SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 Case No. 12314-2022

BETWEEN:

SOLICITORS REGULATION AUTHORITY LTD. Applicant

and

PETER MARK ARNSTEIN Respondent

Before:

Mr J P Davies (in the chair)
Mr A Spooner
Dr A Richards

Dates of Hearing:
26-27 July 2022

Appearances

Victoria Sheppard-Jones, barrister of Capsticks LLP for the Applicant.

Jonathan Goodwin, solicitor advocate of Jonathan Goodwin Solicitor Advocate Ltd for the Respondent

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JUDGMENT

Allegations

1. The allegations against Mr Arnstein, made by the SRA were that, while in practice as a Solicitor, and from January 2015, the Sole Practitioner, Compliance Officer for Legal Practice ("COLP") and Compliance Officer for Finance and Administration ("COFA") at Forman Welch & Bellamys, formerly Bellamys:

1.1 Between 2010 and 2018, he failed to progress probate matters, either promptly or at all, resulting in legacies due to beneficiaries remaining unpaid, and in doing so he thereby breached all or alternatively any of Principles 2, 4. 5, 6 and 8 of the SRA Principles 2011.

1.2 For tax years 2007/2008, 2008/2009 and 2009/2010, he failed to submit tax liabilities arising from Matter A's estate to HMRC within the required time period, thereby incurring penalties and interest due from the estate in the sum of £58,923.00, and in doing so he thereby breached all or alternatively any of Principles 2, 4, 5, 6, 8 and 10 of the SRA Principles 2011.

Executive Summary

2. Mr Arnstein failed to progress a number of probate matters over several years. In one matter this resulted in tax penalties being imposed by HMRC. Mr Arnstein admitted all the Allegations save for the allegation that he lacked integrity and had thereby breached Principle 2.

3. The Tribunal found the lack of integrity allegation not proved and accepted his admission to all other matters. The Tribunal fined Mr Arnstein £16,000 and ordered him to pay £14,000 in costs.

Documents

4. The Tribunal considered all of the documents in the case which were contained in an agreed electronic bundle.

Preliminary Matters

Application to amend Allegation 1.1

5. At the outset of the hearing Ms Sheppard-Jones applied to amend the date referred to in Allegation 1.1 to read "2010-2018" instead of "1995-2018". This followed the error being pointed out to the SRA by Mr Arnstein. Mr Goodwin did not object to the amendment in those circumstances. The Tribunal granted leave for the Allegation to be amended.

Factual Background

6. Mr Arnstein was admitted to the Roll on 15 December 1977. He was employed at Bellamys from January 1995. Bellamys amalgamated into Forman Welsh and Bellamys ("FWB") on 1 November 2004. From 14 January 2015, Mr Arnstein was the Sole Practitioner, COLP and COFA of FWB. FWB closed on 30 September 2017 and

merged with Coplexia Collaborative LLP ("Coplexia") on 1 October 2017. As at the date of merger, Mr Arnstein became a Manager at Coplexia. Mr Arnstein resigned from Coplexia on 17 May 2019.

7. This matter came to the attention of the SRA on 17 January 2018 when it received a report in relation to an estate which had not been administered for several years. A forensic investigation commenced on 18 September 2018 and a Forensic Investigation Report ("FIR") was produced dated 7 August 2019.

Hewson estate ("Matter A")

8. In 2006, Mr Arnstein was instructed to administer this estate. Probate was granted on 22 November 2007. The Probate Certificate stated that the gross value of the estate was £2,914,805.00, with a net value of £2,900,555.00. Mr Arnstein advised the FIO that the value of the estate rose to £3,969,832.00 after further assets were located. After the payment of bequests set out in the will, the residue of the estate was to be paid in equal shares to five designated charities. Interim payments were made to the five charities in the sum of £100,000.00 in February 2011, £250,000.00 in June 2011 and £50,000.00 in September 2011.

9. As at August 2012, there was a balance on the client account of £1,447,150.85. On 6 September 2012, FWB wrote to at least two of the charities and advised that monies belonging to the estate held in bank accounts had been released, that it was in the process of advising HMRC and that it would provide an update in due course. In May 2014, letters were drafted to the charities advising them that FWB was preparing the final tax returns and that then it would distribute the remaining funds. It was not clear whether those letters were sent. On 30 October 2015, 17 November 2015, 19 January 2016 and 5 May 2016, beneficiaries requested updates on the progress of the administration of the estate. FWB replied to the enquiries and advised that outstanding work was still required on the tax returns

10. Between August 2012 and October 2017, fourteen payments were made from the estate, five of which related to costs and VAT, five were to HMRC, and the remaining payments were to other non-beneficiary individual parties. No payments were made to beneficiaries during this five-year period.

