

# SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974

Case No. 12209-2021

## **BETWEEN:**

SOLICITORS REGULATION AUTHORITY LTD.

Applicant

and

KAREN TODNER

Respondent

---

Before:

Ms A Kellett (in the chair)

Mr M N Millin

Mr P Hurley

Date of Hearing: 29 March 2022

---

## **Appearances**

Andrew Tabachnik QC, counsel, of 39 Essex Chambers (Instructed by Capsticks LLP) for the Applicant

Geoffrey Williams QC, counsel of Farrar's Building, for the Respondent

---

## **JUDGMENT ON AN AGREED OUTCOME**

---

## **Allegations**

1. The allegations against Ms Todner were that while in practice as a solicitor, director and Managing Director of Kaim Todner Solicitors Limited (“KTS”) and thereafter:
  - 1.1 Between June 2015 and November 2015, in relation to Client C and between June 2014 and October 2017 in relation to Client P, she caused or allowed sums received by KTS for unpaid professional disbursements to be retained in the KTS office account for a period in excess of that allowed under Rule 17.1(b) of the SRA Accounts Rules 2011, in circumstances where the relevant client ledgers erroneously showed the same monies had been paid out to counsel, and in doing so breached Principles 6, 8 and 10 of the SRA Principles 2011 and Rules 14.1, 17.1, 29.1, 29.2 and 29.4 of the SRA Accounts Rules 2011.
  - 1.2 From March 2015 onwards, in relation to Client S, she caused or allowed sums received by KTS for unpaid disbursements to be retained by KTS, in circumstances where the relevant client ledger erroneously showed the said monies had been paid out to counsel, and, following the writing off of the disbursements to which such sums related, failed to cause the sums to be returned to the client, and in doing so breached Principles 6, 8 and 10 of the SRA Principles 2011 and Rules 14.1, 17.1, 29.1, 29.2 and 29.4 of the SRA Accounts Rules 2011.
  - 1.3 In the period from June 2014 onwards, by reason of the facts and matters admitted above, she caused or allowed minimum cash shortages in the sum of up to £99,480 to have existed on the Client Account of KTS, and in doing so breached Principles 6, 7, 8 and 10 of the SRA Principles 2011 and Rules 7.1 and 7.2 of the SRA Accounts Rules 2011 and Rule 6 of the SRA Accounts Rules 2018.
  - 1.4 By reason of the matters admitted above (to the extent that they arose on or before 2 March 2016), she failed to comply with her obligations as KTS’s Compliance Officer for Finance and Administration (“COFA”) in that she failed to ensure that the Firm and its managers and employees complied with the Solicitors Accounts Rules 2011, and in doing so breached Rule 8.5 of the SRA Authorisation Rules 2011 and Principle 8 of the SRA Principles 2011.

## **Documents**

2. The Tribunal considered all the documents contained within an electronic bundle prepared and agreed by the parties.

## **Background**

3. Ms Todner was admitted to the Roll of Solicitors in 1987. When the cash shortages underlying the allegations first arose, she was a Director and Managing Director, and sole owner, of KTS, until she sold her shares therein to One Legal Services Limited in March 2016. KTS was a recognized body until 1 July 2016, at which point it became a licensed body. KTS ceased to trade on 31 March 2017.

4. Ms Todner was the sole registered and beneficial shareholder of KTS from 1 May 2010 until 2 March 2016. She was a Director of KTS from 1 May 2010 until 2 March 2016. In addition, she was COFA at KTS from 10 December 2012 until 2 March 2016, and was Money Laundering Reporting Officer (“MLRO”) at KTS from 1 May 2010 until 3 March 2016.
5. Ms Todner was also, at the material time, a senior and experienced solicitor, and Vice President of the Solicitors Disciplinary Tribunal.
6. At the date of the hearing, Ms Todner held a practising certificate free from conditions and was a Director and Owner of Karen Todner Limited.

### **Application for the matter to be resolved by way of Agreed Outcome**

7. The parties invited the Tribunal to deal with the Allegations against Ms Todner in accordance with the Statement of Agreed Facts and Outcome annexed to this Judgment. The parties submitted that the outcome proposed was consistent with the Tribunal’s Guidance Note on Sanctions.
8. The proposed sanction was initially that Ms Todner pay a fine of £17,500 and be subject restrictions relating to acting as a Compliance Officer for Legal Practice (“COLP”), COFA and MLRO and acting as a signatory to client or office accounts or authorising transfers from such accounts (save for routine office expenses up to a limit of £100 per authorisation).

