with Mr Moreton and copies of those

communications were before the Tribunal. Mr Moreton informed the Tribunal that the First Respondent had sent considerable documentation to him including medical information and a letter from Cambridgeshire Constabulary to the First Respondent dated 5 January 2012 confirming that the First Respondent was not a suspect in respect of a particular crime reference number. Mr Moreton was not able to shed any light on this as the number did not match up to one which the forensic investigation officer had received and this could be a different matter. Mr Moreton had sent three letters to the First Respondent about matters that he had raised. The First Respondent had asked that a particular authority, the case of Davison v Nationwide Building Society [2012] EWCA Civ 1626 should be placed before the Tribunal. When the First Respondent corresponded with the Tribunal the week before the hearing he had indicated that he might be asking for an adjournment of the substantive hearing on the basis of ill-health. However in an email dated 8 February 2013 to the Tribunal, the First Respondent stated:

> "… I do not think it is in the interest of the [Applicant], if I adjourn the proceedings next week because, I don't think that my health will get any better; moreover, it may well be that it may get worse ..."

In an earlier email to Mr Moreton, the First Respondent included:

> "I trust that you will give fair treatment at the Proceedings next week, as my poor health precludes me from being able to attend and present my defence. I cannot afford to have someone of authority to represent me as I have pointed out, I do not have the means."

4. The First Respondent had been asked to confirm his position by the Tribunal and Mr Moreton submitted that an email received from the First Respondent on the day of the hearing accompanied by a letter from his GP made the position clear; in an email to Mr Moreton dated 11 February 2013, the First Respondent stated:

> "I refer to the above and attach a letter from my GP to be presented at the SDT today.
>
> I do not think it is in anybodies [sic] interest, and saving of any costs to have the hearing postponed and therefore I should be most grateful if it can go ahead without delay."

5. Mr Moreton informed the Tribunal that the First Respondent had received Civil Evidence Act notices and a notice to admit documents dated 23 March 2012.

6. In relation to the Second and Third Respondents, Mr Moreton reminded the Tribunal that enquiry agents had been instructed as the proceedings had been returned to the Tribunal 'undelivered'. Enquiries had been made at their last known and other traced addresses but it had proved impossible to trace either the Second or Third Respondents. On 19 July 2012, the Tribunal had directed that the Application, Rule 5 Statement and any further documents in the proceedings should be served by placing in the Law Society's Gazette an appropriate advertisement, referring to both the Second and Third Respondents which also stated the date of the hearing. An advertisement had been placed as directed by the Tribunal on 13 December 2012.

Neither Mr Moreton nor the Tribunal had heard from the Second or Third Respondents following the advertisement. The Second and Third Respondents had not received notices under the Civil Evidence or to admit documents because they could not be served.

7. The Tribunal was satisfied that the First, Second and Third Respondents had each been served with notice of the hearing in accordance with The Solicitors (Disciplinary Proceedings) Rules 2007 and under Rule 16(2) the Tribunal decided that it would exercise its discretion to hear and determine the application notwithstanding that none of the Respondents had attended in person and were not represented at the hearing.

Factual Background

8. The First Respondent, who was born in 1939, was admitted as a solicitor in 1999. He was not presently practising, but his name remained on the Roll of Solicitors.

9. According to the Applicant's records, at all material times the First Respondent carried on practice on his own account under the style of Pratchetts Solicitors ("the firm") in Peterborough. The firm ceased trading on 30 September 2010.

10. The Second Respondent, who was born in 1953, was admitted as a solicitor in 2001. He did not hold a current practising certificate.

11. The Third Respondent, who was born in 1972, was first registered as a Registered Foreign Lawyer on 1 November 2009. According to the Applicant's records, the Third Respondent was no longer registered as a foreign lawyer and did not hold a current practising certificate.

Investigation and Report

12. On 22 March 2010, Forensic Investigation Officers of the Applicant, Ms Guile and Ms Cutler ("the IO"/"IOs") attended the offices of the firm in order to conduct an inspection of the books of account and other documents. The Forensic Investigation ("FI") Report prepared consequent upon the inspection was dated 20 April 2011.

13. The First Respondent informed the IOs that he had been a sole practitioner since establishing the firm in 2003, but that on 15 February 2010 he had sold the practice to the Second Respondent and since which time, the First Respondent considered his position to be that of an employee.

14. The First Respondent informed the IOs that the Second Respondent was not presently in the office but was expected to attend later in the day and was travelling by train from London.

15. The FI Report described events leading to the departure from the premises of two individuals, James and Fred, said by the First Respondent to be connected to the Second Respondent. The First Respondent expressed the view that James and Fred:

> "must have been listening outside [the office] and now they have gone to talk to [the Second Respondent] at the railway station".

James was described by the First Respondent to be the Second Respondent's right hand man.

16. In the presence of the IOs, the First Respondent contacted a Mr AK, said to be the agent who acted on behalf of the Second Respondent during his purchase of the practice. The First Respondent was heard to say:

> "James and Fred have done a bunk when the SRA came in and have taken their bags with them, probably gone to prime Matthew".

17. Upon being asked about his comments to AK, the First Respondent said that he already had some concerns about the Second Respondent and the sudden attendance of the IOs at the firm had led him to consider the possibility that the purchase arrangement was in fact "a sham". The First Respondent advised that AK intended to attend the office to offer his assistance to the investigation. AK did not arrive and further attempts to contact him were unsuccessful.

18. During the course of 22 March 2010 various unsuccessful attempts were made to contact the Second Respondent, James and Fred.

19. On 23 March 2010, the First Respondent confirmed there had been no response from the Second Respondent, James, Fred, or from a Mr TO who had been brought into the firm by the Second Respondent as the firm's business manager.

20. The First Respondent continued to run the firm until it closed on 30 September 2010.

Allegations 1.3 and 1.9

Sale of practice

21. During his meeting with the IOs, the First Respondent related the history of his introduction to and negotiations with AK regarding the sale of his practice.

22. The First Respondent explained to the IOs that some time in early January 2010, AK was introduced to him by an individual who operated from within the same premises as the firm who told him that AK had walked in off the street and asked if he was interested in selling his financial services business. He was not, but AK asked if he knew whether any of the other businesses in the building might be interested in selling and AK said that he was not sure but he would introduce him the First Respondent. The First Respondent stated that AK had asked him what he was prepared to sell the practice for and that he had replied £20,000. The First Respondent said that he had rejected a counter offer from AK of £15,000.

23. The First Respondent provided the IOs with a copy of an email from AK dated 25 January 2010 setting out how AK's clients intended that matters concerning the sale of the practice were to be administered. The email included (following its spelling and punctuation):

> "1. Agreed price to be paid for the takeover £20,000.00, please note, once the NM1 form goes into the law society and the New partner(s) show on the Law

> society website, then the first payment of £10,000.00 will be made. Following this, you can write to the Law Society and come of as a partner and notify them that you will be an employee only. (An employment contract for 2days a week will soon follow). As soon as you off from the Website, balance payment of £10,000.00 will be made payable."

The email did not provide any information relating to the identity of the proposed purchasers, managers, or partnership members.

24. The First Respondent provided a copy of his reply, dated 28 January 2010, including:

> "…I am content with the proposal made for the purchase of my Firm of Pratchetts Solicitors. Furthermore, as mentioned, it would be appropriate if the name of the Firm is changed immediately to eg 'Something & Co [incorporating Pratchetts Solicitors]', if that is agreeable.
>
> To me, that is the best way forward with one of the new partners taking over the 'Firm' with the Client Account."

25. The First Respondent also provided further email correspondence with AK in the period 29 January 2010 to 4 February 2010.

26. The First Respondent provided the IOs with a copy of the sale agreement attached to an email from AK dated 1 February 2010.

27. The First Respondent recalled that when he asked AK for details of the purchasers, he was informed that the name and address of the buyer would be disclosed in the final version of the sale document.

28. At a time prior to the execution of the sale agreement, AK attended the firm in the company of an individual whom he introduced as the Third Respondent. The First Respondent said that he did not ask the Third Respondent to provide any identification documents because he trusted AK. The First Respondent said that he was shown the Third Respondent's Registration Certificate as a foreign lawyer.

29. The First Respondent said that he, the Third Respondent and AK attended at the firm's bank with the intention of adding the Third Respondent as a signatory to the client bank account. The First Respondent reported the Third Respondent as having been unhappy to learn that the bank's security checks would take three to four weeks and that the bank manager suggested matters might be progressed more quickly if a new client account was opened.

30. By letter dated 7 September 2010, Mr S of NatWest Peterborough, provided the IO with information relating to his meeting with the First Respondent, the Third Respondent and an individual introduced as the Third Respondent's agent. The First Respondent was reported to have informed Mr S that the Third Respondent would be working with him. The First Respondent was said to have asked about adding the Third Respondent as a signatory to his existing sole trader accounts and converting them to partnership accounts. Mr S's response was that the Third Respondent needed

to make an application for a separate business account in his own name. Mr S heard nothing further from the Third Respondent.

31. The First Respondent informed the IOs that he had not seen or heard from the Third Respondent again.

32. On 23 March 2010, an envelope addressed to the Third Respondent found in the firm's morning post, was opened at the request of the IO Ms Guile and found to contain Barclays Bank statements for two bank accounts in the name "Mr Arindam Das Trading as Pratchetts Solicitors". One account was a "Business Current account" which had been opened on 17 February 2010, the other a 'Clients Premium account' which had been opened on 25 February 2010.

