# SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 Case No. 12258-2021

**BETWEEN:**

SOLICITORS REGULATION AUTHORITY LTD. Applicant

and

MARC DANIEL TRAUBE Respondent

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Before:

Mr P Lewis (in the chair)
Mr W Ellerton
Mr P Hurley

Date of Hearing: 28 January 2022

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**Appearances**

There were no appearances as the matter was dealt with on the papers.

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# JUDGMENT ON AN AGREED OUTCOME

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**Allegations**

1. The allegations against Mr Traube made by the Solicitors Regulation Authority Ltd were that whilst in practice as a solicitor and partner of Karam, Missick and Traube LLP, ("the Firm") he:

1.1 Between 30 November 2018 and 5 December 2018, caused or allowed payments in the total sum of about €300,000 to be made into and out of the Firm's client account between Company B and Client Company A and/or Person 1 and Company C in circumstances which amounted to the improper use of the Firm's client account as a banking facility in breach of Rule 14.5 of the SRA Accounts Rules 2011 ("the Accounts Rules"). In doing so, Mr Traube breached Principles 6, 7 and 8 of the SRA Principles 2011 ("the Principles").

1.2 Between 30 November 2018 and 5 December 2018, contrary to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("the 2017 Regulations"), failed to carry out adequate customer due diligence ("CDD") in respect of Client Company A and/or Person1. In doing so, Mr Traube breached Principles 6, 7 and 8 of the Principles and failed to achieve Outcomes 7.2 and 7.5 of the Code of Conduct 2011 ("the Code").

**Documents**

3. The Tribunal had before it the following documents:-

- Rule 12 Statement and Exhibit LIC1 dated 5 October 2021
- Mr Traube's Answer dated 26 November 2021
- Statement of Agreed Facts and Proposed Outcome dated 21 January 2022

**Background**

4. Mr Traube was admitted to the Roll in 2005 and was a solicitor and partner at the Firm. He held an unconditional practising certificate and was the Firm's Compliance Officer for Legal Practice ("COLP"). He no longer held the roles of Money Laundering Reporting Officer ("MLRO") or Money Laundering Compliance Officer ("MLCO").

5. The Firm had three members, two of whom are based in the Turks and Caicos Islands. The Forensic Investigation Report recorded that of these two other members, one had never done any work for the Firm and the other had had involvement in one matter only. Mr Traube was the sole UK-based member. According to explanations given to the Forensic Investigation Officer ("FIO") the managers were assisted by five qualified staff and six unadmitted staff. The Firm's fee income was from civil litigation, commercial law, immigration law, and residential and commercial property.

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

6. The parties invited the Tribunal to deal with the Allegations against Mr Traube in accordance with the Statement of Agreed Facts and Proposed Outcome annexed to this Judgment. The parties submitted that the outcome proposed was consistent with the Tribunal's Guidance Note on Sanctions.

**Findings of Fact and Law**

7. The Applicant 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 Mr Traube's rights 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.

8. The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admissions were properly made.

9. The Tribunal considered the Guidance Note on Sanction (9th Edition). In doing so the Tribunal assessed the culpability and harm identified together with the aggravating and mitigating factors that existed. The Tribunal found that Mr Traube was an experienced solicitor with direct control and responsibility for his misconduct. Further, at the time of the misconduct, Mr Traube was the compliance officer for the Firm. Whilst no client had suffered financial loss, Mr Traube's conduct had caused harm to the reputation of the profession.

10. The Tribunal considered that Mr Traube's conduct was such that sanctions of No Order or a Reprimand did not reflect the seriousness of his misconduct. The Tribunal did not find that the conduct was so serious that Mr Traube should be immediately removed from practice for a definite or indefinite period. The Tribunal found that a fine adequately reflected the seriousness of his misconduct. The Tribunal assessed his conduct as very serious such that it fell within the Tribunal's Indicative Fine Band 4. The Tribunal considered that a fine in the sum of £25,000 adequately reflected the admitted misconduct. Accordingly, the Tribunal approved the proposed sanction.

**Costs**

11. The parties agreed that Mr Traube should pay costs fixed in the sum of £20,000. The Tribunal found that this was reasonable and proportionate and ordered Mr Traube to pay costs in the agreed sum.

**Statement of Full Order**

12. The Tribunal Ordered that the Respondent, MARC DANIEL TRAUBE, solicitor, do pay a fine of £25,000.00, such penalty to be forfeit to Her Majesty the Queen, and it further Ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £20,000.00.