### **Findings of Fact and Law**

9. The SRA was required to prove the allegations on the balance of probabilities. The Tribunal had due regard to its statutory duty, under section 6 of the Human Rights Act 1998, to act in a manner which was compatible with Ms Todner’s rights to a fair trial and to respect for her private and family life under Articles 6 and 8 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.
10. The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Ms Todner’s admissions were properly made.
11. The Tribunal considered the Guidance Note on Sanction (9<sup>th</sup> Edition/ December 2021) (“the Sanctions Guidance”). In doing so the Tribunal assessed the culpability and harm identified together with the aggravating and mitigating factors that existed. The Tribunal considered that the proposed sanction did not reflect the seriousness of the admitted conduct taking into account the aggravating factors set out in the Statement of Agreed Facts and Outcome:

*“46.1 The fact that the Respondent had misconducted herself in a number of other respects, also while a senior and experienced solicitor, as admitted by her and set out in the Regulatory Settlement Agreement.*

*46.2 The Respondent’s misconduct took place while she held the role and responsibility of director and COFA within KTS, and while serving as Vice President of the Tribunal.*

*46.3 The misconduct continued over a period of time. The Client S SAR breaches remain unrectified, albeit involving a modest sum.*

*46.4 The Respondent knew or ought reasonably to have known that the misconduct in question was in material breach of her obligations to protect the public and the reputation of the legal profession, and to protect client monies.*

*46.5 The Respondent did not self-report.”*

12. The Tribunal accordingly declined to approve the proposed sanction. The Tribunal also queried with the parties the way in which the proposed restrictions on practice were drafted so as to relate to “any solicitor’s practice” and “when the Respondent’s co-owner is unavailable”.

### **Amended application for the matter to be resolved by way of Agreed Outcome**

13. Mr Williams QC made an amended application on behalf of Ms Todner. The amended proposed sanction was that she pay a fine of £25,000 and that the restrictions on practice be drafted to apply to any authorised or recognised body. He noted that there was no suggestion of any allegation of dishonesty, no allegation that Ms Todner’s conduct had lacked integrity or that she had been reckless and there had been no motivation of gain. He submitted that in such circumstances financial penalties were often lower. He referred the Tribunal to various testimonials, including from counsel involved in the cases out of which the allegations arose. Many spoke of Ms Todner’s record of reliable payment of fees. Mr Williams described the testimonials as superb and noted that the conduct giving rise to the allegations occurred six years ago and there was nothing to Ms Todner’s detriment since. She had made early factual admissions and the cases highlighted in the allegations were just three from a long and very successful career. Mr Williams submitted that the proposed sanction as amended was sufficient for the purposes of punishment and also to maintain the reputation of the profession.
14. Mr Tabachnik, for the SRA, confirmed that the SRA supported the revised application. The SRA’s submission was that the admitted conduct warranted a Level 4 fine (by reference to the Sanctions Guidance). Mr Tabachnik described the case as resulting, ultimately, from not spending enough time devoted to supervising the firm’s accounts and those responsible for them. He submitted that the proposed fine met the aggravating features present in the case and that the proposed far-reaching restrictions squarely addressed the underlying risks and underlined the seriousness of the allegations and the admitted conduct.

### **The Tribunal’s Decision**

15. Ms Todner had had direct control over the circumstances of the misconduct, and given her experience at the time, and role as Vice President of the Tribunal, the Tribunal agreed that she must have appreciated that she was a role model who needed to conduct herself accordingly. Scrupulous adherence to the letter and spirit of the accounts rules was a cornerstone of legal practice and not something which could be neglected, however committed the solicitor was to legal work for their clients. This was particularly so given Ms Todner’s roles as COLP and COFA.