33. It was noted that the Clients Premium account recorded:

- Receipt on 11 March 2010, of £191,220 from "Funds Release RB"
- Receipt on 12 March 2010, of £387,970 from "NatWest Home Loa" [sic]
- A debit transfer on 15 March 2010, of £500

Barclays Bank identified these transactions as fraudulent and recalled £578,690. The bank found, however, that £500 had already been transferred from the Clients Premium bank account to the Business Current account.

34. The First Respondent informed the IOs that he had no knowledge of or involvement in the setting up of the two accounts, had no knowledge of the transactions and did not know to which client, if any, the funds related. However, matters arising during the course of the investigation revealed an attempt to use the Barclays Clients Premium Account to receive mortgage advance funds for a client of the firm.

35. On 10 February 2010, the Second Respondent and approximately six others were said to have arrived at the First Respondent's office in order to deal with completion of the sale agreement.

36. The First Respondent provided the IOs with the agreement. He said that he witnessed the Second Respondent's signature to the Sale Agreement. When asked why the document was undated, the First Respondent wrote "10 Feb" at the top of the agreement.

37. The agreement referred to the First Respondent as being of "Pratchett Law" which was not an entity known or recognised by the Applicant, although the First Respondent emailed on 4 February 2101 from an address beginning with those words. The postcode given in the document for the Second Respondent's address did not relate to the address provided.

38. The First Respondent advised that during the course of the completion meeting with the Second Respondent and others, he signed two of the Applicant's forms NM1 (Notification of a new manager) in respect of the Second Respondent and the Third Respondent joining the firm.

39. The First Respondent provided the IOs with a copy of a form NM1 relating to the Second Respondent, but was unable to provide a copy of the form relating to the Third Respondent.

40. The First Respondent indicated that he had seen a letter from the Applicant to the Second Respondent thanking him for recent correspondence and asking for details of the firm's indemnity insurance.

41. The Applicant did not receive forms NM1 for either the Second or Third Respondents in relation to the firm or any correspondence in respect of such changes at the firm. The Applicant had no record of correspondence sent to the Second or Third Respondents in relation to their involvement in the firm.

42. The First Respondent conceded that he had not taken steps to inform the Applicant of the changes to his practice but had left it to Mr TO to do so.

43. The First Respondent admitted that at no stage during the meeting with the Second Respondent had he requested, or been provided with, a practising certificate for the Second Respondent, or identification documents for any party present.

44. The First Respondent provided keys to the Second Respondent and Fred to enable them to access the firm's offices. The firm's headed paper was amended to show the Second Respondent as a partner.

45. The First Respondent informed the IOs that he had received a total of £7,000 in cash from the Second Respondent and a further £3,000 by transfer into his personal account.

46. The First Respondent said that he only became aware on 19 March 2010 that the new 'owners' were using the email address: pratchettssolicitors@gmail.com.

Allegations 1.4, 1.5, 1.6 and 1.7

47. The FI Report referred to bank accounts held at National Westminster bank Peterborough, which the First Respondent alone could operate.

49. It was discovered that the books of account were not in compliance with the SARs 1998 as set out in the FI Report.

Allegations 1.4 and 1.5

Mrs SB - purchase of 58 H Street, Peterborough

50. The firm acted for SB in the purchase of 58 H Street, Peterborough from WR Ltd at a price of £100,000. The firm was also instructed to act for the lender, Abbey National.

51. On 27 November 2009, the client bank account received the sum of £10,000 from the client in respect of deposit monies. Contracts were exchanged that day.

52. On 10 December 2009, the firm's client bank account received £75,215 from Abbey National as the net mortgage advance.

53. The First Respondent informed the IOs that SB's husband, Mr M, had attended the office (it would seem on or prior to 10 December 2009), to inform the First Respondent that he had transferred £14,000 to his wife's account with Britannia. SB was reported to have requested that a transfer be made from that account to the firm on 10 December 2009. M provided the First Respondent with a copy of a passbook receipt showing a balance of £14,001.28 as at 10 December 2009 and a copy of a CHAPS transfer form as evidence.

54. The First Respondent stated that he had not queried the fact that the CHAPS form was incomplete because he had no reason to distrust Mr M.

55. The IO found no evidence that the £14,000 transfer had been made to the firm's bank.

56. The First Respondent admitted to the IOs that he had not made any attempt to confirm that the firm's bank had received the £14,000 transfer from his client, saying that he took it in good faith that the funds were in the account.

57. It was noted that two amounts, £1,000 in cash and £1,000 by cheque, had been credited to the client bank account on 11 December 2009 and recorded on the client ledger account.

58. On 16 December 2009, the First Respondent was notified by NatWest that M had stopped his cheque in the sum of £1,000, indicating the reason for doing so as "Payment Stopped - Theft Reported".

59. On 11 December 2009, the firm transferred the sum of £100,028.75 to the vendor's solicitors as completion monies. There were insufficient funds held on the client ledger and consequently the client ledger account recorded a debit balance of £12,813.75.

60. The First Respondent said that the debit balance on the client ledger account had not been identified until the end of January 2010.

61. The First Respondent informed the IOs that he had received £8,000 from M which was credited to the account on 25 March 2010 which reduced the debit balance to £5,443.75.

62. On 12 April 2010, M provided the First Respondent with a cheque in the sum of £6,000, post-dated to 20 May 2010.

<u>Allegations 1.2, 1.3 and 1.4 (against the First Respondent), allegation 1.8 (against the Second Respondent) and allegation 1.9 (against the Third Respondent)</u>

<u>Mr NR - purchase of 46 D Gardens, Essex</u>

63. The second transaction identified as being a cause of the minimum cash shortage was that of Mr NR and his purchase of 46 D Gardens. The First Respondent was unable to

provide the client matter file or client ledger account relating to this transaction. He informed the IO that the matter had been conducted by the Second Respondent.

64. The First Respondent said that he had been contacted by the Second Respondent who wished to use the First Respondent's client bank account to complete a couple of urgent conveyancing transactions. The First Respondent agreed to the request, informing the IOs that he had not been concerned because he was the sole signatory and only person able to authorise withdrawals from the firm's account.

65. On 17 March 2010, a mortgage advance of £300,220 was received into the client bank account from Halifax.

66. The First Respondent reported that the Second Respondent had asked him to transfer the balance of completion monies in the sum of £375,000. The Second Respondent was said to have informed the First Respondent that his client would credit the client bank account with £88,030. On 18 March 2010, a cheque in the sum of £88,030 was received into the firm's client bank account.

67. On 18 March 2010, the First Respondent completed a CHAPS transfer form using details provided by the requisition form and transferred £375,000 to B & Co.

68. The First Respondent informed the IOs that he had spoken to Mr S at the bank who had confirmed credits to the account of £375,000 and £88,030, but that he was not made aware that the latter sum was a cheque which had to clear.

69. On 22 March 2010, in the presence of the IOs, the First Respondent received a telephone call from the bank advising that the cheque in the sum of £88,030 had been stopped, the result of which was a debit balance of £74,780.

70. The First Respondent made contact with the client, NR, to advise that his cheque had bounced. NR subsequently advised that the only money he had provided to the firm had been £300. He was not aware that his purchase had completed.

71. A Certificate of Title was obtained from the lender, Halifax, together with a copy of the firm's covering letter dated 15 March 2010. The letter advised Halifax of new client account details for the firm. The account details were those of the Barclays Bank Clients Premium account in the name "Mr Arindam Das Trading as Pratchetts Solicitors", the statements for which were delivered to the firm on 23 March 2010.

72. The IO also noted that the Certificate of Title had been manually amended to delete the 'Conveyancers Bank Details' and to insert the Barclays Bank account details of the Third Respondent's account.

73. It was not known why Halifax did not remit the mortgage advance to the Third Respondent's Barclays Bank account.

74. The First Respondent commented that the signature on the Certificate of Title, purporting to be his, had been forged. It was noted that the First Respondent's name had been incorrectly spelt.

75. A copy of the stopped cheque for £88,030 was obtained from the bank. It was noted that the account on which the cheque was drawn was in the name MAS T/A B & Co.

76. The lender subsequently reclaimed the mortgage advance and the firm's bank re-credited the firm's bank account in the sum of £375,000 and £300,200 was returned to Halifax.

Two further fraudulent conveyancing transactions

77. The IOs discovered two further fraudulent conveyancing transactions which had been proceeding prior to their attendance at the firm.

Allegation 1.8 (against the Second Respondent)

Miss LAJ - purchase of 90 A Road, London

78. On 25 March 2010, the firm's bank account received a mortgage advance of £280,215 from Santander. The First Respondent contacted the bank advising that he was unaware of the client matter and the funds were returned.

79. A copy of the Certificate of Title which was dated 17 March 2010 was obtained from Santander. The First Respondent informed the IOs that the signature was not his.

80. It was noted that dates shown on the Certificate of Title were in the period of the Second Respondent's attendance at the firm. The Date of Instructions was recorded as 12 March 2010 and the completion date was 26 March 2010.

81. By letter to the Applicant dated 15 April 2010, CTW, solicitors representing the vendor of 90 A Road, reported the transaction as an attempted fraud.

Allegation 1.8 (against the Second Respondent)

Mr DR - re-mortgage of 11 O Road, Liverpool

82. On 16 March 2010, the firm's bank account received a mortgage advance of £69,475 from Santander. The First Respondent informed the IOs he believed the advance related to a remortgage being dealt with by the Second Respondent.