Dated this 9th day of February 2022
On behalf of the Tribunal

P Lewis
Chair

**BEFORE THE SOLICITORS DISCIPLINARY TRIBUNAL** **Case No: 12258-2021**

**IN THE MATTER OF THE SOLICITORS ACT 1974 (as amended)**

**AND IN THE MATTER OF:**

**SOLICITORS REGULATION AUTHORITY LIMITED**

Applicant

and

**MARC TRAUBE**

Respondent

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## STATEMENT OF AGREED FACTS AND OUTCOME

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### Introduction

1. By a statement made by Louise Culleton on behalf of the Solicitors Regulation Authority (the "SRA") pursuant to Rule 12 of the Solicitors (Disciplinary Proceedings) Rules 2019 dated 5 October 2021, the SRA brings proceedings before the Tribunal making allegations of misconduct against the Respondent. Definitions and abbreviations used herein are those set out in the Rule 12 Statement.

### Admissions

2. The Respondent admits that he, whilst in practice as a solicitor and partner of Karam, Missick and Traube LLP, ("the Firm"):

   2.1 Between 30 November 2018 and 5 December 2018, caused or allowed payments in the total sum of about €300,000 to be made into and out of the Firm's client account between Company B and Client Company A and/or Person 1 and Company C in circumstances which amounted to the improper use of the Firm's client account as a banking facility in breach of Rule 14.5 of the SRA Accounts Rules 2011.

   In doing so, the Respondent breached Principles 6, 7 and 8 of the SRA Principles 2011 ("the Principles").

2.2 Between 30 November 2018 and 5 December 2018, contrary to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("the 2017 Regulations"), failed to carry out adequate customer due diligence ("CDD") in respect of Client Company A and/or Person 1.

In doing so, the Respondent breached Principles 6, 7 and 8 of the Principles and failed to achieve Outcomes 7.2 and 7.5 of the Code.

Professional Details and Background

3. The Respondent was admitted to the Roll in 2005 and is a solicitor and partner at Karam, Missick and Traube LLP ("the Firm"). He has a practising certificate free from conditions and is the Firm's Compliance Officer for Legal Practice ("COLP"). He no longer holds the roles of Money Laundering Reporting Officer ("MLRO") or Money Laundering Compliance Officer ("MLCO").

4. The Firm has three members, two of whom are based in the Turks and Caicos Islands. The FIR records that of these two other members, one has never done any work for the firm and the other has had involvement in one matter only. The Respondent is the sole UK-based member. According to explanations given to the Forensic Investigation Officer ("FIO") the managers are assisted by five qualified staff and six unadmitted staff. The Firm's fee income is from civil litigation, commercial law, immigration law, and residential and commercial property.

**Agreed Facts**

5. The Firm was instructed on 30 November 2018 by Person 1 on behalf of Client Company A, a Turkish Cypriot registered company. Company A appears to have been incorporated in the Turkish Republic of Northern Cyprus on 7 August 2018, although an indication that it was signed in Nicosia on 12 April 2012 appears at the bottom of the document *'Approval of Company Incorporation'*.

6. A document included on the client file headed *'[Client Company A] Investment'* but with Person 1's details has the following statement:-

   *'30 years in the field of investment and financial services around the world. With representative offices at Cyprus, Dubai, Malaysia, Indonesia and Russia gives us convenience of private investment banking in multiple locations with local market expertise. We've access to a wide range of international banking services, projects and funding sources worldwide'.*

7. From the documentation available on file, confirmed by the Respondent to the FIO as being complete, Person 1, on behalf of Client Company A, was expecting to receive an investment of 300,000 euros from Company B.

8. Companies House records showed Company B as a UK registered company. The nature of its business was recorded as "*Activities of head offices*". It was recorded as shareholder of Company B Bond PLC. The nature of its business was recorded as "*Financial intermediation not elsewhere classified*".

9. The Respondent was introduced to Person 2, Managing Director of the Company B by Peter Karam, a partner of the Firm based in the Turks and Caicos Islands, on or around August 2018 (as a general business introduction not related to Person 1's matter). Mr Karam and Person 2 are good long term friends and Person 2 subsequently introduced Person 1 to the Firm. The Firm had not previously been instructed by Person 2 or Company B prior to Person 1's instruction but there was a preliminary telephone discussion between Person 2, another stakeholder of Company B, Person 3 and the Respondent as to whether the Firm would be willing to act on behalf of Company A and Person 1.