11. Payments on account were made to HMRC on 8 June 2017 for £130,000.00 and on 1 October 2017, for £50,000.00. On 11 December 2017, the entire balance held for Matter A was transferred from FWB to the client bank account of Coplexia. The executor subsequently instructed Hart Brown LLP to conclude the matter.

12. On 7 January 2019, Mr Arnstein emailed Coplexia to advise that an issue had arisen in respect of an Income Tax and Capital Gains Tax liability of £180,784.00 including interest of £30,235.00 and penalties of £28,728.00. These had arisen because the liabilities, which arose in 2007/2008, 2008/2009 and 2009/2010 were not reported until 2016. HMRC was prepared to accept that a non-deliberate penalty applied in order to bring matters to a conclusion, but it concluded that there was no reasonable excuse for the failure to notify at the relevant time.

13. In interview with the FI Officer on 23 January 2019, Mr Arnstein stated that the tax position, "could have been dealt with earlier" and that there was "no substantive reason" why it had not "apart from the fact that the estate was very complicated ... that further information was received, and assets disclosed and recovered ... after the dates on which the returns could first have been made."

Mills estate ("Matter B")

14. On 23 November 2007, probate was granted in this matter and Mr Arnstein was appointed to act in the administration of the estate. The Probate Certificate stated that the gross value of the estate did not appear to exceed £300,000.00 and the net value of the estate did not appear to exceed £245,000.00. After the payment of a number of bequests, the estate was to be divided into two equal shares, with four beneficiaries benefitting from one share and one beneficiary benefitting from the other. Payments of £10,000.00 and £5,000.00 were made to two beneficiaries in June and December 2008 respectively and further payments of £5,000.00 and £75.00 in respect of statutory interest were made to the National Osteoporosis Society in June and July 2013. These payments were made after efforts by the charity to contact FWB between December 2007 and March 2013. No further payments were made from the client account up to December 2017. On 11 December 2017, Mr Arnstein transferred the entire balance on the client account to the client account of Coplexia.

15. In his interview with the FI officer, Mr Arnstein had agreed that he was the fee earner on this matter and that the sum of £230,678.55 had been held on the client account since 30 July 2013. His explanation for the delay in administering the estate was that he had taken the file over from another firm and that identifying the fourteen beneficiaries had proved difficult.

Norris estate ("Matter C")

16. On 7 May 1993 probate was granted in respect of this matter. The gross value of the estate was stated to be £129,947.00 and the net value of the estate was stated to be £128,600.00. The named Executor at the date of probate was Mr de Lattre. Mr Arnstein and Mr de Lattre had practised in partnership together between 1995 and December 2010, when Mr de Lattre had passed away. From December 2010 Mr Arnstein became the solicitor with conduct of the matter.

17. In his interview with the FI Officer, Mr Arnstein confirmed that no work had been carried out on Matter C since 2008 and that legacies were outstanding to twenty-two beneficiaries. When asked why no work had been conducted since 2008, he had stated that, "I think that the best that can be said is that … it was a matter ... that was known about and ... was going to be looked at and progressed, but regrettably remained on the bottom of the pile".

18. On 29 July 2019, Mr Arnstein provided the FIO with a client matter listing for 30 June 2019 that recorded a balance of £123,045.40 on the client account. Matter C was also transferred to Axiom Stone solicitors.

Findings of Fact and Law

19. The Applicant was required by Rule 5 of The Solicitors (Disciplinary Proceedings) Rules 2019 to prove the allegations to the standard applicable in civil proceedings (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 Arnstein'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.

20. **Allegation 1.1**

Applicant's Submissions

20.1 Mr Arnstein had admitted all matters save for the alleged breach of Principle 2. The parties' submissions in relation to Principle 2 only are therefore summarised below.

20.2 Ms Sheppard-Jones reminded the Tribunal that Mr Arnstein was an experienced solicitor in the area in which he was practising. Mr Arnstein had said that a matter was "overlooked" and "remained at the bottom of the pile." Ms Sheppard-Jones submitted that Mr Arnstein had demonstrated a wilful disregard for his regulatory obligations and failed to meet the higher standards which society and the profession expected. Ms Sheppard-Jones submitted that there was no good reason for the delay to these matters. Mr Arnstein had been receiving telephone calls and other reminders but had still failed to progress matters. Ms Sheppard-Jones referred the Tribunal to Wingate and Evans v SRA and SRA v Malins [2018] EWCA Civ 366 and submitted that Mr Arnstein had lacked integrity.