83. The advance was recalled by Santander and the firm's bank account was debited accordingly.

84. A Certificate of Title dated 17 March 2010 obtained from the lender was seen to bear a signature purporting to be that of the First Respondent. It was noted that dates shown on the Certificate of Title were in the period of the Second Respondent's attendance at the firm. The Date of Instructions was recorded as 11 March 2010 and the completion date was 19 March 2010.

Allegations 1.1 and 1.3 (against the First Respondent)

Transfers of Lord of the Manor Titles

85. The First Respondent provided the IOs with details of his involvement, in about 1999, as in-house lawyer with Mr GF's company MT, an organisation which advertised and sold feudal titles to the public. The business apparently ceased two years later and the First Respondent and GF parted company.

86. In late 2009, GF asked the First Respondent to act for his new company NT.

87. The IO produced a schedule setting out details of 21 transfers of Lord of the Manor titles in the period 27 October 2009 to 2 July 2010, in which the First Respondent had acted. None of the purchasers had been legally represented in their transactions.

88. Although the First Respondent informed the IOs that he had not wanted to get involved with client monies because the clients were GF's, it was noted that the First Respondent had requested cheques and had received monies on account from the purchasers in the first two matters.

89. The First Respondent described to the IO his involvement with the transactions and the usual procedure followed. In his statement, the First Respondent described his involvement and confirmed that all the transactions had followed a similar procedure:

- GF would either post or email the purchaser's details to the First Respondent, enclosing an application form completed by the purchaser and copies of identification documents
- The First Respondent would then write to the client to confirm that the matter had been passed to him from NT for the preparation of legal documents. The letter would enclose a draft Deed of Assignment of the title for the purchaser to sign
- The purchaser would return the signed Deed of Assignment and the First Respondent would then countersign on behalf of NT under a Power of Attorney for PD
- The First Respondent would send the completed Deed of Assignment to the purchaser and enclose a "To Whom it May Concern" letter
- Display documentation would be sent to the purchaser direct from NT
- The First Respondent would account to NT for payment of the firm's fees.

90. The First Respondent confirmed that the following pro-forma documents were utilised in the sale of the titles:

- Private and Confidential Application Form
- Deed of Assignment
- Letter headed 'To Whom it May Concern'

Allegations 1.1 and 1.3 (continued)

The Matter of Mr W McE

91. The IO exemplified details of the matter of Mr W McE's purchase of "Lordship of the Manor of [H] in the County of [W]" for which he paid £2,500.

92. The First Respondent confirmed that the Application Form and Deed of Assignment were pro forma documents drafted and produced by GF.

93. It was noted the Assignment Deed relating to WMcE recorded it having been signed as a Deed:

> "on behalf of [NT] by [the First Respondent] acting under the power of Attorney for the Authorised Signatory [PD] ..."

The IO noted that no Power of Attorney was attached to the document.

94. The First Respondent confirmed that he signed all the Assignment Deeds in which he acted, on behalf of PD as his attorney. The IO noted that as unrepresented lay people, the purchasers may not have known they should ask for a copy of the Power of Attorney or check that the First Respondent had certified such to be valid and enforceable at the date the Assignment Deed was completed.

95. By letter dated 14 January 2010, the First Respondent wrote to WMcE confirming that the file had been passed to him by GF and saying what the firm would do in the transaction.

96. Upon completion of the transaction, on 19 January 2010, the First Respondent wrote to WMcE enclosing the completed Assignment Deed and a letter addressed, "To Whom it May Concern", also dated 19 January 2010, on the firm's headed paper, containing the text:

> "Please make amendments to the above named holder's "Title" or appointed spouse for all future correspondence, deeds, bank cards and official identification as the holder desire is [sic] to exercise their rights of usage of the "Title" as supported by the crown under the laws of England and Wales and the Law of Property Act 1925, in full compliance with the "1925 Honours (Prevention of Abuses) Act"".

97. The First Respondent confirmed that the 'To Whom it May Concern' letter was a standardized letter which he had drafted on the basis of text suggested by GF who had approved the final version.

98. The First Respondent confirmed that issuing the Assignment Deed and providing the 'To Whom it May Concern' letter was the service for which he was paid £400 (including VAT) by his client.

99. The First Respondent confirmed that although he had ceased to act in the matters in January 2010 (due to a failure to agree an increase in his fee), he continued to produce 'To Whom it May Concern' letters for GF for which he was receiving £50 per letter.

100. When asked to explain PD's involvement in these matters, the First Respondent said that he thought PD was GF's father-in-law and might have been a partner or the owner of NT.

101. A telephone call was made by the First Respondent to GF on 25 August 2010 in the presence of the IOs. GF was reported to have confirmed PD to be his business partner. The First Respondent asked GF to provide a copy of the Power of Attorney. The First Respondent had not provided the Applicant with a copy of the Power of Attorney at the date of the filing of the Rule 5 Statement.

Allegations 1.1 and 1.4 (against the First Respondent)

Complaint by Mr SM

102. On 6 August 2010, the IO received a complaint made by Mr SM dated 14 July 2010 to the Legal Complaints Service, regarding the firm.

103. SM complained that the firm had acted in the fraudulent sale of property at 10 E Way, Peterborough and that the firm had acted in bankruptcy proceedings on his behalf, without his knowledge, or instructions.

104. The First Respondent informed the IO that the file had been sent to the Trustee in Bankruptcy and that he had not retained a copy. WCH Solicitors instructed by the Trustee in bankruptcy informed the IO that the file had been returned to the First Respondent's firm on 19 February 2009.

105. In due course, the IO reviewed a copy of the file (provided by WCH Solicitors) together with a copy of the ledger account subsequently provided by the First Respondent.

106. The FI Report set out details of the history of the sale of 10 E Way, in April 2007 to Ms GK and relevant documents. In his complaint statement, SM explained that he purchased the property on 16 December 2004 for £210,000. He stated that he allowed the vendors/previous registered owner Mr SS and his family to continue to reside in the property as tenants after completion had taken place. He also stated that there was no formal tenancy agreement but it was verbally agreed that the tenants SS and his wife Mrs KK would be responsible for the payment of all utility bills including council tax and that the monthly rent to be paid by them would be equivalent to the monthly mortgage repayments due on the property. On 10 April 2007 the firm (the First Respondent) was allegedly instructed to act by the client SM in the sale of the property to the buyer GK. The conveyancing file contained a Power of Attorney dated 13 February 2007 appointing KK to act as SM's attorney in the sale transaction. (KK's first name in the Power of Attorney differed by one letter from that of KK the tenant but accorded with her passport.) SM stated in his complaint that GK was the daughter of the tenant KK. SM became aware in August 2009 that he had been made

bankrupt due to non-payment of council tax on 10 E Way and was also informed that he SM had sold the property

107. The FI Report analysed the documentation held on the copy file and ledger. The Report referred to correspondence provided to the IO by SM's Trustee in Bankruptcy in respect of their communications with the First Respondent's firm concerning the bankruptcy matter. The IO found contradictions and discrepancies in the firm's documentation and correspondence.

Correspondence

The Second Respondent

108. On 7 April 2010, an IO wrote to the Second Respondent at his last known residential addresses and the address shown on the sale agreement for the firm in relation to the investigation. The Second Respondent failed to respond.

The Third Respondent Allegation 1.10

109. On 7 April 2010, an IO wrote to the Third Respondent at his last known residential address in relation to the investigation.

110. The Third Respondent replied by email on 11 April 2010, denying he was an owner of the firm, stating he had only attended the firm on one occasion to complete the interview and had never been given a date to join. He advised that he retained possession of:

> "all original documents including the NM1 form"

and that he had:

> "delivered a registered letter to the Law society [sic] to cancel my registration."

111. The IO replied by email dated 13 April 2010, inviting the Third Respondent to attend a meeting to discuss matters.

112. The Third Respondent replied on 17 April 2010, advising he was unable to attend a meeting because he was travelling. He offered to provide information if requested.

113. By email dated 20 April 2010, the IO wrote to the Third Respondent requesting his answer to questions concerning his involvement with the Second Respondent and the firm. The Third Respondent was asked to provide a copy of the form NM1 to which he had referred in his email of 11 April 2010.

114. The Third Respondent's reply on 25 April 2010 indicated that he would supply all documentation upon his return from travelling. No further correspondence was received.

The First Respondent

115. On 21 April 2011, an IO wrote to the First Respondent enclosing a copy of the FI Report, asking him to provide his explanation of the matters it raised.

116. The First Respondent replied by email dated 1 May 2011 advising of his recent illness and in light of which he requested an extension of time within which to provide a substantive response. The First Respondent wrote to the IO on 31 May 2011 enclosing his comments upon the matters raised in the FI Report.

117. The matters the subject of the Report were considered by an authorised officer of the Applicant on 5 July 2011 when a decision was made to refer the conduct of the First, Second and Third Respondents to the Solicitors Disciplinary Tribunal.

Witness

118**.** Ms Clare Guile, Investigation Officer ("IO") gave evidence. The witness confirmed the accuracy of the Forensic Investigation Report. She had worked for the Applicant since 2007 as an IO and was currently an Investigation Team Manager. She had a postgraduate qualification in forensic accounting. Her account of what the First Respondent had said to her had been disclosed to him and he had been asked for his comments. It had not been thought necessary to conduct a digitally recorded interview. The witness confirmed where handwritten annotations on documents were hers. She had never met the Second or Third Respondents.