16. Set against these points, there was no allegation of recklessness, lack of integrity or dishonesty. The testimonials produced, including from some of the counsel directly involved in the cases with which the allegations were concerned, were extremely positive and indicated that there was no wider pattern of failing to pay disbursements.
17. In all the circumstances the Tribunal considered that the revised proposed fine of £25,000, falling within Level 4 of the Indicative Fine Bands (suitable for conduct assessed as “very serious”), coupled with the proposed restrictions on practice, was appropriate.
18. The Tribunal, having determined that the revised proposed sanction was appropriate and proportionate, granted the application for matters to be resolved by way of the Agreed Outcome.

### **Costs**

19. The parties agreed that the Ms Todner should pay the SRA’s costs of these proceedings fixed in the sum of £21,055.21. The Tribunal considered the costs application to be appropriate and proportionate, and ordered that Ms Todner pay the costs in the agreed amount.

### **Statement of Full Order**

20. The Tribunal ORDERED that the Respondent, Karen Todner, solicitor, do pay a fine of £25,000, such penalty to be forfeit to Her Majesty the Queen.
21. The Tribunal further ORDERED that the Respondent be subject to conditions imposed by the Tribunal as follows:
  - 21.1 The Respondent may not (without the prior written consent of the SRA or the prior written permission of the Tribunal):
    - 21.1.1 act as COFA, COLP or MLRO in any authorised or recognised body;
    - 21.1.2 act as a signatory to any client or office account or have the power to authorise transfers from any client or office account, save for routine office expenses limited to £100 per authorisation when the Respondent’s co-owner is unavailable or otherwise in any authorised or recognised body.
  - 21.2 There be liberty to either party to apply to the Tribunal to vary the conditions set out at paragraph 21.1 above.
22. The Tribunal further ORDERED that the Respondent do pay the costs of and incidental to this application and enquiry fixed in the sum of £21,055.21.

Dated this 21<sup>st</sup> day of April 2022  
On behalf of the Tribunal

A handwritten signature in black ink, appearing to read 'A Kellett', is centered within a light gray rectangular box.

A Kellett  
Chair

**JUDGMENT FILED WITH THE LAW SOCIETY**  
**21 APR 2022**

**BEFORE THE SOLICITORS DISCIPLINARY TRIBUNAL  
IN THE MATTER OF THE SOLICITORS ACT 1974 (AS AMENDED)  
AND IN THE MATTER OF:**

**SOLICITORS REGULATION AUTHORITY LIMITED**

**Applicant**

**and**

**KAREN ELIZABETH TODNER**

**Respondent**

---

**STATEMENT OF AGREED FACTS AND OUTCOME**

---

**Introduction**

1 By a re-amended statement made by Hannah Victoria Lane on behalf of the Solicitors Regulation Authority Limited (“the SRA”) pursuant to Rule 12 of the Solicitors (Disciplinary Proceedings) Rules 2019 and dated 4 February 2022, the SRA brought proceedings before the Tribunal making allegations of professional misconduct against the Respondent. Definitions and abbreviations used herein are those set out in the re-amended Rule 12 statement.

**Admissions**

2 The Respondent admits that, while in practice as a solicitor, director and Managing Director of Kaim Todner Solicitors Limited (“KTS”) and thereafter:

2.1 Between June 2015 and November 2015, in relation to Client C and between June 2014 and October 2017 in relation to Client P, she caused or allowed sums received by KTS for unpaid professional disbursements to be retained in the KTS office account for a period in excess of that allowed under Rule 17.1(b) of the SRA Accounts Rules 2011, in circumstances where the relevant client ledgers erroneously showed the same monies had been paid out to counsel,

and in doing so breached Principles 6, 8 and 10 of the SRA Principles 2011 and Rules 14.1, 17.1, 29.1, 29.2 and 29.4 of the SRA Accounts Rules 2011.

- 2.2 From March 2015 onwards, in relation to Client S, she caused or allowed sums received by KTS for unpaid disbursements to be retained by KTS, in circumstances where the relevant client ledger erroneously showed the said monies had been paid out to counsel, and, following the writing off of the disbursements to which such sums related, failed to cause the sums to be returned to the client, and in doing so breached Principles 6, 8 and 10 of the SRA Principles 2011 and Rules 14.1, 17.1, 29.1, 29.2 and 29.4 of the SRA Accounts Rules 2011.
- 2.3 In the period from June 2014 onwards, by reason of the facts and matters admitted above, she caused or allowed minimum cash shortages in the sum of up to £99,480 to have existed on the Client Account of KTS, and in doing so breached Principles 6, 7, 8 and 10 of the SRA Principles 2011 and Rules 7.1 and 7.2 of the SRA Accounts Rules 2011 and Rule 6 of the SRA Accounts Rules 2018.
- 2.4 By reason of the matters admitted above (to the extent that they arose on or before 2 March 2016), she failed to comply with her obligations as KTS's Compliance Officer for Finance and Administration ("COFA") in that she failed to ensure that the Firm and its managers and employees complied with the Solicitors Accounts Rules 2011, and in doing so breached Rule 8.5 of the SRA Authorisation Rules 2011 and Principle 8 of the SRA Principles 2011.

### **Professional Details**

- 3 The Respondent was admitted to the Roll on 15 May 1987.
- 4 At the time of the cash shortages underlying the allegations first arising, the Respondent was a Director and Managing Director, and sole owner, of KTS, until she sold her shares therein to One Legal Services Limited in March 2016. KTS was a recognized body until 1 July 2016, at which point it became a licensed body. KTS ceased to trade on 31 March 2017.
- 5 The Respondent was the sole registered and beneficial shareholder of KTS from 1 May 2010 until 2 March 2016. She was a Director of KTS from 1 May 2010 until 2 March 2016. In addition, the Respondent was COFA at KTS from 10 December 2012 until 2 March 2016, and was MLRO at KTS from 1 May 2010 until 3 March 2016.



- 6 The Respondent currently holds a practising certificate free from conditions. She is currently a Director and Owner of Karen Todner Limited.

### Agreed Facts

#### (i) Client C

- 7 KTS acted for Client C in relation to allegations of money laundering. The matter was privately funded.
- 8 A counsel fee invoice dated 12 June 2015 addressed to the Respondent shows the sum of £58,230.00 (including VAT) was owed by way of counsel fees to Junior Counsel.
- 9 On 22 June 2015, KTS received £130,537.20 from Client C. The money was received into the client bank account with the narrative "*kanta enterprise / re bill*". On 23 June 2015, the £130,537.20 was transferred from client account to office account.
- 10 Upon his review of the client file, the FI Officer identified copy bills dated 27 May 2015 and 15 June 2015 addressed to Client C and totalling £130,537.20. The bills included the following amounts for the payment of counsel fees: (a) £53,565.00 (including VAT) relating to counsel fees for Leading Counsel, and (b) £58,230.00 (including VAT) relating to counsel fees for Junior Counsel.
- 11 The client ledger recorded that a payment of £53,565.00 was made to Leading Counsel on 26 June 2015, and a payment of £58,230.00 was made to Junior Counsel on the same date.
- 12 KTS's office bank account statement identified a payment of £53,565.00 on 30 June 2015 (not 26 June 2015, as stated in the client ledger). This related to Leading Counsel's fees.
- 13 Also contrary to the client ledger, Junior Counsel's relevant fees were not paid on 26 June 2015, but by way of three payments as follows:
- 13.1 £15,000.00 on 30 June 2015;
- 13.2 £35,000.00 on 15 July 2015; and

13.3 £8,230.00 on 4 November 2015.

14 Further, on 9 September 2015, the client ledger identified a receipt of £114,836.80 from the client, which monies were received into client account then transferred to office account that day. The copy client bill was in the sum of £114,836.80 and included two further disbursements to Junior Counsel, of £39,420.00 and £33,570.00 (plus VAT). The client ledger recorded two payments of £39,420.00 and £33,570.00 (plus VAT) being made to Junior Counsel on 9 September 2015. The client ledger was inaccurate in relation to the latter payment, which monies remained in office account until paid to Junior Counsel on 23 November 2015.

**(ii) Client P**

15 KTS acted for Client P in relation to action taken against him by the police. Client P was a serving police officer and the matter was funded by the Police Federation.

16 On 3 June 2014, according to the client ledger and an extract from KTS's office bank statement, £36,489.31 was received from the Police Federation on behalf of Client P.

17 On 20 June 2014, the client ledger showed a payment of £18,240.00 was made to Leading Counsel ("AQC"). The client ledger inaccurately stated that a payment of £4,800.00 was made to a different Leading Counsel ("BQC") on 1 April 2015. The payment to BQC was identified on the ledger as having been made by cheque number 751925.