Respondent's Submissions

20.3 Mr Goodwin's submissions related to both Allegations and are set out here in their totality so as to avoid repetition.

20.4 Mr Goodwin reminded the Tribunal that Mr Arnstein had admitted to all the other breaches at the earliest stage, namely in his interview on 23 January 2019. Mr Goodwin submitted that the SRA had taken an "inconsistent and unjustifiable approach" and pointed to the "inordinate delay" in dealing with these matters. Mr Goodwin submitted that it was "ironic" that the case against Mr Arnstein was about delay given the delays on the part of the SRA. Mr Goodwin's submission was that neither delay amounted to a lack of integrity.

20.5 Mr Goodwin took the Tribunal through the chronology of the investigation and proceedings. He noted that the initial FI Officer had been best placed to identify what principles may have been breached and at no point had she raised any suggestion of a lack of integrity. The initial FI Officer had sadly passed away during the investigation and the matter had been passed to a second FI Officer who, also, raised no issue of lack of integrity. The same applied to the desk-based investigator who reviewed matters. There was also no mention of a lack of integrity in the initial notification of intention to refer the case to the Tribunal.

20.6 He referred to the examples given in Wingate and submitted that none of them were relevant to the facts of this case. There had been no deliberate intent to breach the rules or the Code of Conduct and there was no cogent or compelling argument advanced that took matters beyond the admitted breaches and into the territory of lack of integrity.

20.7 Mr Goodwin told the Tribunal that Mr Arnstein could not manufacture an explanation for the delay but that he did offer apologies for not progressing matters.

The Tribunal's Findings

20.8 Mr Arnstein had admitted the factual basis of the Allegations and the breaches of all the pleaded Principles, save for Principle 2. The Tribunal was satisfied that the admissions were properly made based on the evidence and it found those matters proved on the balance of probabilities.

20.9 The Tribunal did not consider that the submissions made by Mr Goodwin about delay on the part of the SRA were relevant to consideration of whether Mr Arnstein had lacked integrity between 2010-2018. Similarly, the fact that the SRA had not raised the suggestion of lack of integrity until matters were finally referred to the Tribunal was not a relevant factor in this case. The determination of whether Mr Arnstein lacked integrity at the material time was for the Tribunal alone to determine. There had been no application for that part of the allegation to be struck out for abuse of process and so the Tribunal was entitled to consider the matter based on Mr Arnstein's conduct at the time.

20.10 In considering the disputed allegation that Mr Arnstein had lacked integrity, the Tribunal considered that the following paragraphs were of particular relevance:

> "[100] "Integrity connotes adherence to the ethical standards of one's own profession. That involves more than mere honesty. To take one example, a solicitor conducting negotiations or a barrister making submissions to a judge or arbitrator will take particular care not to mislead. Such a professional person is expected to be even more scrupulous about accuracy than a member of the general public in daily discourse".
>
> [101] The duty to act with integrity applies not only to what professional persons say, but also to what they do. It is possible to give many illustrations of what constitutes acting without integrity. For example, in the case of solicitors:
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> (i) A sole practice giving the appearance of being a partnership and F deliberately flouting the conduct rules: the Emeana case [2014] ACD 14.
> (ii) Recklessly, but not dishonestly, allowing a court to be misled: the Brett case [2015] PNLR 2.
> (iii) Subordinating the interests of the clients to the solicitors' own financial interests: the Chan case [2015] EWHC 2659 (Admin).
> (iv) Making improper payments out of the client account: the Scott case [2016] EWHC 1256 (Admin),

(v) Allowing the firm to become involved in conveyancing transactions which bear the hallmarks of mortgage fraud (the Newell-Austin case [2017] Med LR 194.
(vi) Making false representations on behalf of the client: the Williams case [2017] EWHC 1478 (Admin).

[102] Obviously, neither courts nor professional tribunals must set unrealistically high standards, as was observed during argument. The duty of integrity does not require professional people to be paragons of virtue. In every instance, professional integrity is linked to the manner in which that particular profession professes to serve the public. Having accepted that principle, it is not necessary for this court to reach a view on whether the Howd case [2017] 4 WLR 54 was correctly decided."