Findings of Fact and Law

119. The Applicant was required to prove the allegations beyond reasonable doubt. The Tribunal had due regard to the Respondent's rights to a fair trial and to respect for their private and family life under Articles 6 and 8 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.

(The submissions recorded below include those made orally at the hearing and those in the documents.)

In respect of the First Respondent alone:

120. **Allegation 1.1: that by his actions, he compromised or impaired or acted in a way which was likely to compromise or impair his independence or integrity, contrary to Rules 1.02 and 1.03 of the Solicitors' Code of Conduct 2007 ("the Code");**

120.1 For the Applicant, Mr Moreton relied on the transfers of the Lord of the Manor titles particularly the matter of WMcE, and the complaint by SM.

120.2 Mr Moreton referred the Tribunal to the Rule 5 Statement in respect of the First Respondent's role in transferring Lord the Manor titles. The First Respondent admitted that he had not conducted any due diligence in respect of NT and had instead relied upon his personal knowledge of GF. The First Respondent had received monies in two of the matters, where purchasers had initially sent a cheque to GF's former

solicitors and the First Respondent returned them to the purchasers and asked for cheques to be made payable to his firm. The First Respondent said he understood his client acquired the titles by research of bygone titles to find those which were unused. His client would then register the titles as patents at the Patents Office and advertise them for sale on his company's website. The First Respondent confirmed that he was not involved in researching the titles he dealt with and relied upon his client's assurances that the titles had been carefully researched. The First Respondent said that he was not aware of any legal qualifications held by GF, but that:

> "He has an interest in lots of things. Plus he has [his] own experience of litigation and divorce."

The First Respondent confirmed his involvement in the transactions consisted of sending correspondence to GF's customers and that he:

> "was not involved in Mr [GF's] work anymore than that."

When asked by the IOs what proof he had obtained to confirm that his client had acquired the titles, the First Respondent said that he had checked in the past when he was working as an in-house solicitor for GF, but had not requested any evidence of the status of titles conveyed in any of the matters in which he had acted as the firm. It was noted that purchasers only received the root of title and research material upon conclusion of the transfer and after all monies had been paid to NT, or their solicitors. Accordingly no purchaser had the opportunity to satisfy themselves of the seller's right to convey the title or as to the effectiveness of the conveyance prior to making payment. It was submitted that there was an endorsement of the firm's details on the title page of the Assignment Deed which would ordinarily suggest that the First Respondent/his firm had drafted the document and that he, or his firm, was performing the role of conveyancer. The IO found no evidence to suggest that the First Respondent took steps to correct that impression. The IOs suggested that the First Respondent's client had involved him, as a solicitor, to lend credibility to the transaction and to his client. The First Respondent's attention was drawn to the fact there was little evidence that the feudal titles could be conveyed. The First Respondent responded:

> "but the concept was approved by barrister's opinion".

The First Respondent had said that he was pretty sure that he had seen the counsel's opinion but could not produce it. He had confirmed that he signed all the Assignment Deeds and drafted it on the basis of text provided by GF who had approved the final version. The Power of Attorney under which the First Respondent signed for PD of NT had never been produced. Mr Moreton referred the Tribunal to the case of WMcE as an example of how the transactions were effected. The application form asked for cheques to be payable to the firm. The work which the First Respondent undertook in preparing legal documents for WMcE on behalf of NT could be seen from his letter of 14 January 2010 to WMcE stating:

> "I refer to the above and to the file passed to me from [GF] in which he informs me that you have purchased the Lordship of the Manor of [H] in the county of [W] for £2,500.00 inclusive of VAT at 15%.

> My job is to prepare the legal documents for you on behalf of [NT], and to that end I enclose herewith the draft Assignment of the said Title for your approval and if you approve the document kindly sign it where your name appears and have your signature witnessed by an independent person NOT related to you.
>
> Thereafter, kindly return the Assignment to me whence I will certify it and return it to you with the "To Whom it may Concern" letter for your use ..."

In respect of the "To Whom it May Concern" letter dated 19 January 2010, the First Respondent had been asked what the references to "the laws of England and Wales" meant and he said he was unsure. The First Respondent was unable to explain the meaning of the phrase "full compliance with the 1925 Honours (Prevention of Abuses) Act" but commented that it would not take him long to go to the library and get a copy of the Act. When asked why he had not already obtained a copy, the First Respondent replied:

> "I am too busy, I am a sole practitioner, I'm not liable [GF] would be."

120.3 In respect of the complaint by Mr SM, in summary and in light of the differing accounts relating to issues concerning SM, the IO restricted her findings to the fact that there was no evidence on file:

- of any written agreement from the alleged client SM authorising the firm to remit the deposit and proceeds of sale to a third party;
- to show that the First Respondent obtained documentation from SM in accordance with the Money Laundering Regulations 2003;
- to show that the First Respondent queried the fact there was no signature to witness SM's alleged signature to the Power of Attorney, or in respect of the date of that document;
- to suggest that the First Respondent had raised any concerns with his alleged client as to whether any relationship existed between KK, the attorney, and GK, the purchaser.

The allegation was put not on the basis of who was right and wrong in terms of complaints but of the shortcomings set out in the FI Report and the Rule 5 Statement.

120.4 The First Respondent denied allegation 1.1. In respect of the transfers of the Lord of Manor titles, in his statement he said that he had knowledge of counsel's opinion relating to the assignment of the titles and referred to a statement by GF whom he referred to as the client and said that GF had received the advice and that he the First Respondent had adopted it as the basis of transferring the titles to the purchasers. In his statement GF said (following his punctuation) that the First Respondent:

> "even urged me to take Counsel's Opinion on the question of the sale of my titles. Which I did, and can state that Counsel found everything Legal & proper in the sale of titles. [The First Respondent] was present all my meetings with Counsel, which can be verified by Counsel"

GF gave counsel's name. The First Respondent stated that GF obtained counsel's advice because of the potential breaches that could occur pursuant to the Honours (Prevention of Abuses) Act 1925. He stated that GF always gave due diligence to the identity of all his purchasers by obtaining copies of their passport, and the address of their abode and advised them to obtain their own legal advice on the matter. In respect of the Power of Attorney under which the First Respondent signed the Assignment Deed, GF explained in his statement that the First Respondent had asked him if he had a copy of it and GF had offered to email or fax it to him but had mislaid the documents. He had fallen out with his father-in-law PD who lived abroad and it had not been provided. He stated that he thought the First Respondent's secretary had copied the Power of Attorney when he first visited the First Respondent at his offices.

120.5 As to the complaint by SM, in his statement the First Respondent said:

> "I have to accept that this was a transaction that was conducted by the Practice while I was Principal. At that time I employed a solicitor's clerk, [Mr RS].
>
> It was obviously my responsibility to monitor this file. I can only recall one attendance with the clients. They were not able to speak English, or, at least, [RS] and the client spoke fluent Punjabi. As a result of this, I allowed him to conduct the work. Furthermore, being of the same faith they insisted that if we wanted the work it had to be done by [RS]. I therefore have to accept the responsibility and the conclusions set out in [the Rule 5 Statement]. In mitigation, and to my knowledge, this matter has now been placed with the Cambridgeshire Police for a formal investigation."

The conclusions which the First Respondent accepted, were that there were contradictions and discrepancies in the firm's documentation and correspondence and the summary by the IO set out above in Mr Moreton's submissions.

120.6 The Tribunal considered the evidence, including the oral evidence of the IO, Mr Moreton's submissions and the witness statement of the First Respondent. In respect of the First Respondent's work concerning the transfer of Lord of the Manor titles, it had been alleged that the First Respondent had not carried out due diligence in respect of the entity NT and had relied on his personal knowledge of GF. The First Respondent had known GF for some considerable time and had worked as an in-house lawyer for an earlier company of GF's, undertaking a similar business in respect of which GF had provided a statement including a criminal records check, which was clear. The Tribunal could not know from the evidence presented whether the scheme involved was genuine or not. No evidence had been brought to the Tribunal challenging the legality of the business or even suggesting that there was sharp practice involved. There had been no mention of any complaints from purchasers of the titles. The Tribunal did not consider that in the circumstances of these transactions there was any obligation upon the First Respondent to ensure that the purchasers were independently represented or to check the ownership of the titles. He said that he had relied on his client GF's assurances that the titles had been carefully researched and that Counsel's opinion had been obtained, however, the Tribunal were not given sight of such opinion. The Tribunal considered that in respect of the transfer of Lord of the Manor titles, allegation 1.1 had not been proved to the required standard.

120.7 In respect of the complaint of SM, the Tribunal considered the summary presented by the IO which the First Respondent had accepted in his statement. The Tribunal was satisfied that by his conduct, the First Respondent had compromised or impaired or acted in a way which was likely to compromise or impair his independence or integrity and the Tribunal found allegation 1.1 was proved in respect of the complaint by SM.