18 KTS provided the FI Officer with a bill submitted to the Police Federation in the sum of £36,466.32 dated 27 February 2014. The Respondent has been unable to explain the reason for the difference of £22.99 between the bill amount (£36,466.32) and the amount received (£36,489.31). The bill included the fees for AQC totalling £18,240.00 and BQC totalling £4,800.00 (plus VAT).

19 BQC had concluded his work on 30 September 2013, and submitted his fee note on 14 November 2013. His fees clerk chased payment on numerous occasions between 5 June 2014 and 27 September 2017 (including by way of a further 9 fee notes and 20 chasing letters). The Respondent had become aware of BQC's outstanding fees by July 2017, at the latest. On or about 3 October 2017, the fee clerk was asked to provide a further fee note so that payment could be made. Thereafter, BQC was paid by the Respondent on 11 October 2017 (and not 1 April 2015, as wrongly stated on the client ledger).

**(iii) Client S**

- 20 KTS acted for Client S in relation to allegations of fraudulent trading. The matter was privately funded by Client S.
- 21 On 4 March 2015, the client ledger and KTS's client bank statement identifies that £2,880.00 was received from Client S. The sum was immediately transferred to KTS's office account. The client ledger wrongly identified a payment of £2,880.00 to Leading Counsel on 4 March 2015, with the payment purportedly made by cheque number 751871. Contrary to the client ledger, Leading Counsel has never received the £2,880.00 or any part thereof.
- 22 Leading Counsel agreed to "write off" the £2,880.00 in or about June 2016.
- 23 The SRA has not been provided with evidence that the £2,880.00 was returned to Client S.

**(iv) Minimum cash shortages**

- 24 In consequence, and due to the Respondent's failure to pay professional disbursements in a timely fashion or to transfer an equal amount from office account to client account in accordance with the requirements of SAR Rule 17, the following minimum cash shortages arose on client account, as follows:
- 24.1 **Client C.** A shortage of £58,230.00, arising on 23 June 2015, and rectified in tranches (£15,000.00 on 29 June 2015; £35,000.00 on 15 July 2015; and £8,230.00 on 4 November 2015).
- 24.2 **Client C.** A shortage of £33,570.00, arising on 9 September 2015 and rectified on 23 November 2015.
- 24.3 **Client P.** A shortage of £4,800.00 arising on 3 June 2014 and rectified on 11 October 2017.
- 24.4 **Client S.** A shortage of £2,880.00 arising on 4 March 2015 and not rectified.

25 The total cash shortage of £99,480 is an aggregate figure<sup>1</sup>.

26 Even where rectified, the said cash shortages were not rectified promptly on discovery, contrary to SAR Rule 7.

**(v) Respondent's admissions of professional misconduct**

27 In the premises, the Respondent admits that, while in practice as a solicitor, director and Managing Director of Kaim Todner Solicitors Limited ("KTS") and thereafter:

27.1 Between June 2015 and November 2015, in relation to Client C and between June 2014 and October 2017 in relation to Client P, she caused or allowed sums received by KTS for unpaid professional disbursements to be retained in the KTS office account for a period in excess of that allowed under Rule 17.1(b) of the SRA Accounts Rules 2011, in circumstances where the relevant client ledgers erroneously showed the same monies had been paid out to counsel, and in doing so breached Principles 6, 8 and 10 of the SRA Principles 2011 and Rules 14.1, 17.1, 29.1, 29.2 and 29.4 of the SRA Accounts Rules 2011.

27.2 From March 2015 onwards, in relation to Client S, she caused or allowed sums received by KTS for unpaid disbursements to be retained by KTS, in circumstances where the relevant client ledger erroneously showed the said monies had been paid out to counsel, and, following the writing off of the disbursements to which such sums related, failed to cause the sums to be returned to the client, and in doing so breached Principles 6, 8 and 10 of the SRA Principles 2011 and Rules 14.1, 17.1, 29.1, 29.2 and 29.4 of the SRA Accounts Rules 2011.

27.3 In the period from June 2014 onwards, by reason of the facts and matters admitted above, she caused or allowed minimum cash shortages in the sum of up to £99,480 to have existed on the Client Account of KTS, and in doing so breached Principles 6, 7, 8 and 10 of the SRA Principles 2011 and Rules 7.1 and 7.2 of the SRA Accounts Rules 2011 and Rule 6 of the SRA Accounts Rules 2018.

27.4 By reason of the matters admitted above (to the extent that they arose on or before 2 March 2016), she failed to comply with her obligations as KTS's COFA

---

<sup>1</sup> This comprises of the following sums: £58,230.00, £33,570.00, £4,800.00 and £2,880.00

in that she failed to ensure that the Firm and its managers and employees complied with the Solicitors Accounts Rules 2011, and in doing so breached Rule 8.5 of the SRA Authorisation Rules 2011 and Principle 8 of the SRA Principles 2011.

### **Regulatory Settlement Agreement**

28 On 3 February 2017, the Respondent signed a Regulatory Settlement Agreement with the SRA in which she accepted responsibility for the following misconduct:

28.1 The Respondent breached her obligation promptly to notify the SRA of serious financial difficulty (Outcome 10.3 of the SRA Code of Conduct 2011), and in so doing failed to comply with Principle 7 of the SRA Principles 2011.

28.2 The Respondent failed to cause a former client to seek independent legal advice before accepting a £25,000 loan from the client, in breach of Principle 6 of the SRA Principles 2011.

28.3 The Respondent caused or allowed the receipt of funds into Client Account, and the payment of funds out of Client Account, which were not related to an underlying transaction or to a service forming part of the Respondent's or her firm's normal regulated activities, and thereby breached the prohibition on providing banking facilities (SAR Rule 14.5).

29 The Respondent agreed to a fine of £2,000, and a rebuke. She also agreed to pay £7,800 towards the SRA's legal costs.

### **Mitigation**

30 The following mitigation, which is not agreed by the SRA, is put forward by the Respondent.

31 The Respondent did not misconduct herself for personal financial gain, but in consequence of a failure to devote sufficient time and attention to her regulatory responsibilities. At all times she was dedicated to the interests of her clients and her firm.

- 32 The Respondent is a high profile Solicitor who has produced exceptional testimonials and references and with an excellent reputation for acting in complex cases particularly for disadvantaged clients.
- 33 These events took place some 6 years ago. There have been no concerns regarding her conduct since that time.
- 34 No dishonesty or lack of integrity is alleged or admitted. The Respondent has cooperated throughout with the lengthy SRA investigation. The matters pursued have always been admitted by the Respondent. The Respondent never inputted any information onto the Client's ledgers.
- 35 In relation to Client C the Respondent did not pay Junior Counsel's fee immediately as it became apparent that Junior Counsel had in fact double charged the Client and the Client asked the Respondent not to pay Junior Counsel until they had resolved the discrepancies on his bill. Junior Counsel was ultimately paid in full when the Client agreed for him to be paid. Leading Counsel was paid promptly throughout.
- 36 The Respondent was not directly involved in the case of Client S. The agreement to write off Counsel's fees was not agreed by the Respondent and was agreed by others, post the Respondent ceasing to become a Director of KTS. The SRA do have evidence that Client S was paid his money as they have the ledgers and a signed witness statement from CQC confirming that the Client S was in receipt of a defence costs order for the funds he paid to KTS.
- 37 In relation to Client P, the Counsel's fee of £4800 was paid by the Respondent personally shortly after she became aware it was due, even though she had no liability to do so. In relation to Client P, the bill was placed on to a billing portal by another and to which the Respondent did not have access. She had not been aware the fee was due before that July 2017 primarily because BQC did not actually undertake the case and she was unaware of the fee being claimed or due. AQC was paid promptly.
- 38 No complaints have been received from any Clients in respect of the Respondent's conduct.
- 39 The 3 files referred are 3 matters out of thousands conducted by KT in her 30-year career. They do not relate to any legal aid claims.

#### **Client S**

- 40 The SRA notes the Respondent's position that Client S was repaid, as set out above at paragraph 36. The SRA does not accept this to be the position, however the parties

both agree it is not necessary for the Tribunal to resolve this as part of the approval of the agreed outcome.

### **Sanction proposed**

41 The Respondent agrees:

41.1 To pay a fine in the sum of £17,500.

41.2 To the imposition by the Tribunal of conditions on her practice to the effect that she shall not (without the written consent of the SRA or the permission of the Tribunal):

41.2.1 act as COFA, COLP or MLRO in any solicitor's practice;

41.2.2 act as a signatory to any client or office account or have the power to authorise transfers from any client or office account, save for routine office expenses limited to £100 per authorisation when the Respondent's co-owner is unavailable.

42 The sanctions outlined above are considered to be in accordance with the Tribunal's sanctioning guidance (9<sup>th</sup> edition), taking into account the guidance set out in *Fuglers and others v SRA* [2014] EWHC 179 (per Popplewell J), as set out in the guidance at paragraph 8.

43 The Respondent's misconduct is assessed as crossing the line into conduct which is "very serious".

44 This assessment takes into account that the level of the Respondent's culpability in respect of the allegations above is high due to:

44.1 The Respondent having direct control and responsibility for the circumstances giving rise to the misconduct.

44.2 The Respondent's level of experience at the time of the relevant misconduct. The Respondent was, at the material time, a senior and experienced solicitor, and Vice President of the Tribunal. The Respondent must have appreciated at the time that she was a role model, who needed to conduct herself accordingly.

- 44.3 As well as being managing director of her firm, the Respondent held the position of COFA, but failed to take adequate steps to discharge the attendant responsibilities.
- 44.4 The numerous inaccuracies across three client ledgers is itself a clear concern, and indicative of a failure by the Respondent to devote sufficient time, focus and attention to her management and COFA responsibilities.
- 44.5 Against these points, it is accepted that the Respondent did not act dishonestly, recklessly, without integrity or seek to mislead the SRA.
- 45 As to the harm caused, it is acknowledged that the Respondent's admitted misconduct only caused limited financial loss, relating to the unrectified £2,880 sum paid by Client S, and other delayed payments. However, the relevant SAR failures carried a high risk of loss, in particular the numerous client ledger inaccuracies and the wrongful retention of client monies in office account for (in some cases) significant periods. Further, the Respondent's misconduct has caused harm to the reputation of the profession.
- 46 The principal factors which aggravate the seriousness of the misconduct include:
- 46.1 The fact that the Respondent had misconducted herself in a number of other respects, also while a senior and experienced solicitor, as admitted by her and set out in the Regulatory Settlement Agreement.
- 46.2 The Respondent's misconduct took place while she held the role and responsibility of director and COFA within KTS, and while serving as Vice President of the Tribunal.
- 46.3 The misconduct continued over a period of time. The Client S SAR breaches remain unrectified, albeit involving a modest sum.
- 46.4 The Respondent knew or ought reasonably to have known that the misconduct in question was in material breach of her obligations to protect the public and the reputation of the legal profession, and to protect client monies.
- 46.5 The Respondent did not self-report.
- 47 The proposed sanction involves:
- 47.1 A fine in Level 4 (conduct assessed as very serious);



47.2 Imposition of conditions preventing the Respondent (absent permission of the Tribunal or the SRA) from acting as COFA, COLP or MLRO in any solicitor's practice; or from acting as a signatory to any client or office account or having the power to authorise transfers from any client or office account. This condition is directed at the heart of the causes of the misconduct in this case, and is agreed to be both necessary and proportionate taking account of the need to protect the public.

48 The Parties consider that in light of the admissions set out above, and taking due account of the mitigation put forward by the Respondent, the proposed outcome represents a proportionate resolution of the matter, which is in the public interest.

### **Costs**

49 The Respondent agrees also to pay the SRA's full costs of this prosecution in the agreed sum of £21,055.21. The Respondent acknowledges the reasonableness and proportionality of this level of costs, taking account of the underlying allegations, the various procedural steps taken in the proceedings, and noting that the costs also cover the one-day abuse of process application (and preparations therefor) unsuccessfully brought by the Respondent and heard by the Tribunal on 16 November 2021.

50 For the avoidance of doubt, the agreed costs of £21,055.21 do not include the SRA's costs of the Respondent's unsuccessful application for judicial review (CO/563/2022) in the sum of £10,000 ordered to be paid by order of Mrs Justice Lang DBE when refusing permission.

### **SIGNED AND AGREED:**

Karen Elizabeth Todner, the Respondent

Ian Brook, Capsticks, for and on behalf of the SRA

28 March 2022