[105] Principle 6 is aimed at a different target from that of principle 2. Principle 6 is directed to preserving the reputation of, and public confidence in, the legal profession. It is possible to think of many forms of conduct which would undermine public confidence in the legal profession. Manifest incompetence is one example. A solicitor acting carelessly, but with integrity, will breach principle 6 if his careless conduct goes beyond mere professional negligence and constitutes "manifest incompetence": see Iqbal v Solicitors Regulation Authority [2012] EWHC 3251 (Admin) and Solicitors Regulation Authority v Libby [2017] ACD 81.

[106] In applying principle 6 it is important not to characterise run of the mill professional negligence as manifest incompetence. All professional people are human and will from time to time make slips which a court would characterise as negligent. Fortunately, no loss results from most such slips. But acts of manifest incompetence engaging the principles of professional conduct are of a different order."

20.11 The Tribunal was satisfied that Mr Arnstein had dropped his standards significantly and therefore his admission to a breach of Principle 6 was entirely proper. The failure to progress these three matters over a period of several years, despite reminders, was a clear case of manifest incompetence. The question that the Tribunal was now required to consider was whether it went beyond that such as to amount to a lack of integrity.

20.12 The Tribunal had careful regard to the examples given at [101] of Wingate. These were no more than examples and were not intended to be an exhaustive list. However they were indicative of the level of seriousness of misconduct that would need to exist for a finding of lack of integrity.

20.13 The Tribunal was concerned that this was not a "one-off" in which one file had been overlooked – it had occurred several times. However, while not in any way minimising the seriousness of Mr Arnstein's failings, the Tribunal was not satisfied on the balance of probabilities that they rose to the same level as the type of misconduct described in [101] of Wingate. Those examples included deliberate acts or deliberate omissions done for the solicitor's own benefit. In this case, Mr Arnstein had demonstrated manifest incompetence and as such Principle 6, along with the admitted breaches of Principles 4, 5 and 8 better reflected his failings than a finding that he had lacked integrity. There

was a distinction in seriousness between a solicitor who recklessly allowed a Court to be misled and Mr Arnstein, who had essentially done nothing on a matter he ought to have been progressing. The Tribunal noted that Mr Arnstein had not tried to blame anyone else or mislead his colleagues or the SRA and so he had not in any way sought to conceal his failings or avoid his responsibility for them. There was no evidence that he had taken a deliberate decision to neglect these files, albeit he had received correspondence during the relevant time period which should have acted as a prompt not to neglect the files. This was relevant in considering whether Mr Arnstein had been unethical as opposed to manifestly incompetent.

20.14 The Tribunal was not satisfied on the balance of probabilities that Mr Arnstein had lacked integrity and it therefore found the breach of Principle 2 not proved.

21. **Allegation 1.2**

Applicant's Submissions

21.1 Again, the submissions summarised relate to the disputed allegation of lack of integrity.

21.2 Ms Sheppard-Jones submitted that the failures in Allegation 1.2 were worse than those in Allegation 1.1. Mr Arnstein's inaction had resulted in liabilities of £58,000 to the estate. Ms Sheppard-Jones submitted that this was an "extraordinary position" to have been in. Mr Arnstein had been unable to produce a chronology to HMRC, who had not accepted that there was any good reason for the failures. It was not ethical to cause, through inaction, liabilities in that sum to be incurred.

Respondent's Submissions

21.3 These are set out above under the heading of Allegation 1.1.

The Tribunal's Findings

21.4 The Tribunal was, again, satisfied that Mr Arnstein's admissions in respect of this Allegation were properly made and it found those parts of the Allegation proved on the balance of probabilities.

21.5 In relation to the disputed issue of lack of integrity, the Tribunal's discussion of this issue as set out in relation to Allegation 1.1 is repeated. Further, the Tribunal noted the significant liabilities that had arisen as a direct result of Mr Arnstein's failures on the matter of the Hewson estate. The Tribunal found that this was a glaring example of manifest incompetence.

21.6 The Tribunal had already found that Mr Arnstein's failings in relation to all three estates did not amount to a lack of integrity. This Allegation was based entirely on those failings, specifically on the Hewson matter. The Tribunal was not satisfied on the balance of probabilities that the specific failure to submit tax liabilities amounted to a lack of integrity, particularly in circumstances where the underlying misconduct had not done so. The Tribunal therefore found the breach of Principle 2 not proved.