121. **Allegation 1.2: that he failed to act in his mortgagee client's best interests, contrary to Rule 1.04 of the Code;**

121.1 Mr Moreton relied on the purchase for NR of 46 D Gardens. In respect of the transactions for NR, it was submitted that the First Respondent failed to take account of the guidance set out in warning cards in relation to mortgage fraud; property fraud; money laundering; published from time to time by The Law Society and the Applicant. By failing to take account of the guidance set out in the Law Society 'Green card' warning on property fraud, the First Respondent was grossly reckless as to his duties and responsibilities as a solicitor. Mr Moreton also pointed out in respect of the transaction for NR and the stopped cheque for £88,030 drawn in the name of MAS T/A B & Co, it appeared that the First Respondent had attempted to transfer purchase monies to an account associated with the purchaser in a name provided by the Second Respondent. The First Respondent had made no enquiries as to whom he was transferring the monies and the lender subsequently reclaimed the mortgage advance in excess of £300,000. It was not suggested that the First Respondent was involved in the transactions other than as an alleged and his evidence was that he had not signed or completed the Certificate of Title. The Applicant took no position on the signatures; no forensic analysis of the handwriting had been carried out.

121.2 The First Respondent denied allegation 1.2. In his statement, the First Respondent said that he had no knowledge of the transaction for NR. It was conducted by the Second Respondent. He said that his only involvement was:

> "concerning the credits and monies from the Halifax in the sum of £300,000 and a cheque in the sum of £88,030 from the buyer's solicitor into my Client Account. The Mortgage Advance had been sent by Halifax to [the firm] in error. The monies should have been credited to the new Principal's Barclays Bank account. During my trading as Principal I was on the Halifax list of approved solicitors. I can only assume from the evidence sent to [the Applicant] by Halifax (see the Certificate of Title) that the monies ought to have been sent into the Barclays Bank account, and not my client account.
>
> However, it did show that [the Third Respondent] was actively trading with [the Second Respondent] at the relevant time. [The Second Respondent] was the solicitor having control of this file, and other files that were removed on the arrival, or before, of the [IOs]."

The First Respondent said that he had no comment on the two further fraudulent conveyancing transactions referred to in the Rule 5 Statement. They were not under his control. He had no details of the transactions and they were being conducted by the Second and Third Respondents.

121.3 The Tribunal considered the evidence, including oral evidence of the IO, Mr Moreton submissions and the witness statement of the First Respondent. In respect of the transaction for NR, the First Respondent had not carried out the basic checks regarding the clearance of the cheque for £88,030 or the destination of the CHAPS transfer of £375,000 to B & Co. As set out in the FI Report it transpired that the cheque which was said to have been provided by NR and which had been stopped, was in fact drawn by MAS T/A B & Co to whom the CHAPS transfer for £375,000 was sent. Once the First Respondent had agreed to the request that his client account should be used for conveyancing transactions, he had a high level of duty to ensure that the administration of the process was scrupulously checked and he failed in that duty. He alleged that the Certificate of Title had been generated fraudulently. This could not be proved and the Tribunal did not regard it as determinative. The Tribunal did not have to consider whether or not the First Respondent was a victim in this matter; by his conduct he had opened the door to what happened. The Tribunal had considered the Davison case but found that the facts concerning the First Respondent's conduct were quite different from those in Davison. The Tribunal agreed with the submissions for the Applicant that by failing to take account of the guidance set out in the Law Society's Green card warning on property fraud, the First Respondent was grossly reckless as to his duties and responsibilities as a solicitor. It also agreed that he had failed to take account of the guidance set out in the warning cards in relation to: mortgage fraud, property fraud and money laundering published from time to time by the Law Society and the Applicant. The Tribunal found allegation 1.2 proved.

122. **Allegation 1.3: that he behaved in a way that was likely to diminish the trust the public places in him as a solicitor and in the legal profession, in breach of Rule 1.06 of the Code;**

122.1 Mr Moreton relied on the circumstances of the sale of the practice, the purchase for NR of 46 D Gardens, the transfers of the Lord of the Manor titles and the complaint by SM.

122.2 Mr Moreton made the following submissions in respect of the sale of the firm:

122.3 The sale of the practice was all timed around the NM1 forms, as the email of 25 January 2010 from AK showed. The First Respondent had little regard for the purchaser's identification whereas AK asked for a copy of the First Respondent's identification. AK included reference in the email to the issue of a new lease and obtaining from the First Respondent a copy of the indemnity insurance and confirmation that payment of £8,500 had been made under it. On 28 January 2010, the First Respondent emailed AK confirming that he was content with the proposal for the purchase of his firm and proposing how the name would be changed. AK replied on 29 January detailing the timing (following the spelling and punctuation used):

> "My understanding of the whole situation is one Solicitor will be added on to Pratchetts solicitors. As soon as he is shown on Law Society website, u will come off and another solicitor will be added. At this point name change will be requested and put into place, u have to bare in mind this isn't an incorporation that is taking place at an acquisition of your firm. (Goodwill)."

On 1 February 2010, AK sent the purchase agreement to the First Respondent and expressed the hope that they could move forward the following day. On 4 February 2010, the First Respondent emailed:

> "I have had a word with the Landlord who is amicable to dropping the rent by £1,000.00 per year to £14,000; therefore I now look forward to hearing from you and can you please confirm that the Lease of the whole ground floor of the premises… is included in the minds of your clients?"

Mr Moreton submitted that the First Respondent was keen to see the lease paid for. AK replied later that day including:

> "I was hoping for you to set up a meeting with the bank next week as well as get the nm1 [sic] form ready. I have asked my clients to get the first instalement[sic] payment of £10,000 ready, and a draft or a chaps transfer be required..."

The description of assets in the draft agreement which included at paragraph 2.2.2:

> "Control of the Office and Client bank accounts which are in operation currently with National Westminister [sic] Bank plc"

In paragraph 3 "Consideration", the timetable for payment stages was set out:

> "First when the actual and NM1 forms are completed and sent to the Law Society, the Second when the Sellers name is of the Law Society records website."

Under the heading "Completion" there was a provision that the seller should place the buyer in effective possession and control of the business and assets and should deliver to the buyer:

> "…all the Assets which are capable of transfer mainly being the Business Bank Accounts."

This version of the sale agreement had schedules which were blank. There was another copy which was completed which the First Respondent had provided. It was missing the fourth page. The IOs had described how the date "10 Feb" was added in their presence. The second signature on the final page, that for the buyer appeared to be that of the First Respondent. The rubber stamp at the bottom of the copy was unreadable.

122.4 There were certain curiosities about the form NM1; the copy before the Tribunal was provided by the First Respondent to the IOs. The Second Respondent was shown as becoming manager of the firm on 12 February 2010. His practising address was that of the firm. In answer to the question whether the manager was a solicitor, registered European lawyer, or registered foreign lawyer, the box "No" had been ticked even though the Second Respondent was a solicitor. The section in respect of an exempt European lawyer had been completed showing that the new manager would be based entirely at an office or offices outside England and Wales and that he was a lawyer in

England and Wales. The new manager/Second Respondent was described as a solicitor qualified on 17 September 2001 and the form indicated that the firm had obtained written confirmation from the approved regulator that the manager was authorised by the regulator, entitled to practice and not subject to a condition or other restriction which would preclude them from becoming a manager. The First Respondent did not have a form NM1 for the Third Respondent but it could be seen from the Rule 5 Statement and FI Report that the First Respondent had seen one and had left it to third parties associated with the Second and Third Respondents to carry out the formalities of the sale. The Applicant had no record of receiving forms for the Second or Third Respondents or any indication that there was the sale of the firm.

122.5 The FI Report recorded that AK attended the firm prior to the signing of the sale agreement on 10 February 2010 and introduced the First Respondent to "Mr Das". AK told the First Respondent that Mr Das would be one of the partners in the firm and that he was a Registered Foreign Lawyer. The letter dated 7 September 2010 from Mr S at NatWest Peterborough included:

> "A meeting was scheduled on 9 February 2010 at 1.00p.m. with [the First Respondent] at Peterborough branch. Two gentlemen accompanied him and he introduced them as a Mr Das and another gentleman, whose name I was not given. I was the sole bank employee at the meeting and no other parties were present. [The First Respondent] advised me that Mr Das was to be working with him. The other gentleman was described as Mr Das's agent. The meeting was very brief and no documentation or identification was provided during the meeting. From my recollection of the meeting [the First Respondent] asked about adding Mr Das as a signatory to his existing sole trader accounts and converting them to partnership accounts. I said Mr Das needed to consider making a separate application for a business account in his own name. [The First Respondent] spoke for Mr Das and indicated that he would return to us if he wanted to take this forward. There has been no contact from Mr Das since."

Mr Moreton submitted that this account agreed to some extent with the First Respondent's account of the meeting given to the IOs. The letter went on to describe the financial transactions through the bank in respect of NR's purchase of 46 D Gardens.

122.6 Mr Moreton referred to a bank statement for the period 25 February to 16 March 2010 in the name "Mr Arindam Das Trading as Pratchetts Solicitors". The First Respondent stated that he had no knowledge or involvement in the setting up of these two accounts. The transactions on the Clients Premium Account statements showed that on 11 and 12 March 2010, two amounts totalling £579,190 had been received and that on 15 March 2010, £578,690 had been recalled that was the former amount save for £500 which had already been transferred from that account. The statement for the Business Current Account recorded receipt of £500 on 15 March 2010 from the Clients Premium Account. These accounts were based in Leicester. Mr Moreton submitted that these bank statements detailed funds that the banks said was fraudulent and therefore returned.