10. An attendance note prepared by the Respondent on the matter file dated 30 November 2018 states:

*" mt met with client [Person 1]*
** [Company B] investing £300k*
** client gave id – passport & utility bill*
** bs wanted transaction recorded via solicitor*
** no written advice required on [Company A] investment b/c its bs company.*
** went through propose investment document*
** investment in relation to property in cyprus*
** terms of repayment agreed with [Company B]" [sic].*

11. The first email from Person 1 to the Respondent (copied into Person 2) on file of 30 November 2018 at 12:22 (prior to signature of the client care letter) stated:- "My pleasure to meet you and thank you [Person 2] for the kind introduction. Please send over your client care letter so I can sign and forward to you all the supporting documentation that you require. As [Company B] are more comfortable to go this route rather than direct transfer to my company bank account then I will be requesting them to send the additional €750 plus vat to cover your charges in this regard. Once you confirm that you have received the €300,000.00 plus your €750 costs from [Company B] then I will email you details to where to send the €300,000.00 invoice to".

12. On file was a collection of documents headed *'[Company A] Investment'*, with documents being signed in the name of Person 4 (whose emails show that he worked for Company B) dated 14 November 2018. The registered company and beneficial owner was identified as Company B Group Ltd. Person 2 was named as the introducer and his relationship with Company B recorded as 'Partners in Business' for 18 months. It was recorded that 'business partner [Person 2] is a very good friend of [Person 1]'. The purpose of opening the account was recorded as 'capital commercial funding for real estate projects',

the initial balance being recorded as 300,000 euros and the anticipated volume/number of transactions as '100/200 million'.

13. Following the first email of 12:22 other emails were exchanged on 30 November 2018 between the Respondent, Person 1, Person 2 and parties at Company B, as follows:-
    a. *An email of 12:30 from Person 2 indicated that he had messaged Person 4 (from Company B) last night that the Respondent required bank statements from Company B to prove source of funds (indicating some communication between Company B and the Respondent on 29 November 2018).*
    b. *At 13:01, Person 2 sent an email to the Respondent saying that he had informed the Financial Director of Company B that the Respondent was sending out a 'CCL and other requested information' so that he 'can act for [Person 1] in this transaction' and confirming that the Respondent required bank statements from Company B after which "Marc will then let you have his law firms € (euro) trust account details. Once received [Person 1] can then instruct to forward on the €300,000 to him".*

14. At 13:14 the Respondent replied with the bank detail, but instructing monies not be sent "*until AML is cleared*" and requested the provision of documents by Company B to the Respondent to evidence how the funds had been accumulated (6 month's bank statements), passport and proof of address by way of utility bill.
15. At 13:29 Person 3 emailed the Respondent confirming he would *'...pull these together...'* in reply to the Respondent's email of 13:14 requesting bank statements, passports and proof of address.
16. At 13:46 the Respondent wrote to Person 1 indicating that the Firm's fees were 900 euros, and that a Client Care Letter and Terms and Conditions would be sent out shortly, as would the invoice and requesting a copy of Person 1's passport and proof of address by way of a utility bill. The Respondent ended the email saying '*Kindly note its curial [sic] we deal with this now as at 15h00 I won't be available after*' and asking for *"clear instructions and payment details as to where the funds are to go in reliance of [sic] the agreement"*.
17. At 13:56 Person 2 forwarded an email from the Respondent to him to Person 4
18. At 14:26 Person 4 sent an email to the Respondent attaching *'kyc for...who are the two owners and directors at [Company B]...'*
19. See 30 Nov 2018 email at 14:29– *'thanks but where are the 6 months' statement showing 300,000 accumulated'...*
20. At 14:47, Person 1 sent an email to the Respondent, copied to Person 2 stating '*Thank you very much for all the documentation, is been received and executed by me. From the 300,000 euros please send 250,000 to my Turkish company bank account information below... and please send the remaining 50,000 to [Company C] which is in the UK... This is for SEO and IT related works provided to Company A. Thank you very much again for all of your help and there will be more to follow*'. The email attached a copy passport and a receipt for the payment of a bill.

21. The client care letter which was signed on that day was headed "*Re: Advising on [Company A]*", but recorded no other details of the Firm's instructions.
22. An invoice on file from Company C reflected that the work was for SEO and IT related work.
23. As the investigation revealed and confirmed by the Respondent in his response, Company C was associated with Person 2's son, Person 5.
24. The Invoice for the Firm's work of 900 euros/£805.30, dated 30 November 2018 stated 'Advising on [Company A] Investment' - 'Professional charges for the supply of legal services' – 'Fixed Fee in relation to reviewing agreement and carrying out necessary payments'. This was initially sent to Person 1 but was ultimately sent to Company B Bonds PLC for payment. This was confirmed as having been paid on 5 December 2018.
25. The Firm received 300,000 euros into the client bank account on 3 December 2018 (the following Monday) from Company B Bond PLC (rather than Company B). The ledger recorded that 300,000 euros was received on 14 November 2018, but the bank statements showed that no money was received on that date but that it was received on 3 December 2018.
26. The Respondent then authorised a 50,000 euro payment to Company C on 3 December 2018, which was made the next day, and a 250,000 euro payment to Company A, with the payment being made on 5 December 2018.
27. The next communication between the Respondent and Person 1 in relation to this matter appears to have been on 5 June 2019 when the Respondent requested that Person 1 urgently provide him with a scanned copy of his '*passport and proof of address by way of utility bill in or around November 2018*'.
28. As explained above, the Respondent responded to written questions posed by the FIO in lieu of an interview in person, his answers to the questions being provided on 15 November 2019.
29. In respect of the transfer of 300,000 euros between Company B and Person 1/Company A, the following was indicated on the Respondent's behalf:-

    29.1 It was confirmed that all documents had been made available to the FIO and that the documents in attachment 1 formed the basis of the advice given.

    29.2 The Respondent was introduced to Person 2, who works for the Company B, by Peter Karam on or around the beginning of August 2018. Peter Karam and Person 2 are long term friends. Person 2 subsequently introduced Person 1 to the Firm on/around 16 November 2018 in a telephone call where the proposed transaction was broadly discussed.

    29.3 The Respondent was not aware at the outset of the transaction that Company C is associated with Person 2's son, Person 5.

    29.4 The Firm were instructed to review documentation, carry out AML checks on Company B's funds for this transaction and advise on the documentation provided in relation to the transaction.

    29.5 The paperwork was not supplied before its completion on 14 November 2018 but was discussed on the phone between the Respondent, Person 1 and Person 2. The paperwork pre-dated the instruction because it was signed in Cyprus and it was this paperwork that facilitated the transaction which the Firm advised on.

29.6 Funds were to be provided by Company B to Company A who would then be responsible for the provision of a bank instrument of between 100 and 200 million euros, for the benefit of Company B and to be used for property investment in the UK.

29.7 The Respondent read through the document with Person 1 and confirmed that the funds provided to Company A were to be used for the provision of a banking instrument mainly as an SBLC which would allow funding for property investment in UK to the value of 100 and 200 million Euros. This merely was the equivalent of the heads of terms in relation to the proposed investment for which the initial contribution of Company B to Company A was a fee agreed of 300,000 euros.

29.8 All parties were aware that the documentation had already been signed but prior to Company B transferring the 300,000 euros to Company A they wished for Person 1 to go through the documentation with the Respondent and make sure that all parties were of the same understanding.

29.9 The payment was required or justified to pass through the client bank account as *"[Company B] were providing funds to Person 1, and Person 1 wanted to ensure AML checks were properly carried out and for compliance purposes wanted the funds to go via KMT LLP as part of the transaction and to record the transfer of funds."*

29.10 The Respondent considered the requirements of Rule 14.5 of the Accounts Rules 2011 at the time because the funds sent to the Firm's client account and subsequent transfer were in respect to an underlying transaction; at the time of the transaction it seemed that the transaction was to facilitate payment to the Firm's client as per the original instruction.

29.11 In relation to the 50,000 euros to Company C the Respondent had considered the requirements of Rule 14.5 at the time this payment was made and the transfer was made at the client's request and the Respondent was advised that it also related to the underlying transaction.

29.12 Company C was introduced after the receipt of funds from Company B. Company C had never been a client but Mr Karam had a personal and business relationship with Person 5, owner and sole director of Company C.

30. The file contained the following documents in relation to Person 1:-

30.1. An identity type card, headed 'Republic of Cyprus', issued to Person 1, DoB [partially obscured] 194. This was certified by someone at the Firm and dated 30 November 2019 (rather than 2018).

30.2. An uncertified copy Cypriot passport issued to Person 1, DoB 28 August 1954. This was uncertified. A copy was included on an email from Person 1 dated 30 November 2018.

30.3. By email of 5 June 2019 some six months after the transfer of money between Company B and Person 1/Company A via the Firm, the Respondent wrote to Person 1 asking urgently for a scanned copy of his passport and proof of address by way of utility bill in or around November 2018, saying that the ones on file were not accepted by auditors. This followed a request by the FIO to review the file in an email of 29 May 2019. But even following that proof of

personal address was not obtained for Person 1 and has not been subsequently provided to the FIO or SRA to date.

31. In relation to Company 1, the following documents were on file:-

    31.1. A document headed Company A

    31.2. Stamped documents headed Turkish Republic of Northern Cyprus dated 7 August 2018 of a certificate confirming the recorded address of Company A and an approval of company incorporation confirming the incorporation of Company A in Nicosia on 12 April 2012

    31.3. Two receipts from the same company "*KUZEY KIBRIS TURK CUMHURIYETI ELEKTRIK KURUMU*" in the name of Company A dated 12 March 2019 and 5 October 2018

32. In respect of source of funds from Company B, in an email on 30 November 2018 at 13:14 the Respondent stated that he required 6 months' bank statements *"in compliance with our AML duties to show how the funds to be sent have accumulated. I will also need directors passport and proof of address..."*. The matter file did include some uncertified passports/driving licences, copy bank statements for directors and 6 months statements for the company. However, there were no company records for Company B, or information as to beneficial owners or directors. Although bank statements were on file for Company B for 1 June to 30 November 2018 the file does not show evidence that the source of funds was scrutinised.

33. In the response provided to the FIO's questions the Respondent indicated the following in relation to his obligations under the 2017 Regulations and to his conduct of this matter as regards CDD and risk assessment:-

    33.1. His obligation was to make sure that the funds were bona fide and suitably authorised, to identify the client by proof of ID and proof of address, carry out checks on the Client company, carry out source of funds checks and IDs of the director of Company B and if the transaction was suspicious to make a SARS report.

    33.2. He requested 6 months' bank statements from Company B as well as a director's passport and proof of address and carried out checks at Companies House in order to comply with the Regulations and in order to prove source of funds, to be satisfied as to how and when the money was accumulated for the proposed fund transfer and to ensure and verify that this type of transaction was consistent with their previous trading history, business style and to adequately measure source of wealth and funds.

    33.3. He sought a scanned copy of Person 1's passport and proof of address in June 2019 because AML is a continuing obligation and after review he believed there were further checks which ought to have been carried out at the time of the transaction and therefore he tried to further perfect his AML further to the FIO's observations and on further inspection of the file he realised that Person 1's personal address was missing.

33.4. He was informed by Person 2 and Person 1 that Person 1 was the only shareholder in Company A but in hindsight he should have carried out more checks.

33.5. No written transactional AML risk assessment was carried because their *'engagement did not seem substantial. Steps have already been taken to ensure that this never happens again'*.

33.6. Transactional risk was assessed as low taking into account *"The fact that Mr Traube had to review a document already signed and the fact that Mr Traube know [Person 2] and [Company B] well and know them to be bona fide businessmen"*.

33.7. He had no concerns or suspicions that any party in the matter, or the matter itself, involved a raised risk of money laundering.

33.8. He reviewed the identification and source of funds documentation obtained and did not consider any other action was required at that time

33.9. In relation to Company A corporate documents, "*in hindsight Mr Traube should have carried more checks*", and that these had been provided by Person 2 (of Company A).

33.10. In relation to Company A, he acknowledged after the FI commenced that he did not, for example have his personal address and sought to address this.

33.11. As to whether sufficient steps were taken to meet the firm's obligations under the MLR: *"In hindsight Mr Traube do not believe this was enough and Mr Traube should have carried out enhanced due diligence but have taken steps to make sure this never happens again and have appointed a new MLRO, and our new MLRO and Mr Traube have booked a MLRO refresher course"*.

**Mitigation**

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

34.1 Although the CDD ("Customer Due Diligence") carried out on Company A was not sufficient enough, this did not amount to complete non-compliance of the 2017 Regulations.

34.2 The Regulation simply provides that the Respondent must satisfy himself as to the client's identity. The Respondent did so by requesting, obtaining and identifying Person 1's identity by inspecting his national identity card and passport. As a result, the relevant individuals behind Company A could be identified by the Respondent from the documents provided. The Respondent was able to sufficiently identify Person 1's proof of address from his identify card, as well as Person 1's date of birth, passport number and national identification could be made out from both of the documents. During the Respondent's meeting with Person 1, Person 1 provided his national identification card, which was certified by someone at the firm. The Respondent was unable to provide his passport at the meeting and the Respondent took further matters to write to Person 1, requesting a scanned copy of his passport.

As the Respondent was satisfied as to Person 1's identity from his national identification card and he had obtained all relevant details from both documents, the fact that Person 1's passport was not certified does not imply that the identification documents were wholly inadequate and does not amount to total non-compliance of the Regulations.

34.3 However, the Respondent has taken further measures to tighten up compliance matters at his firm. The Respondent has recently taken steps to appoint a new solicitor who will be acting as a new Compliance and Anti-Money Laundering officer as of 6 January 2022.

34.4 The legal framework under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, provide that a customer must be 'identified and verified' and where the customer is a corporate body, details of the body must be obtained, including taking reasonable measures to identify the beneficial owner. As such, the Respondent must have satisfied themself that they know the beneficial owner and they have taken reasonable measures to understand the ownership and control structure of the company.

34.5 In respect of taking reasonable measures to understand the ownership and control structure of Company B, the Respondent did so by requesting 6 months' bank statements from Company B and bank statements for its directors. The Respondent also took steps to verify the company at Companies House including its proper incorporation, and as he had previously carried out work with Company B prior to this transaction, he was thoroughly satisfied that this type of transaction was consistent with their previous trading history and business style.

34.6 The admitted misconduct by the Respondent did not cause financial loss, nor did the Respondent act for any financial gain as the fee in question was insignificant with regard to the firm's turnover. The profit costs from the transaction would not have provided enough incentive for the Respondent to disregard his obligations and risk harm to the reputation of the profession in these circumstances.

**Penalty proposed**

35. The Respondent agrees:
    35.1. To pay a financial penalty in the sum of £25,000;
    35.2. To pay costs to the SRA agreed in the sum of £20,000.

36. The sanctions outlined above are considered to be in accordance with the Tribunal's sanctioning guidance (9th edition) taking into account the guidance set out in Fuglers and Others v Solicitors Regulation Authority [2014] EWHC 179 (as per Popplewell J) and as set out in the guidance at paragraph 8.

Reference is made to the points of mitigation raised by the Respondents above.

37. The misconduct giving rise to the allegations is very serious.

38. This assessment takes into account that the level of the Respondent's culpability in respect of the allegations above is serious due to:
    a. The Respondent having direct control and responsibility for the circumstances giving rise to his conduct;
    b. The Respondent's level of experience at the time of the relevant conduct, having some 15 years of post-qualification experience at the time of the misconduct.
    c. The Respondent holding the roles including COLP and COFA and having responsibility for compliance matters, such responsibility not being met in these circumstances;
    d. There is inherent seriousness an risk to clients, to the reputation of the profession and to the public of the use of client accounts as a banking facility, and in inadequate attention to matters relating to compliance with anti money laundering regulations.
    e. It is recognised however that the Respondent's misconduct did not involve dishonesty and that he did not act in breach of a position of trust;
    f. It is recognised that the Respondent has not sought to mislead the SRA and has made appropriate admissions.

39. As to the harm caused, it is acknowledged that the admitted misconduct by the Respondent did not cause financial loss. However, the use of a client account as a banking facility and inadequate customer due diligence of itself involves risk of harm, including by avoidance of scrutiny of transactions which would take place had funds been routed via bank accounts in the proper way, and the risk of money laundering via a solicitor client account. In addition, it is considered that there was harm or risk of harm to the reputation of the profession in these circumstances.

40. As to the principal factors which aggravate the seriousness of the misconduct, include:
    a. The absence of self-reporting by the Respondent;
    b. The misconduct was deliberate;
    c. The Respondent knew or ought reasonably to have known that the conduct complained of was in material breach of obligations to protect the public and the reputation of the legal profession;
    d. That the Respondent's conduct took place whilst he held the role and responsibility of COLP and COFA.

41. The Tribunal is referred to the factors raised in mitigation by the Respondent above. Factors that mitigate the seriousness of the misconduct:

a. admissions have been made by the Respondent in relation to the allegations;
b. The Respondent has engaged with the SRA.

42. 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

43. As noted above, subject to the approval of this Agreed Outcome, it is agreed that the Respondent will pay £20,000.00 towards the SRA's costs of the Application and Enquiry, including VAT, the SRA waiving any further claim to costs. This figure is commended to the Tribunal as being reasonable and proportionate.

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**Mark Rogers, Partner, Capsticks**
**Signed on behalf of the Solicitors Regulation Authority**

28 January 2022

**Marc Traube**
**Signed by/on behalf of the Respondent**
**28 day of January 2022**