Previous Disciplinary Matters

22. There were no previous matters recorded at the Tribunal.

Mitigation

23. Mr Goodwin reiterated the submissions he had made previously in relation to delay and Mr Arnstein's early admissions to all matters, before the FI report had even been written.

24. Mr Goodwin reminded the Tribunal that the SRA had imposed restrictions on Mr Arnstein's practising certificate a few days before the commencement of the hearing. This had been drawn to the Tribunal's attention by Ms Sheppard-Jones by way of correction to the Rule 12 statement. The parties had agreed that it was of no relevance to the Allegations faced by Mr Arnstein and the conditions had been imposed purely in relation to these matters, not anything else. Mr Goodwin told the Tribunal that although the conditions were surprising, particularly given their timing, Mr Arnstein had chosen not to challenge them as they did not impact his current practice arrangements.

25. Mr Goodwin told the Tribunal that Mr Arnstein was deeply embarrassed and ashamed. He offered a sincere and genuine apology to the estates, beneficiaries, the regulator, the public, the profession and the Tribunal. Mr Goodwin submitted that the Tribunal could be confident that Mr Arnstein would not be appearing before it again. He had co-operated fully with the SRA and had never attempted to excuse his actions. Mr Goodwin referred the Tribunal to Mr Arnstein's interview and his written representations during the investigation.

26. Mr Goodwin submitted that a suspension or strike-off would be disproportionate and that the appropriate sanction was a fine in the middle range of Level 2 or the lower end of Level 3.

27. In assessing the level of fine, Mr Goodwin invited the Tribunal to take into account Mr Arnstein's finances and the costs that he would be required to pay. Mr Goodwin submitted that there should not be a Restriction Order as there was no risk of future harm to the public or the reputation of the profession and it was therefore not necessary.

28. Mr Goodwin reminded the Tribunal of the character references and invited it to be as lenient as possible, having regard to the delay, Mr Arnstein's genuine insight and his long unblemished career.

Sanction

29. The Tribunal had regard to the Guidance Note on Sanctions (June 2022). The Tribunal assessed the seriousness of the misconduct by considering Mr Arnstein's culpability, the level of harm caused together with any aggravating or mitigating factors.

30. In assessing culpability, the Tribunal found that Mr Arnstein was directly responsible for, and had full control of, these matters. If he was having difficulty in running the cases then he ought to have requested help in doing so.

31. Mr Arnstein was very experienced and the work he was undertaking was one that involved significant trust being placed in him. His failure to progress those matters amounted to a breach of that trust placed in him.

32. In assessing harm, Mr Arnstein's failures resulted in delays in payments to beneficiaries, charities and HMRC. There was also harm to the reputation of the profession as the public would expect a solicitor to carry out his role competently and efficiently and that the wishes of the deceased should be respected within a reasonable timescale. The harm that had arisen was entirely foreseeable.

33. The misconduct was aggravated by the fact that the absence of progression on these matters occurred on more than one file and over a period of several years. In that time Mr Arnstein had ignored numerous reminders. There was a degree of vulnerability inherent with probate work in that it involves dealing with the estate of a deceased client. Mr Arnstein ought to have known that he was in breach of his obligations.

34. The misconduct was mitigated by Mr Arnstein's insight, which the Tribunal accepted was genuine. He had made full admissions at a very early stage and maintained those throughout, including before the Tribunal. It could not be described as a "one-off" but it did come in the context of a previously impeccable career.

35. The Tribunal found that making 'no order' or imposing a Reprimand was insufficient to reflect the seriousness of the misconduct. The level of culpability and harm required a greater sanction. There had been multiple breaches of several Principles over many years and the appropriate sanction was a financial penalty. The Tribunal considered the level of the fine with reference to the Indicative Fine Bands. The misconduct was very serious and required a significant fine be imposed. The Tribunal therefore determined that the appropriate level was Level 4. The Tribunal took account of the character references and all the factors listed above and concluded that the misconduct fell at the lower end of Level 4. The appropriate penalty in all the circumstances was a fine of £16,000.

36. The Tribunal considered carefully whether there was a need to impose restrictions. On balance, the Tribunal concluded that it was not necessary for the protection of the public for the Tribunal to impose restrictions. It noted that the SRA had not deemed it necessary for more than three years after these matters came to light and there had been no repetition in that time. If restrictions became necessary in the future then the SRA would be able to take the appropriate steps in addition to those already taken.

