

IN THE MATTER OF GURMIT SINGH NAHAL, solicitor

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

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Mr R B Bamford (in the chair)  
Mr R J C Potter  
Mr K J Griffin

Date of Hearing: 26th April 2002

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## FINDINGS

of the Solicitors Disciplinary Tribunal  
Constituted under the Solicitors Act 1974

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An application was duly made on behalf of the Office for the Supervision of Solicitors ("OSS") by Geoffrey Williams solicitor of Geoffrey Williams & Christopher Green, solicitor advocates of 2a Churchill Way, Cardiff, CF10 2DW on 9<sup>th</sup> August 2001 that Gurmit Singh Nahal of Heston, Middlesex might be required to answer the allegations contained in the statement which accompanied the application and that such order might be made as the Tribunal should think right.

At the opening of the hearing the Applicant sought to withdraw certain allegations and to amend another. The Respondent agreed to such alterations and the Tribunal consented thereto.

The allegations below are set out in the agreed amended form:-

The allegations were that the Respondent had been guilty of conduct unbecoming a solicitor in each of the following respects:-

- a) That he had failed to maintain properly written books of account contrary to Rule 11 of the Solicitors' Accounts Rules 1991;
- b) that he had drawn monies out of a client account otherwise than in accordance with Rule 7 of the Solicitors Accounts Rules 1991 contrary to Rule 8 of the said Rules;

- c) that he had failed to pay clients' funds into client account contrary to Rule 3 of the Solicitors Accounts Rules 1991;
- d) that he had acted in breach of Rule 1(e) of the Solicitors' Practice Rules 1990;
- e) that he had acted improperly in a conflict of interest situation.
- f) that he had practised as a solicitor whilst in breach of a condition imposed upon his Practising Certificate;
- g) withdrawn;
- h) withdrawn;
- i) withdrawn;
- j) that he had released to a third party a quantity of professional stationery in the knowledge that the said third party would make use of it in property transactions thereby purporting that the correspondence emanated from the Respondent;
- k) that he had relied upon an unqualified third party to carry out professional business on behalf of himself and his clients;
- l) withdrawn;

The application was heard at the Court Room, 3rd Floor, Gate House, 1 Farringdon Street, London EC4M 7NS when Geoffrey Williams appeared as the Applicant and the Respondent was represented by Mr Notu Hoon of Counsel.

The evidence before the Tribunal included the admissions of the Respondent.

At the conclusion of the hearing the Tribunal made the following Order:-

"The Tribunal Order that the Respondent, Gurmit Singh Nahal of Heston, Middlesex solicitor, be struck off the Roll of Solicitors and they further Order that he do pay the costs of and incidental to this application and enquiry (to include the costs of The Law Society's Investigating Accountants) to be subject to a detailed assessment if not agreed between the parties)."

The facts are set out in paragraphs 1 to 44 hereunder: -

1. The Respondent, born in 1952, was admitted as a solicitor in 1989.
2. At all material times the Respondent carried on practice as a solicitor initially until October 1991 in partnership under the style of Nizar Kanji & Co at 502 Greenford Road, Greenford, Middlesex, UB6 8SH and thereafter in partnership and latterly on his own account under the style of G S Nahal & Company at 162+B High Street, Hounslow, Middlesex and at The Bank, Station Parade, London, W5 3LE. Such practice ceased in or about October 1997 upon intervention by The Law Society.

3. The Respondent had qualified as a barrister. He transferred to the Solicitors' profession. He had always wished to be an advocate and his experience lay in the field of litigation. He was not experienced in conveyancing.
4. Upon notice duly given to the Respondent an inspection of his books of account was carried out by the Investigation Accountant of The Law Society. The Report upon the inspection was dated 13<sup>th</sup> August 1996 and was before the Tribunal.
5. The Investigation Accountant reported that the Respondent's books of account did not comply with the Solicitors' Accounts Rules. A list of liabilities to clients as at 30<sup>th</sup> April 1996 was produced for inspection. The items were in agreement with the balances shown in the clients' ledger and totalled £263,908.35. Further liabilities of £708.92 were not shown by the books or records. Comparison of the total liabilities with cash held in client bank accounts at 30<sup>th</sup> April 1996 after allowance for uncleared items revealed a cash shortage of £7,992.93.
6. The cash shortage arose the following way:-
- |       |  |                  |
|-------|--|------------------|
| (i)   | overpayments   | £5096.97         |
| (ii)  | client funds incorrectly retained in office bank account | 708.92           |
| (iii) | book difference (shortage)                               | <u>2187.04</u>   |
|       |  | <u>£7,992.93</u> |
7. The Respondent agreed the existence of the cash shortage and rectified it in full during the inspection by way of transfers from office to client bank account and by receipt of client funds.
8. A shortage of £6,680.37 on client account had existed prior to the inspection owing to fourteen overpayments made during the period from 21<sup>st</sup> August 1995 to 18<sup>th</sup> March 1996. That shortage had been rectified in full prior to 30<sup>th</sup> April 1996.
9. The Investigation Accountant went on to report upon a conveyancing transaction in which the Respondent acted for Mr A (the purchaser) in connection with the purchase of a property at Catford. E Ltd, a property development company was the vendor. Mr R de Serville acted for and was also a director of E Ltd. The purchase price was £53,000. The transaction was completed on 3<sup>rd</sup> August 1995.
10. The client ledger for Mr A contained the following entries:-
- | <u>Date</u> | <u>Narrative</u>              | <u>Debit</u> | <u>Credit</u> | <u>Balance</u> |
|-------------|-------------------------------|--------------|---------------|----------------|
| 02.08.95    | Advance funds                 |              | £44,006.50    | £44,006.50     |
| 02.08.95    | Monies from client            |              | 7,546.75      | 51,553.25      |
| 07.08.95    | Profit costs                  | £382.00      |               | 51,171.25      |
| 07.08.95    | VAT                           | 61.25        |               | 51,110.00      |
| 11.08.95    | HMLR                          | 100.00       |               | 51,010.00      |
| 11.08.95    | Fee for Notice of assignment  | 10.00        |               | 51,000.00      |
| 03.08.95    | Chaps to vendors              | 44,006.50    |               | 6,993.50       |
| 07.08.95    | Additional fee for assignment | 10.00        |               | 6,983.50       |
| 21.03.96    | To client                     | 1,250.00     |               | 5,733.50       |
| 03.05.96    | Loan to G.S. Nahal            | 3,000.00     |               | 2,733.50       |
11. The Respondent also acted for the Bristol & West Building Society with regard to the advance of £44,006.50 on 2<sup>nd</sup> August 1995.

12. On 3<sup>rd</sup> August 1995, £44,006.50 was transferred from client bank account to Chosen Nominees Ltd , an associated company of the vendor.
13. The balance of the purchase monies £8,993.50 (£53,000 - £44,006.50) was not paid to the vendor. The Respondent did not notify Bristol & West Building Society that only the net mortgage advance changed hands in the transaction nor that money was not paid to the vendor but to a company apparently associated with the vendor.
14. On 3<sup>rd</sup> May 1996, £3,000 was transferred from client to office bank account. A letter on the relevant client file stated the transfer to be a loan. The loan and the signed letter of authority was from the purchaser, Mr A; in that letter he required repayment in three months. The loan had been repaid.
15. The Respondent's Practising Certificate was subject to a condition that he deliver half yearly Accountant's Reports to The Law Society such Reports to be delivered within two months of the end of the period to which they related.
16. The Respondent's Accountant's Report for the period ending 30<sup>th</sup> June 1997 was due to be delivered by 31<sup>st</sup> August 1997. The Respondent delivered the Report on 28<sup>th</sup> October 1997. The Respondent practised as a solicitor throughout the period of default.
17. Whilst practising as a partner in Nizar Kanji & Co the Respondent acted in a conveyancing transaction in relation to a property at Palace Mansions, London.
18. Initially the purchaser was Mr SR who was obtaining a mortgage from National & Provincial Building Society.
19. On 8<sup>th</sup> March 1991 the Respondent advised the vendors' solicitors that the purchaser was now Mr MAH.
20. On 11<sup>th</sup> March 1991 the purchaser Mr MAH purportedly paid to the vendor the sum of £90,000 by way of a directly paid deposit in relation to his purchase.
21. On 28<sup>th</sup> March 1991 the Respondent wrote, for the first time, to Mr MAH seeking to confirm his instructions received from a third party.
22. On 22<sup>nd</sup> April 1991 the Respondent's firm was instructed to act for TSB Homeloans Limited ("TSB") which company was advancing the sum of £260,000 to Mr MAH to be secured by way of mortgage. Mr Kangi had conduct of the conveyancing transaction.
23. A revised mortgage offer was issued by TSB on 29<sup>th</sup> April 1991. On the same day a report on title was submitted to TSB. In the absence of Mr Kangi from the office, and at his request, the Respondent had signed the report on title.
24. The report on title was defective. It did not set out the unusual aspects of the transaction set out above nor did it report that the purchase price had increased from £285,000 to £350,000, nor that the transaction proceeded by way of subsale with an increase of price from £187,000 to £350,000.

25. The sum of £3,210 was remitted to a third party who apparently introduced Mr MAH to the transaction.
26. Mr H fell into arrears under the TSB mortgage. On 21<sup>st</sup> October 1992 TSB obtained a court order granting it possession of the property. On 21<sup>st</sup> February 1994 TSB sold the property for £135,000.
27. TSB issued High Court proceedings against the Respondent and his erstwhile partner to recover its losses.
28. By a Consent Order dated 1<sup>st</sup> December 1997 the Respondent agreed to pay damages to TSB of £175,000 and £10,000 costs.
29. In such proceedings the Respondent claimed indemnity from Solicitors Indemnity Fund Limited ("SIF") which declined to indemnify the Respondent.
30. The Respondent left Nizar Kangi & Co and joined another firm. It transpired that the principal in that firm was to be convicted of offences relating to VAT fraud in connection with gold bullion. That principal had introduced the Respondent to Mr de Serville & Mr R. Mr de Serville was, unbeknown to the Respondent, a struck off solicitor. Mr de Serville and Mr R had since been convicted of offences involving fraud and Mr de Serville was serving a custodial sentence at the time of the hearing. The Respondent had begun to have conduct of conveyancing matters for Mr de Serville and/or their companies.
31. JFB was at all material times a relatively small bank trading in the secondary banking sector with a particular involvement in lending to small companies seeking project finance.
32. Mr de Serville had been a solicitor and partner in the firm of Grangewoods. In that capacity he had previously acted for JFB. It was in about 1994 that Mr de Serville was convicted of offences involving mortgage fraud and imprisoned. Subsequently he had been struck off the Roll of Solicitors.
33. From about 1987 JFB commenced a course of dealing with four companies ("the Companies") in which Mr de Serville was involved. The details were as follows:-
  - A - Mr de Seville was the Company Secretary.
  - E - Mr de Serville was the sole director.
  - F - Mr de Serville had been a director from 16.12.92 until 1.11.94.
  - T - From 09.09.94 the registered office of this Company was the business address of Mr de Serville.
34. Mr de Serville was also at all material times a Director of "Choses" the registered office of which was his home address.
35. The Companies were in the business of purchasing, refurbishing and then selling properties. By 1991 the Companies were all indebted to JFB. By 31<sup>st</sup> December 1991 the minimum indebtedness was as follows:-

A - £498,980.14.  
 E - £522,600.78.  
 F - £348,546.50.  
 T - £240,266.52.

36. The property market was by now entering a depression and JFB was concerned about the adequacy of its security. The Companies wished to reduce their indebtedness and devised a scheme which was termed "The Little Earners Scheme" ("the Scheme") which involved the acquisition of repossessed properties sold cheaply at auction, the carrying out of refurbishment at modest expense and a relatively speedy sale of the properties at a substantial profit. JFB was to fund the scheme and did so by permitting the Companies to draw down on "Development Accounts." JFB was to be granted a First Legal Charge over each property acquired.
37. Initially the scheme went well. The liabilities of the Companies to JFB decreased.
38. The scheme that was followed operated in the following way:-
- (i) Funds were drawn down by the stated Company from the Development Account with JFB to finance the purchase at auction of the stated property. That company then acquired the property.
  - (ii) The Company then resold the property to a member of the public – "the end purchaser." Mr de Serville would deal with the conveyancing for the vendor Company. The Respondent would act for the member of the public who was the end purchaser and his mortgagee, a lending institution other than JFB.
  - (iii) The price stated to be paid by the end purchaser was set down but the end purchaser would not be providing any funds towards the purchase. In fact the end purchaser received financial assistance from the vendor Company. Such funds were drawn down from the relevant development account. These advances were to be repaid direct to JFB and credited to the Fairscope account.
  - (iv) The net mortgage advance to the end purchaser was paid into the Respondent's client account. The balance to complete over and above that sum was also paid into and out of the Respondent's client account but it was not paid in by the end purchaser.
39. JFB relied upon the Respondent to obtain First Legal Charges when the properties were initially acquired and the Respondent had taken such steps in respect of four of the properties (numbered 1, 11, 13 and 25) on the schedule before the Tribunal, as well as others.
40. With the exception of properties numbered 1, 13 and 25 on the schedule before the Tribunal the Respondent did not obtain security for JFB when he was being relied upon to do so.
41. In all cases where the Respondent completed the purchase for the end purchaser he failed to redeem the amount owing to JFB in relation to the property – whether secured or unsecured. Further he paid the purchase money not to the vendor or to JFB but to Choses upon the direction of Mr de Serville.
42. The funds paid to Choses had not been used to pay JFB but had been used by Mr de Serville for his own purposes apparently in connection with the refurbishment of certain nursing homes.

43. When that fraudulent course of conduct came to the attention of JFB the loans ceased. Mr de Serville entered into a personal guarantee to JFB for £1,175,000. Mr Serville was made bankrupt upon the petition of JFB on or about 10<sup>th</sup> July 1997.
44. The Respondent, at the request of Mr de Serville apparently in order to facilitate the smooth running of the conveyancing transactions released a quantity of his professional stationery to Mr de Serville. Apparently this had been done so that Mr de Serville could register title of properties on behalf of JFB. Mr de Serville did not in fact attend to the registration of such title. It had been the practice of the Respondent to pass correspondence that had been addressed to the Respondent to Mr de Serville so that Mr de Serville could deal with it. Although the Respondent had been instructed to perfect title, it had been his understanding that Mr de Serville was responsible for attending to registration.
45. Mr de Serville introduced Mr D into the Respondent's office, describing him as an experienced unadmitted conveyancer. It was said that Mr D would deal with Mr de Serville's conveyancing. It appeared that the Respondent had accepted that position. He had remunerated Mr D but had not exercised any real control or supervision over that gentleman.
46. JFB in due course issued civil proceedings against the Respondent (and a former partner). The Respondent claimed indemnity from the Solicitors Indemnity Fund Limited but indemnity was declined on the ground that the Respondent had been guilty of fraudulent or dishonest acts or omissions.
47. In due course the civil proceedings were compromised and a Consent Order had been drawn.

#### **The Submissions of the Applicant**

48. The Respondent admitted allegations (a) to (c). Both allegations were supported by the matters relating to the Respondent's books of account referred to in the Investigation's Accountant's Report.
49. The Respondent also admitted allegation (e) relating to a conflict of interest. He accepted that he had taken a loan from a client without that client having taken independent advice.
50. The Respondent accepted that he had been in breach of Practice Rule 1 (e) namely that:-
 

"a solicitor shall not do anything in the course of practising as a solicitor or permit another person to do anything on his or her behalf which compromises or impairs or is likely to compromise or impair any of the following:  
(e) the solicitors proper standard of work."
51. The Respondent admitted that, and the Tribunal was reminded of, the conveyancing transaction relating to the property at Palace Mansions, London whilst the Respondent was practising as a partner in Nizar Kanji & Co where the Respondent signed a report on title which was defective. It was the Applicant's case that such report on title

deprived the mortgagee, TSB, of the opportunity to make an informed decision as to whether or not to lend monies.

52. The Applicant recognised that at the time the Respondent was highly inexperienced in conveyancing transactions and was acting at the apparent direction of his partner. He should not, however, have signed the report on title and having done so it was incumbent upon him to comply with the assurance given. The Respondent accepted that he had practised as a solicitor whilst in breach of a condition imposed upon his Practising Certificate, namely that he should file with The Law Society half yearly Accountant's Reports within two months after the end of the accounting period to which they related.
53. The Respondent admitted allegations (j) and (k). Those allegations related to the transactions involving the affairs of the struck off solicitor Mr de Serville and the banker, JFB.
54. The position had been that Mr de Serville had been defrauding JFB. It was not suggested that the Respondent was himself a party to that fraud.
55. The work on the transactions in the "little earner" scheme was purportedly conducted from the Respondent's office. It was in fact carried out by Mr de Serville. The Respondent had given Mr de Serville a quantity of professional letterhead. The Respondent had been aware that Mr de Serville would use that letterhead so that the correspondence purportedly came from the Respondent. It was the Respondent's position that Mr de Serville made much wider use of the letterhead than had been intended: the correspondence apparently from the Respondent had been forged by Mr de Serville as was the Respondent's signature.
56. The Respondent received conveyancing fees from Mr de Serville in relation to the various transactions.
57. The Respondent paid out money from his client account to a company controlled by Mr de Serville which company was not the vendor in the conveyancing transactions. He made such payment upon the direction of Mr de Serville.
58. The Applicant did not allege dishonesty arising from the Investigation Accountant's Report. No allegation of dishonesty was made with regard to the breach of the condition on the Respondent's Practising Certificate and his signing of the report on title in the Palace Mansions conveyancing transaction.
59. With regard to the conveyancing transactions which involved Mr de Serville and JFB, the Applicant put those matters as being demonstrative of very serious conduct unbecoming a solicitor.
60. In the submission of the Applicant it was open for the Tribunal to decide whether or not dishonesty had been established against the Respondent. It was the Applicant's case that the Respondent had fallen very far below the standards to be expected of a solicitor - in particular that no solicitor should ever allow an unqualified third party to behave as Mr de Serville had done.



**The Submissions of the Respondent**

61. The Respondent qualified initially as a barrister in 1981 and changed profession to that of a solicitor in 1988. He worked with a number of solicitors both as an assistant solicitor and as a partner until 1<sup>st</sup> December 1991 when he became a partner of the practice of V G Jenkins which dissolved at the end of September 1992. Following dissolution the Respondent changed the name of the firm at his branch office to G S Nahal & Company and practised on his own account for a very short period throughout October 1992. He then entered partnership with a solicitor of less than three years admission.
62. The arrangement continued until Christmas 1993. The Respondent had gone to India to see his family over Christmas. In the meantime The Law Society's Monitoring Unit had decided to visit the practice.
63. Shortly before V G Jenkins & Company ceased to practice. Mr Jenkins introduced Mr de Serville to the Respondent in the Autumn 1992. At that time the Respondent knew nothing about Mr de Serville's background.
64. Mr de Serville described himself as a company legal secretary in the employ of a number of property companies. It was clear that he had considerable knowledge of conveyancing and the Respondent presumed that he must have had some formal legal training. Mr de Serville stated that development companies purchased one or two bedroom flats at auction, renovated them and sold them for a small profit and that, in the event of an end purchaser being found, he and the companies would wish to utilise the Respondent's services as a solicitor to act for the end purchaser and his mortgagees.
65. Mr de Serville mentioned that for a number of years he had a working relationship with a merchant bank, JFB, and that he always dealt with them direct. The Respondent's knowledge was limited to the fact that Mr de Serville's companies received funding from JFB. Mr de Serville did not disclose that he had utilised the monies he owed to JFB for his own purposes.
66. On the occasion of the introduction of the first end purchaser to the Respondent, Mr de Serville said that it would greatly assist him and speed up the conveyancing process if the Respondent would let him have a small number of the firm's letterheads in blank. The Respondent queried exactly what they were required for. Mr de Serville said that as he had been dealing with JFB for a number of years, they were happy for all the necessary legal work including registration to be undertaken by Mr de Serville. In retrospect, the Respondent recognised that he had trusted that Mr de Serville would effect registration of JFB's interest in the properties as, first, he had direct dealings with JFB and, secondly, JFB apparently had dealt with Mr de Serville in the past and they too trusted him.
67. Where the Respondent failed to register title in favour of JFB it was because he relied upon the honesty and integrity of Mr de Serville. The Respondent had come to learn later that he was conning both the JFB and the Respondent by deliberately failing to register title.

68. Where letters from JFB were received at the office (in reply to letters that Mr de Serville had sent on the Respondent's letterhead) the Respondent would pass them to Mr de Serville for him to deal with. The Respondent was far too trusting.
69. The Respondent should have kept a firm rein on what Mr de Serville was doing but at the time the Respondent had no cause to believe that he was not remitting to JFB sums that they had advanced to him in connection with numerous purchases made by the development companies. The Respondent had not given Mr de Serville authority to forge his signature.
70. It was correct that the Respondent was nominally instructed to perfect title that the companies were obtaining but he always understood that Mr de Serville was responsible for registering charges in favour of JFB. The Respondent never charged fees to JFB.
71. It was only in late October/early November 1995 that the Respondent became aware of the gravity of situation. A director of JFB met with the Respondent. At that meeting the director said "We have both been taken for a ride by Richard (Mr de Serville)."
72. It was at about that time that the Respondent came to know that Mr de Serville had been a solicitor that he had been struck off the Roll and that he had served a prison sentence for mortgage fraud.
73. The Respondent accepted that he had been at best naive and that he, together with others, had been misled by Mr de Serville. JFB had been aware that Mr de Serville was a dishonest former solicitor.
74. The Respondent with his background of being a barrister had not amassed a wealth of knowledge relating to conveyancing. He had always wished to undertake advocacy and his professional experience had been in the field of litigation. He had been trusting and naive. He had been taken in by an established fraudster. There was no suggestion by the applicant that the Respondent had been complicit in Mr de Serville's fraudulent activities. The Tribunal was invited to conclude that the Respondent had not been dishonest.
75. The Tribunal was invited also to conclude that the Respondent had already suffered great punishment. The Law Society had intervened into his practice. He had had to effect a compromise of civil proceedings involving him in making substantial payments. Not only had he had to cope with all of the difficulties and problems related to the Tribunal, he had also to bear the anxiety of having the professional disciplinary proceedings hanging over his head.
76. The Respondent was anxious to continue his professional career and in all of the circumstances it was hoped that the Tribunal would not feel compelled to make an order which interfered with the Respondent's ability to practise.

### **The Findings of the Tribunal**

The Tribunal found all of the allegations to have been substantiated, indeed they were not contested.

On 15<sup>th</sup> February 1996 the Tribunal found the following allegations to have been substantiated against the Respondent. The allegations were that the Respondent had:-

- (a) drawn monies out of the client account other than as permitted by Rule 7 of the Solicitors' Accounts Rules 1991 contrary to Rule 8 of the said Rules;
- (b) been guilty of conduct unbecoming a solicitor in that he had failed to disclose material information to clients.

In February 1996 the Tribunal had imposed a reprimand in respect of the Accounts Rules breaches and imposed a fine of £5,000 in respect of the Respondent's failure to disclose material information. On that occasion the Tribunal said:-

The Tribunal consider that the breaches of the Solicitors' