

SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974

Case No. 11258-2014

BETWEEN:

SOLICITORS REGULATION AUTHORITY

Applicant

and

SELCUK KARATAS

Respondent

Before:

Mr J. C. Chesterton (in the chair)

Mr E. Nally

Mr S. Howe

Date of Hearing: 23 & 24 April 2015

Appearances

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

The Respondent did not appear and was not represented.

JUDGMENT

Allegations

1. The allegations against the Respondent, Selcuk Karatas, were that:-
In breach of the Solicitors Accounts Rules 1996:
 - 1.1 The Respondent failed to pay client money into a client account (Rule 15 (1));
 - 1.2 The Respondent made improper withdrawals from a client account (Rule 22 (1) and (3));
 - 1.3 The Respondent transferred money from the ledger of one client to the ledger of another (Rule 30 (1));
 - 1.4 The Respondent failed to keep proper accounting records (Rule 32 (1) and (2));
And in breach of the Solicitors Code of Conduct 2007,
 - 1.5 The Respondent forged the signature of a client claiming authority to transfer money from one client's account to another and/or used a forged instrument to facilitate the transfer of money from one client to another (Rule 1.02);
 - 1.6 The Respondent failed to act with integrity (Rule 1.02).
2. In relation to allegations 1.1, 1.2, 1.3 and 1.5 the SRA alleged that the Respondent acted dishonestly. However, dishonesty was not an essential ingredient to sustain the allegations. In particular, it was alleged that the Respondent:
 - 2.1 knew he had no authority to use money belonging to another for either his or the firm's own purposes, or
 - 2.2 transferred money from one client account to another, or for the use of one client to another, and/or forged documents in order to deceive, and
 - 2.3 knew, by the standards of reasonable and honest people, his conduct was dishonest.

Documents

3. The Tribunal reviewed all the documents submitted by the parties, which included:

Applicant:

- Application dated 15 May 2014;
- Rule 5 statement dated 15 May 2014, together with exhibit bundle AGI;
- Witness Statement of John Stuart dated 18 March 2015, together with exhibit JS1 and Civil Evidence Act Notice dated 19 March 2015;
- Witness Statement of Inan Kiral, dated 12 February 2015, together with exhibit IK1 and Civil Evidence Act Notice dated 20 February 2015;

- Witness Statement of Nasir Kiral, dated 12 February 2015, together with Civil Evidence Act Notice dated 20 February 2015;
- Applicant's statement of costs dated 20 April 2015.

Respondent:

- Undated Respondent's Reply to the Rule 5 Statement;
- Respondent's Reply and Counter Notice to the Applicant's Civil Evidence Act Notices dated 20 February 2015 and 19 March 2015 (erroneously cited by the Respondent as 16 March 2015);
- Copy emails between the Applicant and the Respondent between 14 November 2014 and 1 December 2014;
- Copy emails from the Applicant to the Tribunal dated 1 December 2014.
- Copy email from the Respondent to the Tribunal dated 23 April 2015;

Preliminary Matter

4. Mr Goodwin told the Tribunal that the Respondent had sent an e-mail dated 23 April 2015 to say that he would not be able to attend in person due to his work commitments and the related travel costs. However, he had indicated that he would like the hearing to be continued in his absence.
5. In Mr Goodwin's submission under Rule 16 (2) of the Solicitors (Disciplinary Proceedings) Rules 2007 the Tribunal could hear the matter if it was satisfied that the Respondent had been served with the proceedings and was aware of them. It was clear from his e-mail of 23 April 2015 and his Certificate of Readiness dated 18 March 2015 that he was so aware. The case was a serious one and had been certified by the Tribunal as being one in which there was a case to answer.
6. The Respondent had previously indicated that he would attend and the case had been listed originally for a hearing on 2 December 2014 but the Respondent had requested an adjournment and the matter had been adjourned until today. In Mr Goodwin's submission the Respondent had had ample opportunity to consider the proceedings and prepare his defence; indeed he had indicated that he was ready. Further, the reasons advanced in his latest e-mail did not justify his non-attendance. He had said in that e-mail that there were procedural irregularities by the Applicant but Mr Goodwin submitted that there were none.

The Tribunal's Decision on Preliminary Matter

7. The Tribunal, having considered the matter, indicated that it was prepared to proceed in the absence of the Respondent for the reasons cited by the Applicant and not least because the Respondent had invited the Tribunal to proceed and had submitted a Certificate of Readiness. The Tribunal was satisfied that the Respondent was aware of the hearing and had taken the decision to deliberately absent himself. The Tribunal

had applied the principles in R v Hayward, Jones and Purvis [2001] EWCA Crim 168 and would hear the matter today in the absence of the Respondent.

Factual Background

8. The Respondent was born on 29 November 1967. He was admitted to the Roll on 15 July 2004 and his name remained on the Roll.
9. At all material times the Respondent was a partner in Stuart Karatas (“the firm”) of 83 Kingsland High Street, London E8 2PB.
10. On 7 January 2013 an SRA Investigation Officer (“the FIO”) attended the firm’s offices. As part of the inspection the FIO requested sight of a file in the care and conduct of the Respondent. The Respondent indicated that he could not locate the file. Shortly afterwards the Respondent went to Turkey. The FIO extended the scope of the investigation and prepared a report dated 27 February 2013 (“the report”).
11. On 6 March 2013 Mr Stuart informed the SRA that the Respondent had left the partnership.
12. The Respondent does not hold a current practising certificate.

“K” Limited

13. The firm was instructed in regard to the purchase of a property in Edmonton on behalf of K Limited for £1,140,000. The Respondent had conduct of the matter.
14. The sum of £2,500 was received from a director of K Limited on 9 February 2011. A further sum of £37,500 was received from the company on 1 March 2011. Both sums were properly paid into the firm’s client account and credited to the company’s ledger.
15. Contracts were never exchanged and the purchase was aborted on the 1 October 2011.
16. The following transactions were recorded on the K Limited client ledger, none of which were authorised and all of which were in breach of the Solicitors Accounts Rules 2007:
 - a) On the 14 February 2011, £20,000 was received from Mr “SM” and paid into client account but credited to K Limited;
 - b) On the 1 March 2011 £40,000 was paid to another firm of solicitors on behalf of SM and posted as a debit on the K Limited ledger. A telegraphic transfer fee of £10 relating to this payment was posted on the K Limited Ledger;
 - c) On the 27 March 2011 a bill was raised on behalf of the firm in the sum of £2,265 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 29 March 2011;

- d) On the 26 May 2011 £4,980 was paid to Mr “CT” and posted as a debit on the K Limited ledger. There was no ledger for Mr CT or any related transaction. A telegraphic transfer fee of £10 was posted against this transaction on the K Limited ledger;
- e) On the 8 July 2011 £7,000 was paid to “CL” on behalf of “BC Limited” and posted as a debit on the K Limited ledger. A telegraphic transfer fee of £10 was posted against this transaction on the K Limited ledger;
- f) On the 27 July 2011 a bill was raised on behalf of the firm in the sum of £925.63 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 29 July 2011;
- g) On the 29 July 2011 a bill was raised on behalf of the firm in the sum of £1,440 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 31 August 2011;
- h) On the 28 September 2011 £43,000 was received from Mr “ST” and paid into the firm’s client account but credited to K Limited;
- i) On the 3 October 2011 £25,600 was received from another firm of solicitors to hold to their order and paid into the firm’s client account but credited to K Limited. The money was paid in respect of the surrender of a lease to the firm’s client Mr “M”.

In an email to the Respondent that firm of solicitors stated:

“You have agreed to hold this to my order pending completion.”

- j) On the 4 October 2011 £3,000 was received from Mr ST and paid into the firm’s client account but credited to K Limited;
- k) On the 17 October 2011 £50,000 was paid to another firm of solicitors on behalf of Mr ST and posted as a debit on the ledger of K Limited. A telegraphic transfer fee of £10 was posted against this transaction on the K Limited ledger;
- l) On the 12 December 2011 £8,000 was paid to Mr and Mrs M and posted as a debit on the K Limited ledger. A telegraphic transfer fee of £10 was posted against this transaction on the K Limited ledger;
- m) On the 20 December 2011 a bill was raised on behalf of the firm in the sum of £390 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 22 December 2011.
- n) On the 23 January 2012 £8,250 was paid to Haringey Council Legal Services on behalf of BC Limited and posted as a debit on the K Limited ledger.

- o) On the 29 February 2012 a bill was raised on behalf of the firm in the sum of £1,560 representing costs and VAT. These fees were not genuinely incurred and there is no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 29 February 2012.
 - p) On the 27 April 2012 £6,700 was debited from the K Limited ledger and credited to Mr "YA".
17. The amount billed without authority totalled £6,580.63. At the time of the inspection there was a shortage on client account of £33,330 in respect of the K Limited Client Account ledger.

Mr "SM"

18. The firm was instructed in regard to the purchase of a property in Bethnal Green London by Mr SM. The Respondent had conduct of the matter.
19. The client ledger referred to other persons, including a Mr "SS", although it appeared that the client should have been correctly recorded as Mr SM.
20. The parties to the transaction agreed to a deposit of £40,000 to be paid on the 1 March 2011. Contracts were exchanged on the 11 March 2011, financed by way of mortgage in the sum of £300,000 from Lancashire Mortgage Corporation Limited, represented by another firm of solicitors, and received on 6 April 2011, less costs and arrangement fee, with the balance of the purchase price £31,631 provided by the client on 1 April 2011.
21. On the 1 September 2010 the sum of £20,000 was received from Mr SM and paid into the firm's client account and credited to Mr SM's ledger.
22. The purchase completed on 6 April 2011 and £309,175 was paid to the vendor on the 6 April 2011.
23. The following transactions were not recorded on the client ledger in breach of the Solicitors Accounts Rules 2007, Rule 32:-
- a) On the 14 February 2011 the sum of £20,000 was received from Mr SM and paid into the firm's client account and credited to the ledger of K Limited;
 - b) On the 1 March 2011 £40,000 was paid to the solicitors representing the vendor on behalf of Mr SM and posted as a debit on the ledger of K Limited. A telegraphic transfer fee of £10 was posted against the K Limited ledger.
24. The following transactions were recorded on Mr SM's client ledger none of which were authorised and all of which were in breach of the Solicitors Accounts Rules 2007:-
- a) On the 28 September 2010 a bill was raised on behalf of the firm in the sum of £2,467.50 representing costs and VAT. These fees were not genuinely

incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 30 September 2010;

- b) On the 25 October 2010 a bill was raised on behalf of the firm in the sum of £829.77 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 28 October 2010;
 - c) On the 22 November 2010 £16,500 was paid by cheque to Mr SS and posted as a debit on the ledger of Mr SM.
 - d) On the 26 April 2011 a bill was raised on behalf of the firm in the sum of £840 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 28 April 2011.
25. The amount billed without authority including telegraphic transfer fees totalling £3,061.17. Legitimate fees and disbursements totalled £1,085.79.

Mr "ST"

Business 1

26. The firm was instructed by Mr ST in regard to the sale of a business in Cheshire to Messrs "G", represented by another firm of solicitors, for the sum of £20,000. The Respondent had conduct of the matter.
27. Mr ST paid the sums of £250 on 29 July 2010 and £635 on 2 September 2010 on account of costs. These sums were correctly paid into client account and recorded on the client ledger in the name of Mr ST.
28. Contracts were exchanged and the sale completed on 21 December 2010.
29. The full purchase price of £20,000 was paid to the firm on 7 December 2010, to be held to the order of the other firm of solicitors pending completion. The letter from that firm stated:
- "We have transferred to your client account the completion monies of £20,000 to be held strictly to our order pending completion"**
30. The following transactions were recorded on the client ledger in the name of "C Limited" none of which were authorised and all of which were in breach of the Solicitors Accounts Rules 2007:
- a) On the 20 December 2010 a bill was raised on behalf of the firm in the sum of £1,527.50 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 23 December 2010;

- b) On the 19 January 2011, £13,200 was paid by cheque to Mr SS and posted as a debit on the ledger of Mr ST;
 - c) On the 29 January 2011 a bill was raised on behalf of the firm in the sum of £705 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 31 January 2010;
 - d) On the 1 March 2011 £2,000 was paid by cheque to Mr SS and posted as a debit on the ledger of Mr ST;
 - e) On the 31 May 2011 the sum of £8,100 was received by a CHAPS payment from BC Limited and paid into the firm's client account and credited to the ledger for Mr ST;
 - f) On the 1 June 2011 the sum of £6,000 was received in cash from Mr Kiral of BC Limited and paid into the firm's client account and credited to the ledger for Mr ST;
 - g) On the 1 June 2011 £15, 918 was paid by a CHAPS payment to the solicitors representing BC Limited and posted as a debit on the ledger of Mr ST. A telegraphic transfer fee of £10 was posted against Mr ST's ledger;
 - h) On the 29 June 2011 a bill was raised on behalf of the firm in the sum of £720 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 30 June 2010.
31. The amount billed without authority totalled £2,877.50.
32. At the time of the inspection there was a shortfall of £11,788 in respect of the C Limited Client Account ledger.

Business 2

33. The firm was also instructed by Mr ST regarding the purchase of a business in Blackpool. The Respondent had conduct of the matter.
34. Contracts were exchanged and the matter completed on the 17 October 2011.
35. On the 28 September 2011 the sum of £43,000 and on 4 October 2011 the sum of £3,000 was received from Mr ST and paid into client account but credited to the client ledger of K Limited.
36. The sum of £50,000 was paid from client account to the solicitors acting for the vendor by telegraphic transfer on the 17 October 2011 and was debited against the K Limited ledger, leaving a client account shortage of £5,230.
37. There was no client ledger for this matter.

“BC” Limited

38. The firm was instructed by BC Limited regarding the assignment of a lease over a unit on a trading estate in London for the sum of £14,000. The Respondent had conduct of the matter.
39. On the 3 October 2011 the client paid £7,000 which was paid into client account and recorded on the BC Limited client ledger.
40. On the 6 January 2012 the client paid £18,000 which was paid into client account and recorded on the BC Limited client ledger.
41. On the 27 April 2012 the client paid £1,000 which was paid into client account and recorded on the BC Limited client ledger.
42. Contracts were exchanged with simultaneous completion on 2 June 2011.
43. The following transactions were not recorded on the client ledger in breach of the Solicitors Accounts Rules 2007:
 - a) On the 31 May 2011 the sum of £8,100 was received by a CHAPS payment from BC Limited and paid into the firm’s client account and credited to the ledger for Mr ST;
 - b) On the 1 June 2011 £6,000 was received in cash from BC Limited and paid into the firm’s client account and credited to the ledger for Mr ST;
 - c) On the 1 June 2011 £15,918 was paid by a CHAPS payment to the solicitors representing BC Limited and posted as a debit on the ledger of Mr ST. A telegraphic transfer fee of £10 was posted against Mr ST’s ledger;
 - d) On the 8 July 2011 £7,000 was paid to the solicitors acting for BC Limited for rent due but posted as a debit on the ledger of K Limited. A telegraphic transfer fee of £10 was posted against this transaction on the K Limited client ledger;
 - e) On the 23 January 2012 a client cheque was issued in favour of Haringey Council Legal Services in the sum of £8,250 payable in respect of the matter but posted as a debit on the ledger of K Limited.
44. The amount billed without authority including telegraphic transfer fees totalled £960.
45. At the time of the inspection there was a shortfall of £960 in respect of the B C Limited Client Account ledger.

Mr “YA”

46. On the 27 April 2012, £5,000 was debited from the ledger of BC Limited and credited to Mr YA’s client ledger.

47. An authority was produced for the transfer of £67,000 from the client account of Mr ST to Mr YA.
48. A letter purported to authorise the transfer of £5,000 from BC Limited to Mr YA but Mr Inan Kiral, a director of BC Limited denied that the signature on the document was his or that he otherwise authorised the transfer.

Mr “SS”

49. The firm was instructed on 8 September 2009 by Mr SS regarding the sale of a property in Bournemouth for the sum of £32,000. The Respondent had conduct of the matter.
50. Contracts were exchanged on 5 July 2010. The purchaser’s solicitors remitted £32,000 to the firm to be held their order pending completion on the 8 July 2010. The letter of 8 July 2010 to the Respondent from those solicitors stated:

[We enclose a] “cheque in the sum of £32,000 in respect of the completion monies. Please hold the same to at order pending formal completion of this matter.”

The matter completed on the 16 August 2010.

51. On the 18 December 2009 £500 was paid on account of costs by Mr SS. This was correctly recorded on the client account ledger for Mr SS. On the 15 January 2011 a Bill was raised on behalf of the firm in the sum of £500 representing costs and VAT. These fees were billed prematurely and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 29 January 2010.
52. The following transactions were not recorded on the client ledger for Mr SS in breach of the Solicitors Accounts Rules 2007:
 - a) The sum of £32,000 received from the purchaser’s solicitors was paid into the firm’s client account but credited to the client ledger of Ms “AAs”;
 - b) On 22 November 2010 £16,500 was paid to Mr SS but debited from the ledger of Mr SM;
 - c) On 19 January 2011 £13,200 was paid to Mr SS but debited from the ledger of Mr ST;
 - d) On 1 March 2011 £2,000 was paid to Mr SS but debited from the ledger of Mr ST.
53. The amount billed without authority and the shortfall totalled £300 on Mr SS’s Client Account ledger.

Ms "AA"

54. The firm was instructed in November 2009 by Ms AA regarding the purchase of a property in London. The Respondent had conduct of the matter.
55. The transaction was aborted.
56. Ms AA paid the sums of £1,500 on 28 October 2009 and £5,000 on 1 June 2010 on account of costs. These sums were correctly paid into the client account of Ms AA. The sum of £5,000 was repaid to Ms AA on the 13 July 2010.
57. The following transactions are recorded on Ms AA's client ledger none of which were authorised and all of which were in breach of the Solicitors Accounts Rules 2007:
 - a) On 28 October 2009 a Bill was raised on behalf of the firm in the sum of £920 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on 30 October 2009;
 - b) On the 27 November 2009 a bill was raised on behalf the firm in the sum of £580 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 30 November 2009;
 - c) On the 25 June 2010 a bill was raised on behalf of the firm in the sum of £1938.75 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent the client prior to the transfer of funds from client to office account on the 29 June 2010;
 - d) On the 12 July 2010 £32,000 was received from the solicitors acting for the purchasers of the property in Bournemouth, marked for Mr SS but paid into the firm's client account and credited to Ms AA;
 - e) On the 21 July 2010 £21,500 was paid to HMRC on behalf of another client and posted as a debit on the ledger of Ms AA;
 - f) On the 11 August 2010 £4,500 was debited from the Ledger of Ms AA and credited to another client. There was no authority or proper reason for the transfer;
 - g) On the 28 September 2010 a bill was raised on behalf of the firm in the sum of £2,717.75 representing costs and VAT. The fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on the 30 September 2010;
 - h) On the 25 October 2010 a bill was raised on behalf of the firm in the sum of £1,340.50 representing costs and VAT. These fees were not genuinely incurred and there was no evidence that the bill was sent to the client prior to the transfer of funds from client to office account on 28 October 2010.

58. The amount billed without authority totalled £6,519.50.

Mr “MB”

59. The firm was instructed by Mr MB regarding the registration of a new lease on a property in Muswell Hill, London. The file relating to this matter could not be located.
60. The client ledger relating to this matter recorded the payment of an HM Land Registry Fee of £40.
61. The Respondent e-mailed Mr MB requesting payment of £6009 for Stamp Duty.
62. A letter from Barclays Bank of 10 May 2012 indicated that the sum of £6,009 was paid into the personal account of the Respondent.

Summary

63. The report recorded a client account minimum shortfall of £148,475. Each of the client matters involved were conducted by the Respondent.
64. The report recorded the extent of the overbilling by the Respondent which totalled £47,534.58.
65. The firm has corrected the overbilling and made good the shortfall through a payment of £50,000 from Partners and £138,000 from Aon Insurance.

Witnesses

The following witnesses gave sworn oral evidence:

- Mr David Bailey, the FIO;
- Mr John Alan Stuart;
- Mr Inan Kiral.

The Submissions of the Applicant

66. Mr Goodwin reminded the Tribunal of the Tribunal’s Practice Direction 5, concerning the influence to be drawn where a Respondent does not give evidence. He read out the Practice Direction 5:

“The Tribunal has taken careful note of the obiter dicta of the President of the Queen’s Bench Division (Sir John Thomas) at paragraph 25 and 26 of the Judgment in Muhammad Iqbal v Solicitors Regulation Authority [2012] EWHC 3251 (Admin.). In the words of the President, “ordinarily the public would expect a professional man to give an account of his actions”. The Tribunal directs for the avoidance of doubt that, in appropriate cases where a Respondent denies some or all of the allegations against him (regardless of whether it is alleged that he has been dishonest), and/or disputes material facts,

and does not give evidence or submit himself to cross-examination, the Tribunal shall be entitled to take into account the position that the Respondent has chosen to adopt as regards the giving of evidence when reaching its decision in respect of its findings. This direction applies regardless of the fact that the Respondent may have provided a written signed statement to the Tribunal.”

67. Mr Goodwin took the Tribunal through the allegations and told the Tribunal that in so far as the allegation of dishonesty was concerned, the proper test was that set out in Twinsectra Ltd v Yardley and Others [2002] UKHL. He also asked the Tribunal to be mindful of the cases of Bolton v The Law Society [1994] 2 All ER 486 and Weston v The Law Society [1998] The Times July 15 which he said were pertinent in this case. In Weston v The Law Society it was said that the Solicitor’s Accounts Rules were designed to provide the public with maximum protection against the improper and unauthorised use of their money. Great importance was placed on protecting the public, and assuring them that such protection was afforded. As a result, solicitors were obliged to ensure compliance with the rules.
68. Mr Goodwin also reminded the Tribunal that the test for a lack of integrity was an objective one.
69. In Mr Goodwin’s submission even absent dishonesty the Accounts Rule breaches would put this case into the top category of seriousness. When considering whether dishonesty had occurred, demonstrating an intention permanently to deprive was not necessary (Bultitude v The Law Society [2004] AER (D) 252.)
70. Mr Goodwin noted that the firm had been established for approximately 10 years at the time of the inspection. On 8 January 2013, the FIO had asked to see the client matter file relating to Mr “K” but that file could not be found. The day after the file was requested the Respondent had left the country and gone to Turkey.
71. Mr Stuart had later discovered a substantial amount of “teeming and lading” on the accounts. He had given a witness statement which appended copies of e-mails between himself and the Respondent. Whilst the Respondent had used the same e-mail address to send Mr Stuart an e-mail on the 28 January 2015 as was used by Mr Stuart in responding, no reply to the e-mail of 30 January 2015 by Mr Stuart had been received from the Respondent. In his e-mail dated 28 January 2015, the Respondent had said that he had gone to deal with family problems in Turkey and that he resigned from the partnership with effect from 31 March 2013. In Mr Goodwin’s submission this was an unusual approach by the Respondent to his responsibilities.
72. Mr Goodwin took the Tribunal carefully through the report and the underlying evidence. In particular he went through the evidence concerning the cash shortage of £204,380.66 and the payment of £6,009 by Mr MB into the Respondent’s personal bank account. In Mr Goodwin’s submission, the Respondent’s explanation that Mr MB had made a mistake in making the payment (which should have been paid to the firm) was no answer. The Respondent had been dishonest under the Twinsectra test and Mr Goodwin asked why, if the payment was a mistake, it had not been returned or paid into client account later on. In his Reply to the Rule 5 statement the

Respondent had said he could recall asking for the money but not why Mr MB had transferred it to his personal bank account.

73. Mr Goodwin said the FIO had exemplified eight client matters in which irregular accounting entries took place. He took the Tribunal through each of the transactions and the underlying evidence. In particular, he referred to the payment to Mr YA's client ledger of £5,000 taken from the ledger of BC Limited. This covered a shortfall on Mr YA's client ledger. The letter of authority for this transfer was ostensibly signed by Mr Inan Kiral who denied that the authority bore his signature and said that he had never heard of Mr YA. In Mr Goodwin's submission the Respondent had created the authority and signed it himself to justify the transfer. If that was not the case then he had used the authority to facilitate the transfer. If the Respondent had attended the hearing this would have been an area for detailed cross-examination which was an opportunity denied to the Applicant.
74. In Mr Goodwin's submission these client matters illustrated a classic case of teeming and lading and the Respondent's actions would meet the test in Twinsectra. The Respondent had left the country because he had known he was about to be discovered. Similarly for a solicitor to take costs when he was not entitled to them also satisfied the Twinsectra test. The Tribunal could be satisfied that dishonesty was made out but the breaches of the Solicitors Accounts Rules also remained very serious.

The evidence of Mr John Bailey, the FIO

75. Mr Bailey confirmed that the report was prepared by him following his investigation and was true to the best of his knowledge and belief. Mr Goodwin asked him whether he had discovered "teeming and lading". He confirmed that he had done so; the eight exemplified transactions were representative of this activity. He said that he had noted a substantial amount of overbilling and had drafted a table showing the various clients and the amounts over or under billed. The total amount transferred without authority was £55,905.12.
76. Mr Bailey referred to the case of Ms AA and a number of transfers from the client account to the firm's office account totalling £7,497. It could be seen from the report that there was a significant amount of overbilling. Mr Bailey said that he had reviewed the file to establish the amount of legitimate fees and was also given information by Mr Stuart. The table at paragraph 38 of his report showed that in this case £6,519.50 had been transferred in excess of legitimate fees which was rectified by two credit notes.
77. Mr Goodwin asked Mr Bailey about the table at paragraph 49 of the report which showed £6,630.63 of irregular transactions and about the entry on 27 March 2011 which showed a figure for costs and VAT of £2,265 which had been marked as "overbilling". Mr Bailey explained that there would not have been a bill for that amount and this entry showed a transfer made without a bill. The darker line under the entry for 1 March 2011 was the demarcation between genuine transactions and those which involved "teeming and lading".

78. Mr Bailey said that he had obtained information concerning overbilling in circumstances where money was transferred without a bill or notification of costs or in excess of the amount stipulated or agreed from his review of the files.
79. Mr Bailey said that he had attended at the firm on 7 January 2013 and had met the Respondent. He had filled out a standard pro forma interview with the Respondent and met him again on 8 January 2013. At that point he had asked the Respondent for the K file and the Respondent had told him that he could not locate it; the Respondent had then left to go to court. From that time on he had not returned to the firm. On 11 January 2013 Mr Bailey had asked Mr Stuart about the K file and at that point Mr Stuart had confirmed that he had not been told by the Respondent that he was leaving the country.
80. Mr Bailey went on to say that when monies were received but it was uncertain as to which client account they should be posted, an e-mail was circulated amongst the staff. If the payment remained unidentified at that stage it was put into a suspense account.
81. Mr Bailey took the Tribunal to the paying-in slips and the paying-in forms in the exhibit bundle which were dealt with in the report. In particular the paying-in form at page 166 of the exhibit bundle concerning a payment in of £32,000 initialled by "SK" would have been written by the Respondent. Mr Bailey had also seen cheque requisition forms such as that exhibited at page 167 when it could be seen that the Respondent had requisitioned a cheque for £21,503 payable to HMRC on Ms AA's matter on 21 July 2010. However Mr Bailey's diagram showed that this was a payment that had been made on behalf of Mr "AC" which had been posted to Ms AA's ledger.
82. Mr Bailey referred to the letter of authority authorising the transfer of £5,000 which had ostensibly been signed by Mr Inan Kiral. He said that he was sure that he had found this letter on the file of BC Limited. The reconstructed ledger of BC Limited was shown on page 20 of the report and it could be seen that this involved an irregular transfer to Mr YA's ledger. Mr Bailey said that from his experience an Accounts department would be entitled to rely on a partner's authority. Exactly what had happened was not obvious from the face of the books, as if one examined the reconciliations there was no shortage apparent.
83. In questioning from the Tribunal, Mr Bailey was asked whether there was any evidence that anyone else at the firm would have had access to the files. Mr Bailey said there was none. There had been a very clever manipulation of the accounts. The reconciliations had shown that the monies held were the same as the monies in the bank; it would have needed a close investigation into the ledgers to get the truth of the matter. Mr Bailey confirmed that the one overall cash shortage that he had identified involved shortages on each individual client ledger. The make-up of the minimum cash shortage of £148,475 was illustrated at page 11 of the report and each involved a client of the Respondent. Mr Bailey said that he was certain that the Respondent had conduct of all of the matters but he did not know whether a subordinate was working with the Respondent.

The Evidence of Mr John Stuart

84. Mr Stuart confirmed that the content of his witness statement dated 18 March 2015 was true to the best of his knowledge and belief. He confirmed that he and the Respondent had set up the firm in 2004. When Mr Bailey had visited the firm on 7 January 2013 Mr Stuart said that he had noticed that the Respondent, who was normally easy-going and quite relaxed, had started to behave erratically and looked very nervous and stressed. He would disappear and turn up at the branch office for no apparent reason. Before that time Mr Stuart had had no prior suspicions concerning the Respondent and was not aware of any problems he was having in Turkey.
85. Mr Stuart said that the day after Mr Bailey arrived, the Respondent's wife had telephoned him in a distressed state and had said that the Respondent had told her that their marriage was over and that he was leaving.
86. It was not until around two weeks later, after a more extensive search, that the K file was found on the shelves in the Respondent's office tucked inside another file. Whilst the Respondent had said that he had informed his partner where the file was located, Mr Stuart said that this was not true; it had been concealed.
87. Mr Stuart was asked about the passage in the Respondent's Reply when he said that he had had family problems for the last two or three years. Mr Stuart said that the Respondent did have a lot of problems and didn't focus as much as he had done in the past. He would come in between 10 and 11 am and stay until 5 or 6 pm but there were some exceptional days when he had only done a few hours work. Mr Stuart outlined the Respondent's problems in his first marriage and said that his eldest son from that marriage had come back from New Zealand some six months before Mr Bailey's arrival.
88. Mr Stuart went on to say that both he and the other staff at the firm had been unaware of any problems with the accounts prior to Mr Bailey's visit. When he had received the e-mail from the Respondent on the 28 January 2013 he had been surprised. In the context the fact that the Respondent had been asking for his salary was ridiculous and so far as Mr Stuart was concerned the partnership had already been terminated. In Mr Stuart's opinion if the Respondent had done nothing wrong then he would not have left in the manner that he did; there would have been monies due to him from the capital and current accounts of £40-£50,000 and £10,000 plus, in addition to any goodwill. None of these sums had been subsequently pursued by the Respondent. The Respondent had given him no prior indication of any intention to resign. Mr Stuart said that he had responded to the Respondent's e-mail on 30 January 2013 but he had not received any reply. It was conceivable that the Respondent had not received it as it had bounced back and since that date there had been no further contact with him.
89. Mr Stuart outlined the procedures in the accounts department and said that the bookkeeper would have relied upon information given to her by the fee earner. He had read the report and confirmed that all eight of the exemplified transactions were handled by the Respondent as were the other files where there was a shortage. The Respondent had been the only person who could authorise movements of monies upon these files and Mr Stuart said that he was certain that he was the only one who had done; the only other person who could have authorised them would have been

Mr Stuart himself and he had not done so. Mr Stuart explained in response to a question from the Tribunal that he was a litigator and the Respondent a conveyancer. Mr Stuart was then taken to the file reference codes which in part gave indication to the fee earner who had conduct of each individual file.

90. Mr Stuart said that he had been the COFA at the firm and the Respondent had been the COLP. He was asked by Mr Goodwin about Mr MB's matter and the payment of £6,090 to the Respondent's private bank account and Mr Stuart said that this money had been due for stamp duty and was money that should have been paid direct to HM Land Registry rather than the Respondent.
91. Mr Stuart went on to say that it was simply not true that the Respondent had been made a scapegoat and that was a ridiculous suggestion which offended him.

The Evidence of Mr Inan Kiral

92. Mr Kiral confirmed that the content of his witness statement was true to the best of his knowledge and belief. He also confirmed that it was his father's signature that appeared upon his father's witness statement.
93. In his witness statement Mr Kiral said that he had been asked to confirm whether he had signed the transfer authority which was exhibited to his witness statement as "IK1". In his witness statement, he said that the signature on the document was not his, that he had never heard of Mr YA and did not authorise anyone to transfer £5,000 to his account.

The authority had stated:

"I Inan Kiral, acting as a director of [BC Limited] hereby authorise Stuart Karatas solicitors to transfer the sum of £5,000 they are holding in their client account for me in respect of my file reference B0232002 to the account of [Mr YA] under the reference number A0631001 to assist him in his purchase."

94. In his witness statement, Mr Nasir Kiral said that he had not signed the transfer authority and the signature on the document was not his. He also confirmed that he had not heard of Mr YA and had not authorised anyone to transfer £5,000 to his account. He could not recall whether he had authority to give instructions to the Respondent in relation to the matter although he did recall the transaction and may have discussed it with the Respondent.

Submissions of the Respondent

95. The submissions of the Respondent were contained within his undated Reply to the Rule 5 statement and his Reply and Counter Notice to the Applicant's Civil Evidence Act Notices dated 10 April 2014. The Respondent requested that the witnesses should attend the hearing.
96. In his Reply to the Rule 5 Statement, the Respondent denied each of the allegations against him.

97. In so far as allegation 1.1 was concerned, he said that the SRA had failed to obtain proper information from Mr MB and that a serious misunderstanding had occurred. Mr MB was a personal friend of the Respondent and they had had extensive business dealings with each other. The Respondent had sold his share of the business referred to in the report. As part of that sale agreement, Mr MB had taken occupation of the restaurant and paid part of the apportionments in instalments directly to the Respondent. The Respondent said that he recalled asking for the stamp duty payment from Mr MB in respect of his subsequent lease renewal but that he did not recall why Mr MB would have transferred those funds to the Respondent's personal bank account. Mr MB was making his final instalment payments for the sale of the restaurant to the Respondent at around this time and the Respondent said that he was adamant that Mr MB had made a mistake. The Respondent denied keeping or putting funds received from the client's to his personal account and said that he fully contested any allegation of dishonesty.
98. The Respondent denied allegation 1.2. He admitted that in the last two or three years that he was in the partnership he was unable to focus on the business due to his personal family problems. He stated that there were no intentional improper withdrawals made by him. He did not recall the particulars of each matter referred to in the report and the Rule 5 Statement but strongly denied being involved in any intentional withdrawals from the client account. The allegation that he had absconded suddenly was not true and he said that he should have been made aware of the investigation and the allegations from the outset in order to assist the FIO and clear his name. The allegation that he was not contactable was also not true and he had always been reachable by e-mail as registered under MySRA but no one had chosen to contact him during the investigation. In his submission, the Tribunal should take note that the alleged missing file of Mr K was found. The Respondent said that he had corresponded with the SRA as soon as he was made aware of the disciplinary proceedings against him. He had advised the SRA that he was overseas and could be contacted by e-mail. He had asked for a formal meeting with the SRA and the FIO to make a statement to clear his name but the request was not answered. Failure to take account of his explanations had seriously prejudiced his ability to investigate the matter and defend himself against the allegations. He said that he believed that this amounted to an abuse of process against the SRA's own principles to investigate the allegations fairly and properly; in fact he believed that he would have been struck off the Roll by now if he had not been made aware of the proceedings by another SRA caseworker who was covering for the original case worker charged to bring proceedings against him. He said that he also believed that the information he could be contacted by e-mail was not passed onto the Tribunal when it consented to substituted service of the proceedings and he had only been made aware of those proceedings one week before the original substantive hearing. He said that he had attempted to contact some of the clients referred to without success due to the passage of time and in the circumstances all of the allegations of dishonesty against him should be dropped.
99. Insofar as allegation 1.3 was concerned that was denied, the Respondent said that he had never transferred money from one client account to another without the express authority of the client. In the Respondent's submission there was no real evidence against him to this effect. He did not recall what instructions he had received from K Limited as the matter dated back to 2011 but he did recall that it was a big family

company with a lot of business dealings. In respect of BC Limited and Business 1 the Respondent said that he recalled that Business 1 had business interests in various litigation matters but that he was unable to recall the full details. So far as the transactions on Ms AA's client ledger were concerned he could not recall having a client of this name as the matter dated back to 2009. In the absence of the full facts and statements from the clients involved he was unable to comment further.

100. Allegation 1.4 was denied by the Respondent. He repeated some of his previous points relating to allegation 1.2. He denied allegation 1.5, forging the signature of a client or using a forged instrument to facilitate the transfer of money from one client to another. He also denied allegation 1.6 that he had failed to act with integrity. The Respondent said that he could not comment upon who had signed the alleged transfer authority or whether the client had not signed it himself. He recalled that BC Limited was a large family company with many business interests and dealings with the firm. He also recalled that Mr Inan Kiral's father also had authority to give instructions to the firm.
101. The Respondent concluded by saying that he intended to fully defend all the allegations of dishonesty but in the circumstances felt that justice would be best served if the SRA dropped all the allegations of dishonesty against him due to the prejudice caused to him by the late notification of the proceedings and the fact that the FIO failed to obtain his input into the investigation. He asked the Tribunal to also consider the fact that he had had to prepare for the hearing while not in the UK and without benefit of the full copies of the files.
102. In his Reply and Counter Notice the Respondent said that he did not accept that he was not contactable by e-mail and that his Hotmail account was never deactivated. He denied that he had left the firm due to the investigation and said that it should be noted that he informed his partners where Mr K's file was and that at the time he was having a family crisis. He said that he was not aware of any form of problems or investigations until he was made aware by the SRA, at which point he had asked for a detailed investigation to be carried out and had requested a meeting with the SRA. However he had received no reply from the SRA. He had been unable to focus on the business due to his personal family problems for the previous two or three years and had come into the office only a few hours some days of the week. He said that most of the clients names referred to in the report were not familiar to him and let alone the transactions referred to on the files. He had not been a part of the investigation and felt strongly that his ability to properly defend the proceedings against him had been seriously prejudiced. He had asked the SRA to reinvestigate the allegations against him but the SRA had said that it was not willing to do so as the case had already been certified by the Tribunal. The Respondent recalled that he had been instructed by Mr Inan Kiral and Mr Nasir Kiral of BC Limited in a number of transactions. He said that the family and their trading companies had very complex dealings with their trading partners and that he did not recall the particulars of the file concerned. However he stated that he found it very strange that there were many alleged unauthorised transactions but the SRA could only refer to one document allegedly with a forged signature.

Findings of Fact and Law

103. The burden was on the Applicant to prove each and every disputed allegation beyond reasonable doubt.
104. The Tribunal had due regard to the Respondent's right to a fair trial and to respect for his private and family life under Articles 6 and 8 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.
105. The Respondent denied each of the allegations.
106. The Tribunal had found the evidence of Mr Stuart to be straightforward, truthful and consistent. He had made good the losses incurred by the firm.
107. The Tribunal accepted on the evidence that it had heard that the file concerning Mr K had been found in a concealed place and that the Respondent had not told anyone at the firm or the FIO where it was located. The Tribunal also accepted that the Respondent's demeanour had changed as a result of the attendance at the firm of the FIO. Mr Stuart's account of the telephone call that he had received from the Respondent's wife was compelling.
108. Mr Stuart clearly knew a lot about his partner of many years standing. It was significant that he had said that he was not aware of any problems in Turkey. If the Respondent had left in the circumstances that he had recounted, then he should have at least left some sort of message or apology concerning his absence. The conclusion of the Tribunal was that he had deliberately absented himself.
109. The Respondent's position was not plausible. The Tribunal had concluded that whilst he had not been as focused on his work he had still made regular attendances at the office. Mr Stuart was not a conveyancer and the other conveyancer was located in the branch office. The Tribunal believed that no one else could or would have made the transfers in question. Accordingly, the Tribunal did not believe that the Respondent was a "scapegoat".
110. The Tribunal noted that the Respondent could not be telephoned and e-mails to him had bounced back. Anyone else in his position would have followed up his e-mail of 28 January 2013 when no reply was received. The Tribunal had therefore concluded that the e-mail address used by the Respondent had been deactivated. It was noteworthy that the Respondent had not, at the time of that e-mail, or subsequently, claimed any of the monies due to him on the capital account or the current account or any goodwill.
111. The Tribunal believed that the expression "abscond" was not too strong a word for what the Respondent had done. He had left at the time of the investigation because he knew irregularities in the accounts were likely to emerge. The Tribunal accordingly determined that the Respondent had left because of the investigation and had deliberately severed contact with the firm because of the irregularities. The Tribunal had seen nothing that would rebut that determination or which would explain it retrospectively. The Tribunal was entirely satisfied that the problems lay with the

Respondent's files and there was not a shred of suggestion that anyone else had been involved

112. The Tribunal found that the Respondent's Replies were vague, not particularised and did not explain his actions. His defence was simply not plausible. The Tribunal noted the case of Iqbal and Practice Direction 5 and determined that it would have been greatly assisted by the presence of the Respondent at the hearing. Whilst he had professed his innocence he had chosen not to attend; the Tribunal could only conclude that this was because he had no coherent answer to the allegations.

113. **The allegations against the Respondent, Selcuk Karatas, were that:-**

114. **Allegation 1.1 - The Respondent failed to pay client money into a client account (Rule 15 (1)).**

114.1 This allegation concerned the payment of £6,009 directly into the Respondent's personal bank account by Mr MB. The Tribunal noted from the evidence before it that those monies had remained in the Respondent's account for some 12 months.

114.2 The Respondent would have been aware of the error within a short period of time and he failed to pay the monies into Mr MB's client account. The Tribunal had noted the e-mail from the Respondent on 19 March 2012 to Mr MB in which he had requested payment of the money for HM Land Registry and that Mr MB had apparently paid that amount into the wrong account in error or been wrongly directed to do so. The Tribunal were not in a position to determine which.

114.3 In any event the Tribunal found that the Respondent had known that the sum was outstanding on Mr MB's client account and that that money was in his personal account. He should have repaid it at the earliest opportunity; he did not do so.

114.4 The Tribunal found allegation 1.1 to have been proved beyond reasonable doubt on the facts and documents before it.

115. **Allegation 1.2 - The Respondent made improper withdrawals from a client account (Rule 22 (1) and (3)).**

Allegation 1.3 - The Respondent transferred money from the ledger of one client to the ledger of another (Rule 30 (1));

115.1 The Tribunal had found the evidence of Mr Bailey compelling and consistent with Mr Stuart's evidence.

115.2 Mr Bailey had comprehensively dealt with the improper withdrawals and transfers in his report and had taken the Tribunal to each of those in his evidence. He had constructed a helpful flowchart at page 38 of exhibit AG1. The Respondent had seen all of the evidence and his only response had been that he did not recognise the names of the clients involved. He had not sought to advance any alternative explanation.

115.3 The Tribunal was satisfied, so it was sure, that each of the improper withdrawals and transfers had occurred and had been made by the Respondent. Accordingly the Tribunal found allegations 1.2 and 1.3 to have been proved beyond reasonable doubt on the facts and documents before it.

116. **Allegation 1.4 - The Respondent failed to keep proper accounting records (Rule 32 (1) and (2)).**

116.1 The Tribunal found that the Respondent had not put the bookkeeper in a position to keep proper records. It was inevitable following allegations 1.2 and 1.3 that the accounting records would be inaccurate if the matter was to be hidden. The Respondent had made a careful and well executed plan to conceal his actions and the firm was not one where the accounts were in a shambolic state; the reconciliations matched.

116.2 The Tribunal had examined the evidence before it in great detail and had concluded that allegation 1.4 was proved beyond reasonable doubt on the facts and documents before it.

And in breach of the Solicitors Code of Conduct 2007:

117. **Allegation 1.5 - The Respondent forged the signature of a client claiming authority to transfer money from one client's account to another and/or used a forged instrument to facilitate the transfer of money from one client to another (Rule 1.02);**

117.1 The Tribunal was satisfied on the evidence before it that the purported authority from Mr Inan Kiral dated 27 April 2012 was a forged instrument. The Respondent had said in his Reply that he had not forged the transfer document and the Tribunal could not conclude on the evidence before it that it was the Respondent who had forged Mr Kiral's signature.

117.2 However there was no basis for the transfer and the overwhelming inference in the context of the whole of the evidence was that the Respondent had used a forged instrument in the way specified in the allegation. It was he who had had control of the file and no one else. The Tribunal would have expected a proper explanation from the Respondent, given on oath, as to how the transfer had proceeded but had received none; the Tribunal therefore took that into account (Iqbal). The Tribunal determined that the Respondent had used a forged instrument to facilitate the transfer of money from one client to another.

117.3 The Tribunal accordingly found the first part of allegation 1.5 not proved beyond reasonable doubt but the second part of that allegation proved beyond reasonable doubt on the facts and documents before it.

118. **Allegation 1.6 - The Respondent failed to act with integrity (Rule 1.02).**

118.1 The Tribunal had applied the objective test to ascertain whether the Respondent had failed to act with integrity. In the light of all of the evidence before it and the allegations it had already found proved, the Tribunal had no hesitation in finding that

the Respondent had failed to act with integrity. He had lacked “moral soundness, rectitude and steady adherence to an ethical code” Hoodless and Blackwell v FSA [2003] FSMT 007.

118.2 Again, the Tribunal noted that the Respondent had made no substantive response to this allegation.

118.3 The Tribunal accordingly found allegation 1.6 proved beyond reasonable doubt on the facts and documents before it.

119. **Allegation 2 - In relation to allegations 1.1, 1.2, 1.3 and 1.5 the SRA alleged that the Respondent acted dishonestly. However, dishonesty was not an essential ingredient to sustain the allegations. In particular, it was alleged that the Respondent:**

- 2.1 knew he had no authority to use money belonging to another for either his or the firm’s own purposes, or**
- 2.2 transferred money from one client account to another, or for the use of one client to another, and/or forged documents in order to deceive, and**
- 2.3 knew, by the standards of reasonable and honest people, his conduct was dishonest.**

119.1 The Tribunal had listened very carefully to Mr Goodwin’s arguments concerning dishonesty and had found them to be persuasive. The Tribunal had applied the principles in Bultitude and Iqbal referred to by Mr Goodwin. The very quantity of unauthorised transfers and overbilling necessary to cover the Respondent’s tracks was substantial; the Respondent had deliberately engaged in an exercise in “teeming and lading” over a period of time. His engagement to clear his name was not impressive and he had had ample opportunity to explain his actions but had failed to do so.

119.2 It was clear to the Tribunal that the Respondent’s actions concerning allegations 1.1, 1.2, 1.3 and 1.5, within the context of the total factual framework of the case would be regarded as dishonest by the standards of reasonable and honest people. Furthermore, the Tribunal had concluded that the Respondent must have known that by those same standards his conduct was dishonest.

119.3 The Tribunal accordingly found that the Respondent had been dishonest by the standards set down in the twin limbs of the Twinsectra test and therefore found the allegation of dishonesty to have been proved beyond reasonable doubt on the facts and documents before it, save in relation to the forgery of documents which the Tribunal had already found not proved beyond reasonable doubt.

Previous Disciplinary Matters

120. None.

Mitigation

121. Any mitigation of the Respondent was contained within his Reply to the Rule 5 Statement and his Counter Notice.

Sanction

122. The Tribunal referred to its Guidance Note on Sanctions when considering the appropriate and proportionate sanction.
123. The Tribunal had found a very serious set of allegations proved beyond reasonable doubt, including those of Accounts Rules breaches and dishonesty. The aggravating factors in this case were the amounts involved, the number of clients affected, the Respondent's lack of participation in putting matters right and his dishonesty. The Respondent's actions had been deliberate and repeated and concealment had been a central feature.
124. The harm caused by the Respondent to the clients involved was not as great as it might have been due to the corrective actions of his former partners to their undoubted expense. However, there was also significant reputational harm to his partners and to that of the profession and that harm was reasonably foreseeable by the Respondent whilst he was trying to cover his tracks.
125. The Respondent had been an experienced solicitor but his actions had been carefully planned and executed and had involved a complex web of deceit. There was a breach of trust involving his partners and his clients. The Tribunal could find no mitigating factors.
126. In this case the sanction would be one of strike off; indeed the public would expect nothing less. The Tribunal had found systematic breaches of the Accounts Rules and had determined that the Respondent had been dishonest. In such cases strike off was the appropriate penalty unless exceptional circumstances could be found (SRA v Sharma [2010] EWHC 2022 (Admin)). The Tribunal was aware of the Respondent's marital difficulties, which had not been advanced in detail by him, but this would not affect sanction; there were no exceptional circumstances.

Costs

127. The Applicant asked for costs in the sum of £33,099.95, which had been reduced from the original sum of £34,755.95 notified to the Respondent due to a reduction in the length of the substantive hearing caused by the Respondent's non-attendance.
128. In Mr Goodwin's submission the costs were both reasonable and proportionate. The Applicant had a reasonable expectation that the Respondent would attend the hearing and be subject to detailed cross examination.
129. When Mr Bailey gave his evidence he was asked by the Tribunal, by reference to his claimed costs whether there had been any duplication of investigative work undertaken by himself, Mr Stuart or the Investigative Accountants engaged by Mr Stuart and the firm's Insurers who had carried out their own analysis. Mr Bailey

confirmed that he had been assisted by the earlier work but that there had been no duplication.

130. The Respondent had not commented upon the costs and Mr Goodwin asked for immediate summary assessment in accordance with R v Northallerton Magistrates Court ex p. Dove [1999] Crim LR 760. This would afford the Applicant the opportunity to explore enforcement options against the Respondent.

The Tribunal's Decision in Relation to Costs

131. The Tribunal would summarily assess costs in the sum requested. The Tribunal saw no reason to reduce the costs which appeared to be fair and proportionate. It acknowledged that Mr Goodwin had prepared for a contested hearing with substantial cross-examination of the Respondent and the Respondent had only informed the Applicant at a very late stage that he would not attend.
132. The Respondent had been given the opportunity to put a personal financial statement before the Tribunal but had not done so and consequently the Tribunal was unable to take his financial circumstances into account in ordering costs. He had been told that this would be the case. In this matter the Tribunal had followed the principles in SRA v Davis and McGlinchey [2011] EWHC 232 (Admin).

Statement of Full Order

133. The Tribunal Ordered that the Respondent, Selcuk Karatas, 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 £33,099.95.

Dated this 12th day of June 2015
On behalf of the Tribunal

J. C. Chesterton
Chairman