122.7 Mr Moreton reminded the Tribunal that the First Respondent confirmed to the IOs that he not taken steps to inform the Applicant of the sale of the firm, had not

requested sight of the Second Respondent's practising certificate or identification of any party present at his meeting with the Second Respondent on 10 February 2010. He did nothing to ensure that the parties taking over the firm were entitled to do so. No enquiries were made to ensure that it was proper to hand over a valuable asset, the bank accounts. He had provided keys to the premises to the Second Respondent and Fred to give them access to the firm's offices. The firm's headed paper had been amended to show the Second Respondent as the Principal but it seemed that headed notepaper with the First Respondent's name was used for conveyancing transactions. He became aware that the Second and Third Respondents were using a different email address to him. Mr Moreton submitted that the First Respondent did not have client files and could provide little information to the IOs. Mr Moreton submitted that the First Respondent's conclusion expressed to the IOs that he had been led by their visit to consider the possibility that the purchase arrangement for the firm was a sham, was quite a rapid conclusion to come to in the circumstances. Mr Moreton submitted that allegation 1.3 was made out in respect of the sale of the firm.

(For submissions for the Applicant in respect of Lord of the Manor Titles, the transaction for NR and the complaint by SM see allegation 1.1 above.)

122.8 The First Respondent stated in his witness statement that on 22 March 2010 at the time of the investigation he did not consider himself to be the principal of the firm but was purely employed as a consultant in the new practice acquired by the Second and Third Respondents. He accepted the IOs' account of the disappearance of Fred and James from the practice on the occasion of the IOs' visit and said that he began to question the motives of the purchasers at that point but had not previously been put on any form of enquiry to suggest that the transaction relating to the sale was other than genuine. He agreed that a meeting had been arranged with NatWest bank with the Third Respondent in order to open a new client account:

> "for their purposes and to transfer client funds into the names of the new principals… [The Second Respondent] was not present, but his business agent [AK] was."

The First Respondent said in his statement that he had left the two new principals to apply to open a business account as the bank requested and that as soon as details would have been released to him he would have effected the transfer of the client account into their names. He stated that he was totally unaware of the Barclays bank accounts opened by the Third Respondent and said:

> "I find it interesting to note, however that the accounts have [sic] been opened on 17 February, two days after the signing of the contract for sale. I would have expected that the two new principals would have insisted that client's funds from my account as Pratchetts Solicitors should then be transferred into their name.
>
> Any such transfer would have been subject to a final audit by my Accountants in order to ascertain that the client funds that I held were correct against client's ledgers. Also, subject to the client's consent, a letter would have been sent by my practice to confirm the acquisition by the new principals and seek authority for the client funds to be transferred into their names."

122.9 It was the First Respondent's position that during his absence in hospital from 8 March 2010 for an operation:

> "the mischief perpetrated by the second and third respondents occurred to the detriment of the Profession in general and clients in particular… I had no knowledge of their activities as I was either in hospital or at home recuperating from my operation."

In an email to Mr Moreton, the First Respondent stated:

> "With regard to the Court of Appeal judgment in the case of Davison's solicitors, respectfully I wish to point out the similarity in the subject matter insomuch that monies were sent to a bogus third party solicitors; however, the C of A held that Davisons acted with honesty and with due diligence and were not guilty of the fraud that was perpetrated by the third party. In my case, even the police have stated in writing, a copy of which you should be in possession thereof, that I was not implicated in the fraud that took place. Furthermore my understanding is that the C of A dismissed the SRA's input to the hearing that Davison's were at fault."

The First Respondent took the view that to all intents and purposes the management of the practice was in the hands of the Second and Third Respondents and that:

> "I had no knowledge of their activities, as I was either in hospital or at home recuperating from my operation."

In respect of the NM1 forms, the First Respondent said that he completed all the necessary forms reporting the change of management and the signed document was handed to AK who had participated in and handled all the arrangements for the sale. He accepted that (omitting the numbering of the statement):

> "In hindsight, the Second and Third Respondents were parties to an elaborate fraud to gain control of a practice for their own benefit.
>
> I believe that I acted quite properly in trying to protect the reputation of solicitors and to protect client's interests. Further, as soon as this conspiracy came to light, I notified the police for an investigation to commence."

122.10 The Tribunal considered the evidence, including the oral evidence of the IO, Mr Moreton's submissions and the witness statement of the First Respondent. In respect of Lord of the Manor titles, the Tribunal determined that the same considerations applied as in respect of allegation 1.1 and that the required standard of proof had not been met and that in this respect allegation 1.3 was not proved.

122.11 In respect of the sale of the practice, the Tribunal found that the First Respondent had conducted the sale in such a slipshod way as to constitute reckless disregard for the regulatory requirements. The Applicant was completely unaware that the practice had been sold. The First Respondent had welcomed the Second and Third Respondents into the office, handed over the keys and as a result business was conducted in ways which were dubious in the extreme. The First Respondent had carried out no proper

checks about the Second and Third Respondents, no due diligence and did not exercise proper oversight of the use of the firm's stationery. He had been prepared to take to the bank two people whom he had just met and hand over his client account to them. The Tribunal was satisfied that this reckless conduct was such as to be likely to diminish the trust the public placed in him as a solicitor and in the profession and that allegation 1.3 was proved in respect of the sale of the practice.

122.12 The evidence which had led the Tribunal to find allegation 1.1 proved in of respect the transaction for NR and the complaint of SM also satisfied the Tribunal that the public trust was likely to be diminished and allegation 1.3 was found proved in respect of those matters also against the First Respondent.

122.13 Consequent upon its finding that allegation 1.1 was not proved in respect of the transfers of Lord of Manor titles, the Tribunal also found that in this respect allegation 1.3 was not proved.

123. **Allegations 1.4, 1.5, 1.6 and 1.7 breaches of the SARs 1998**

123.1 In respect of the SARs 1998 breaches (allegations 1.4, 1.5, 1.6 and 1.7), Mr Moreton reminded the Tribunal that the First Respondent alone could operate the firm's bank accounts at NatWest. Mr Moreton referred the Tribunal to the Rule 5 Statement and the facts recorded in the FI Report setting out how the books of account were not in compliance with the SARs. In summary Mr Moreton asked the Tribunal to have regard to the case of Weston v The Law Society [1998] Times, 15 July which set out the heavy duty upon solicitors to comply with the SARs. He also referred the Tribunal to the case of Levy v Solicitors Regulation Authority [2011] EWHC 740 (Admin) in which the Court had supported Weston.

123.2 Allegations 1.4, 1.5, 1.6 and 1.7 were all denied by the First Respondent in his statement, save as set out below.

123.3 In respect of the allegations relating to breaches of the SARs 1998 the Tribunal considered the evidence, including the oral evidence of the IO, Mr Moreton's submissions and the witness statement of the First Respondent.

124. **Allegation 1.4: that he withdrew money from client account other than in accordance with Rule 22 of the Solicitors Account Rules 1998 ("the 1998 Rules");**

124.1 In respect of allegation 1.4, Mr Moreton relied on the First Respondent's conduct in respect of the accounts including the round sum transfer of £1,000 from client to office account on 25 January 2010 which he admitted and the minimum cash shortage of £80,223.75 which existed as at 31 March 2010 in respect of the conveyancing files for SB and NR where in both cases the balance purchase monies have been debited from the client's ledger account when insufficient funds were held to meet the payment. The First Respondent advised the IOs that the transfer of £1,000 had been in respect of profit costs on particular matters. He was unable to recall exact details and could not provide a bill or any notification of costs. It was noted that the First Respondent withdrew £1,000 as drawings from office bank account, on 25 January 2010. Mr Moreton submitted that the transaction for SB had taken place before the Second and Third Respondents became involved in the firm. The CHAPS transfer

form, a copy of which was provided by SB's husband M as evidence of a transfer of £14,000 to her account was incomplete, being signed but not having any verification by a bank employee and no authorisation by the bank of receipt. It was accepted by the First Respondent as evidence that money would be transferred for completion. He did not query it as he said he had no reason to distrust M. The matter for NR had been conducted by the Second Respondent who the First Respondent said wished to use the firm's NatWest bank accounts to complete a couple of urgent conveyancing transactions. It might be that this was because monies had been recouped by the bank on 15 March 2010 from the Third Respondent's account at Barclays on grounds of fraud. Mr Moreton took the Tribunal through the facts of the NR transaction. The headed notepaper of the firm showing the First Respondent as the principal had been used to send the completed Certificate of Title to the Halifax and to provide the Halifax with the Third Respondent's Barclays Bank Client Premium account details. Those details had been completed in handwriting on the Certificate of Title and Request for Mortgage Funds form and the firm's/First Respondent's NatWest details crossed out. The First Respondent's name was misspelt on the Certificate and he denied that he had completed it or that it was his signature. In the event the Halifax did not use the handwritten details. In respect of the complaint by SM, there was no evidence on file of any written agreement from the alleged client authorising the firm to remit the deposit and proceeds of sale to a third party.

124.2 The First Respondent admitted allegations 1.4 and 1.5 in respect of the round sum transfer of £1,000 made on 25 January 2010:

> "Paragraph 48 is accepted. I overlooked the issuing of an invoice but, when this was discovered, I immediately replaced the £1000 until authorised by the client to transfer the funds held for costs."

By reference to the paragraphs in the Rule 5 Statement referring to allegations 1.4 and 1.5, the First Respondent said in respect of the transaction for SB, that the paragraphs were accepted as factually correct. He continued:

> "The error had been discovered by my accountant on the reconciliation of the client account in January 2010. Monies were subsequently received from the client and by 30 April 2010 the deficit had been rectified."

124.3 The Tribunal noted that the First Respondent had admitted the breach of Rule 22 of the SARs 1998 in respect of the round sum transfer of £1,000 from client to office bank account and the Tribunal found that it was also proved on the evidence. In respect of the transaction for SB, the First Respondent had worked on the basis of a not fully completed CHAPS transfer form and as a result had breached Rule 22 creating a debit balance on client account of £12,813.75. In the case of NR, he had been in breach in respect of the stopped cheque for £88,030. In the case of SM the Tribunal found as a fact that there was no evidence on file of any written agreement from the alleged client authorising the firm to remit the deposit and process a sale to a third party. On the basis of the evidence and the First Respondent's partial admission, the Tribunal found allegation 1.4 proved.

125. **Allegation 1.5: that he failed to remedy breaches of the SARs 1998 promptly upon discovery in breach of Rule 7 of the SARs 1998;**

125.1 For the Applicant, in respect of allegation 1.5, Mr Moreton relied on the fact that the books of accounts were not in compliance with the SARs 1998 as set out in the FI Report, the fact of the minimum cash shortage of £80,223.75 which existed as at 31 March 2010 in respect of the conveyancing files for SB and NR where in both cases the balance of the purchase monies had been debited from the client's ledger account when insufficient funds were held to meet the payment. In respect of the transaction for SB, where there was a debit balance of £5,443.75, it was submitted that the First Respondent accepted that it was his duty to rectify breaches promptly and, given the history of the transaction arranged, for £5,000 to be transferred from his personal savings. Such payment was made on 16 April 2010, resulting in a debit balance on client account of £443.75.

125.2 For the First Respondent‘s submissions, see allegation 1.4 above.

125.3 The Tribunal noted that the IO had found a minimum cash shortage in respect of the files of SB and NR totalling £80,223.75 as at 31 March 2010, made up of £5,443.75 on SB's file and £74,780 on NR’s file. There was also the round sum transfer of £1,000 on 25 January 2010 from client to office bank account, which the Respondent admitted. The Tribunal noted in respect of the debit balance for SB this was partially rectified on 16 April 2010 by transfer of £5,000 from the First Respondent's personal savings account to the client bank account. On 12 April 2010, he informed the IO that he intended to transfer the outstanding amount of £443.75 from the office to client bank account however as at the date of the FI Report no evidence had been provided to show that the transfer was made. In respect of the debit balance for NR, the firm's bank recredited the firm's client bank accounts the sum of £375,000 rectifying the debit balance. On the basis of the evidence and the First Respondent’s partial admission, the Tribunal found allegation 1.5 proved.

126. Allegation 1.6: that he failed to keep books of accounts properly written up for the purposes of Rule 32 of the SARs 1998;

126.1 For the Applicant, Mr Moreton reminded the Tribunal that the IOs found, inter alia, that the firm did not prepare and maintain a listing of all balances shown by client ledger accounts of the liabilities to clients at the prescribed periods. Consequently the firm’s monthly reconciliation statement did not include a three way comparison of the client cash account with balances shown on the client bank account statements, compared with the total balance of the client ledger account liabilities. It was not possible for the IOs to determine the total balance of the client ledger accounts for to have done so would have required inspecting each file to obtain individual ledgers. The IO did not consider it practicable to attempt to calculate the firm’s total liabilities to its clients at 28 February 2010. She was therefore unable to give an opinion as to whether the funds held on client bank account were sufficient to meet liabilities to clients at 28 February 2010.

126.2 The First Respondent, referring to the allegation that his books of account were not in compliance with the SARs 1998 and that his monthly reconciliation statements were defective and therefore the IOs could not determine the total balance of the client

ledger accounts because to have done so would have required inspecting each file to obtain individual ledgers, stated that he could not accept the submissions of the IO or those in the Rule 5 Statement. He continued:

> "The Tribunal should be aware that Ms [NK] from the Applicant has been instructed from 2009 to regularly attend my offices and to check client accounts records with Applicant's accountant present. At no time did she suggest that the records being kept by my firm were not in compliance with the [SARs 1998].
>
> I find it peculiar that the standards found acceptable by Ms [NK] on behalf of the Applicant are now found to be sadly lacking by the inspection of Clare Guile.
>
> At all times, the monthly reconciliation required by the [SARs 1998] was being completed by my accountant. Ledgers were kept on each file where client's monies were involved. This could be reconciled with the bank account. My accountants found that there were no errors.
>
> I also find it impossible to accept that the [IOs] could not carry out an adequate check on or shortly after 28th of February 2010 as set out in paragraph 47 [of the Rule 5 Statement], because I only had some 12 to 15 active files."

126.3 The Tribunal found based on the evidence and the identified breaches of the SARs 1998, that allegation 1.6 was proved.

127. Allegation 1.7: that he failed to send clients written notification of costs in breach of Rule 19(2) of the SARs 1998;

127.1 For the Applicant, Mr Moreton submitted that the First Respondent could not provide a bill or any notification of costs in respect of the transfer of £1,000.

127.2 Although the First Respondent indicated in his statement in respect of allegation 1.7, that he denied it, he then appeared to admit it in his statement about overlooking the invoice for the round sum transfer of £1,000 as set out concerning 1.4 and 1.5 above.

127.3 The Tribunal noted that the First Respondent stated that the round sum transfer of £1,000 which he had made from client to office bank account on 25 January 2010 was a transfer of profit costs in respect of Lord of the Manor title matters. However he could not recall the exact details and was unable to provide a bill or any written notification of costs. The Tribunal found based on the evidence and the First Respondent's own admission that allegation 1.7 was proved.

<u>In respect of the Second Respondent</u>:

128. Allegation 1.8: that by his actions, he compromised or impaired or acted in a way which was likely to compromise or impair his integrity, contrary to Rule 1.02 of the Code;

128.1 For the Applicant, Mr Moreton relied on the sale of the firm and the purchase for NR of 46 D Gardens, the purchase for LAJ of 90 A Road and the remortgage for DR of 11 O Road Liverpool. It was suggested in the FI Report that the transactions involving 90 A Road and 11 O Road were unsuccessful due to the arrival of the IOs and it was their presence that caused the Second Respondent and his associates to refrain from returning to the firm and they were therefore unable to complete the transactions.

128.2 The Second Respondent had not engaged with these proceedings and there were no submissions on his behalf.

128.3 The Tribunal considered the evidence including the oral evidence of the IO and the submissions for the Applicant. The Tribunal found the facts proved as set out in the Rule 5 Statement and the FI Report in respect of the purchase of 46 D Gardens for NR, the abortive purchase of 90 A Road for LAJ which was reported as attempted fraud by the vendor's solicitors and the remortgage for DR of 11 O Road. The Tribunal also found as a fact on the evidence that the Second Respondent had conduct of these transactions. The Tribunal noted the coincidence of the First Respondent's absence from the office from 8 March 2010 for a period during which time the movement of money for the purchase by NR took place. In his statement, the First Respondent said in respect of 90 A Road that on 25 March 2010 he confirmed the sum of £280,215 had been received into his client account from Santander and he arranged for it to be returned. He stated that the Certificate of Title had been sent in by either the Second or Third Respondent and that the signatory was a forgery. In respect of 11 O Road, the First Respondent agreed with the facts as set out in the Rule 5 Statement and said that at the relevant time, he considered himself to be an employee of the Second and Third Respondents. He still had responsibility for the NatWest client account but had no knowledge of this transaction. The Tribunal did not have the benefit of hearing the First Respondent give evidence but accepted that he did not have conduct of these transactions. The Tribunal also found that the facts were such that the Second Respondent by his actions, had compromised or impaired or acted in a way which was likely to compromise or impair his integrity, contrary to 1.02 of the Code and found allegation 1.8 proved.

In respect of the Third Respondent:

129. Allegation 1.9: that by his actions, he compromised or impaired or acted in a way which was likely to compromise or impair his integrity, contrary to Rule 1.02 of the Code;

129.1 For the Applicant, Mr Moreton relied on the sale of the practice and the purchase for NR of 46 D Gardens.

129.2 The Third Respondent had not engaged with these proceedings and there were no submissions on his behalf.

129.3 The Tribunal considered the evidence including the oral evidence of the IO and the submissions for the Applicant. As to the sale of the firm and the purchase for NR of 46 D Garden, the Tribunal found the facts to be as set out in the Rule 5 Statement and the FI Report. The Tribunal noted that the Third Respondent had engaged to a limited extent with the Applicant in respect of the investigation and provided some evidence.

He admitted by email on 11 April 2010 that he had attended the firm albeit to complete an interview and had contact with the Second Respondent by saying that he;

> "…was also not very impressed with the activities of the Second Respondent…"

The First Respondent told the IO that sometime prior to the signing of the sale agreement on 10th February 2010, AK attended his office and introduced him to someone called Mr Das. AK told him that Mr Das would be one of the partners in the firm and that he was a Registered Foreign Lawyer. Although the First Respondent did not ask Mr Das for any identification documents he said that he was shown Mr Das's Foreign Lawyer registration certificate. The Third Respondent admitted that that he had attended the firm and the First Respondent said that he had met with him. Both the First Respondent and Mr S of NatWest said that an individual with the Third Respondent's name had attended at NatWest and that the First Respondent had introduced this individual to Mr S. The Tribunal was therefore satisfied that the Third Respondent had not only attended at interview but also that he had attended at NatWest. Although the First Respondent did not remember the date of the bank meeting, only that it was before 10 February 2010, S was quite firm on that point and that it was 9 February 2010. The First Respondent said that the Third Respondent appeared unhappy to wait when S suggested an alternative to becoming a signatory and that he wanted to be a signatory to the bank accounts as soon as possible. This evidence had been accepted by the IO and the Tribunal found it to be convincing. The Tribunal found as a fact that the Third Respondent had opened two accounts at a Barclays Bank in Leicester. The bank would have carried out the necessary identification checks before allowing the account to be opened although the First Respondent had not done so. The Tribunal did not consider that the difference in one letter in the first name on the bank accounts and the first name of the Third Respondent ("Arindam" and "Arindum" respectively) to be significant. The Tribunal found that the Third Respondent had been involved in respect of the Clients Premium account in his name in which he was described as "Trading as Pratchetts Solicitors". A great deal of money had flowed into that account in respect of transactions which appeared to be fraudulent. The Third Respondent had referred in email exchanges with the Applicant to the NM1 form which was consistent with his joining the partnership. At the point when the Applicant's questions about his involvement became really searching in the email of 20 April 2010, the Third Respondent disengaged from the investigation process. The Tribunal also found that the Third Respondent by his actions, had compromised or impaired or acted in a way which was likely to compromise or impair his integrity, contrary to 1.02 of the Code. The Tribunal found allegation 1.9 to be proved.

130. Allegation 1.10: that he failed in his duty to co-operate with the Solicitors Regulation Authority, contrary to Rule 20.05 of the Code.

130.1 For the Applicant, Mr Moreton relied on the history of correspondence between the Applicant and the Third Respondent set out in the Rule 5 Statement. The Third Respondent had not engaged with these proceedings and there were no submissions on his behalf. The Tribunal considered the submissions for the Applicant, the evidence including the evidence of the IO and found allegation 1.10 to be proved

Previous Disciplinary Matters

The First Respondent

131. The First Respondent had been before the Tribunal in case number 10489/2010 when an allegations was proved against him in respect of breaching conditions of permission granted on 7 November 2006 under Section 41 the Solicitors Act 1974 (as amended) to employ Mr RS. He was found to have allowed RS to work on matters other than those permitted. A fine of £3,000 was imposed and an order for costs was made in the sum of £4,000.

The Second Respondent

132. The Second Respondent had been before the Tribunal in case number 10472/2010 when seven the allegations were found proved against him and he was indefinitely suspended from practice as a solicitor and ordered to pay costs in the sum of £34,800 not to be enforced without leave of the Tribunal.

Mitigation

First Respondent

133. Mitigation in respect of any admissions made by the First Respondent is set out under the relevant allegation. Additionally in his statement, the First Respondent stated that after the Second and Third Respondents ceased to be in contact he was left in a position that he was still the principal firm trading as the name Pratchetts. He was responsible to clients and responsible for the management of client funds. He had two choices; first to wind down the practice and formally close it as soon as possible or in the alternative to find a new purchaser. The First Respondent also provided information about the state of his health and medication that he was prescribed. He stated that he had not been practising as a solicitor since September 2010 and had no intention of returning to practice as a solicitor. He was living in rented accommodation, had no capital and his main source of income was retirement benefit.

Second Respondent

134. None submitted

Third Respondent

135. None submitted

Sanction

First Respondent

136. The Tribunal referred to its Guidance Note on Sanctions and took into account the mitigation which the First Respondent had made. It also noted that one aspect of allegations 1.1 and 1.3 had not been found proved. The First Respondent had been found to have acted with gross recklessness and while he had not been accused of

dishonesty and the Tribunal believed that he had been duped, the Tribunal was concerned that he had lacked insight into what happened and his own misconduct in exposing his firm and his bank accounts to exploitation This was the First Respondent's second appearance before the Tribunal. His earlier appearance had taken place on 13 October 2010. It appeared that the First Respondent had failed to learn from that experience. The First Respondent had compromised or impaired or acted in a way which was likely to compromise or impair his independence or integrity in the matter of SM and by his lack of due diligence he had allowed a situation to be created at the firm which placed client money at serious risk and was likely to diminish the trust the public placed in him and the legal profession. The Tribunal noted that the Respondent had been admitted as a solicitor at age 60 and had not therefore had the amount of experience which such a solicitor would usually have acquired. Whilst the Tribunal did not consider that his conduct merited either a strike-off or indefinite suspension the Tribunal nonetheless considered that his conduct had been of considerable seriousness and merited a lengthy period of suspension, following which if he wished to resume practice, his professional conduct should be subject to extensive conditions. The Tribunal therefore imposed a fixed term suspension of five years.

The Second Respondent

137. The Tribunal had regard to its own Guidance Note on Sanctions and to the fact that the Second Respondent had previously been indefinitely suspended. That hearing had taken place on 15 November 2010 after the events which were the subject of these proceedings. The Second Respondent had not attended, substituted service having been authorised. The Tribunal felt it appropriate to take into account in arriving at sanction, the seriousness of the matters which had been found proved against him on the previous occasion. The Tribunal took the view that the public needed to be protected from the risk which the Second Respondent being allowed to continue in practice would present. In addition the Tribunal were satisfied that he presented a serious threat to the reputation of the profession. He should be struck off the Roll of Solicitors.

The Third Respondent

138. The Tribunal had regard to its own Guidance Note on Sanctions. The Tribunal had found the Third Respondent to be complicit with the Second Respondent in the very serious misconduct which had occurred at the firm. It considered its options in terms of sanction under the Courts and Legal Services Act 1990, as the Second Respondent was previously a Registered Foreign Lawyer but was no longer on the register. For the protection of the public and the reputation of the profession, the Tribunal wished to ensure that the Third Respondent would not be permitted to practice except by order of the Tribunal. Section 47(g) of the Solicitors Act 1974 (as amended) permitted the Tribunal to direct in the case of former solicitor whose name had been removed from the Roll, the prohibition of the restoration of his name except by order of the Tribunal. Under section 15(4) of the Courts and Legal Services Act 1990, the Tribunal was permitted to strike an individual off the Register of Foreign Lawyers. The Tribunal heard submissions from Mr Moreton that there was nothing to preclude the Tribunal from making such other order as it saw fit even if not listed in Section 15(2). He referred the Tribunal to the preamble to Section 15 where it was said that

> "… Section 46 of the Act of 1974 (Solicitors Disciplinary Tribunal) shall apply with the necessary modifications, in relation to applications and complaint made by virtue of any provision of this Schedule as it applies in relation to applications and complaints made by virtue of any provision of that Act.".

The Tribunal determined that it was within its powers to make the direction that the Third Respondent should not be permitted to re-register without its leave and ordered accordingly.

Costs

139. For the Applicant, Mr Moreton applied for costs in the amount of £27,191.10. He informed the Tribunal that he had provided the schedule of costs to the First Respondent in draft and the final version was the same save for an addition of £337.45. He invited the Tribunal to make an apportionment of his own charges in respect of attendance at hearings and pointed out that the agent's fees included in the schedule related to attempts to track down the Second and Third Respondents. They did not relate to the First Respondent. Mr Moreton also pointed out that the hearing had been shorter than anticipated. In respect of the submissions made by the First Respondent concerning his means, Mr Moreton drew the attention of Tribunal to a statement in his email of 6 February 2013 that he lived in rented accommodation, had no capital and his main source of income was retirement benefit. The First Respondent had also submitted a completed personal financial statement in which he had described himself as a "tenant" but no reference was made to the payment of rent. Mr Moreton had obtained a copy of the proprietorship register for the property which the First Respondent gave as his address. It showed that the property was purchased in 1996 by an individual who was not the First Respondent but that in 2008 a notice had been registered in the Charges Register indicating home rights under the Family Law Act 1996 in favour of the First Respondent as spouse or civil partner of the registered owner. Mr Moreton explained that it had not been possible to serve the schedule of costs on the Second or Third Respondents as their whereabouts were unknown. The Tribunal assessed costs in the sum of £25,000. The Tribunal apportioned costs among the First, Second and Third Respondents according to the number and weight of allegations found proved against them in the amounts of £10,000, £10,000 and £5,000 respectively. Having regard to the information provided about the poor state of the First Respondent's finances and his ill-health, the Tribunal determined that the order against him should not be enforced without leave of the Tribunal.

Statement of Full Order

140. 1. The Tribunal Ordered that the Respondent, Ian Allison Victor Pratchett, solicitor, be suspended from practice as a solicitor for the period of 5 years to commence on the 11th day of February 2013 and it further Ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £10,000.00, such costs not to be enforced without leave of the Tribunal.

2. Upon the expiry of the fixed term of suspension referred to above, the Respondent shall be subject to conditions imposed by the Tribunal as follows:

2.1 The Respondent may not:

2.1.1 Practise as a sole practitioner, partner or member of a Limited Liability Partnership (LLP), Legal Disciplinary Practice (LDP) or Alternative Business Structure (ABS); and

2.1.2 Hold client money.

2.2 For the avoidance of doubt the Respondent may only work as a solicitor in employment approved by the Solicitors Regulation Authority.

3. There be liberty to either party to apply to the Tribunal to vary the conditions set out at paragraph 2 above.

144. The Tribunal Ordered that the Respondent, Matthew Apau Obeng, 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 £10,000.00.

145. The Tribunal Ordered that the Respondent, Arindum Das, formerly a Registered Foreign Lawyer, shall not be restored to the Register of Foreign Lawyers except by order of the Tribunal and it further Ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £5,000.00.

DATED this 27th day of March 2013
On behalf of the Tribunal

E. Nally
Chairman