37. The Tribunal reviewed Mr Arnstein's financial means and concluded that there was no basis on which to reduce the fine, particularly as the Tribunal was not interfering with his ability to practise. The Tribunal noted that he had significant equity in his property and disposable income each month. The Tribunal remained of this view once it had assessed the costs payable, as set out below, and considered the totality of the financial impact of its Order.

Costs

Applicant's Submissions

38. Ms Sheppard-Jones applied for the Applicant's costs in the sum of £33,550 as set out in the costs schedule.

39. Ms Sheppard-Jones submitted that this was not a matter that could have been dealt with internally by the SRA and that the level of investigation would have been the same even if the Principle 2 Allegation had not been made. There would still have needed to be a Rule 12 statement and the matter would have still needed to come before the Tribunal. the majority of the costs claimed related to preparation. Ms Sheppard-Jones told the Tribunal that the investigation costs had initially been £16,000, but had been reduced to £10,000 to reflect the fact that some matters were not pursued.

40. Although the costs of the proceedings were contained within a fixed fee of £18,500, the cost schedule outlined what work was done on the matter. Ms Sheppard-Jones confirmed that her preparation for the hearing had been 3.5 hours and not the 7 hours estimated. The hearing had taken 1.5 days and not 3 days as originally listed. Ms Sheppard-Jones told the Tribunal that the notional hourly rate in this case worked out at approximately £206 per hour.

41. Ms Sheppard-Jones refuted the criticisms made by Mr Goodwin and submitted that it would be wrong for the SRA to have stopped investigating once admissions had been made. Ms Sheppard-Jones clarified a number of points at the request of the Tribunal including the relative professional experience of the Capsticks employees involved in the case and their role in preparing the case for hearing. Ms Sheppard-Jones was unable to provide further detail in relation to the investigation as the second FI Officer had now left the SRA.

Respondent's Submissions

42. Mr Goodwin submitted that the costs claimed were excessive. This was an admitted case and there was insufficient information provided about the work done. He submitted that the reduced figure for the investigation costs appeared to be arbitrary and still too high given Mr Arnstein's admissions in January 2019.

43. Mr Goodwin submitted that excessive time had been spent on the matter by Capsticks and that although a fixed fee had been claimed, the Tribunal should only order Mr Arnstein to pay costs that were reasonable and proportionate.

44. Mr Goodwin submitted that there should be no contribution to the investigation costs on account of the lack of information and a reduction in Capsticks costs of two-thirds, leaving a sum of approximately £10,000.

The Tribunal's Decision

45. The Tribunal reviewed the cost schedule. In relation to the investigation costs, there was a lack of clarity as to the significant number of days on "information review" and

"report preparation" without any real explanation from SRA as to how this time had built up.

46. In relation to Capsticks' costs, the Tribunal noted that Ms Sheppard-Jones appeared to have done the majority of the work and it struggled to understand the role of other fee earners. The Tribunal considered that Mr Tippett-Cooper's time should be reduced from 19.8 hours to 10 hours. It reduced the costs claimed for drafting the Rule 12 statement and for the various applications including amendments to the Rule 12. The Tribunal reduced the time spent preparing the hearing bundle from 17.2 hours to 6 hours. It also reduced the time estimated for the substantive hearing to reflect the fact that the disputed matters had not been proved and that it had taken less than the three days estimated.

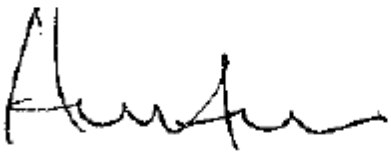
47. The Tribunal considered that the appropriate starting point for the costs was £17,000. The Tribunal was concerned about the significant delay in bringing these matters to the Tribunal. While the Tribunal understood that some delay had been caused by the sad death of the initial FI Officer, that did not explain the subsequent delays. The matter had been hanging over Mr Arnstein's head throughout that period and it was right to make a further reduction to reflect that. The Tribunal decided to reduce the costs by a further £3,000, bringing the total to £14,000.

48. The Tribunal had regard to Mr Arnstein's means and to the totality of the sum he would be required to pay, taking account of his fine. The Tribunal saw no basis to reduce the costs further or to order that payment be deferred pending leave of the Tribunal.

Statement of Full Order

49. The Tribunal Ordered that the Respondent, PETER MARK ARNSTEIN solicitor, do pay a fine of £16,000.00, 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 £14,000.00.

Dated this 17th day of August 2022
On behalf of the Tribunal



J P Davies
Chair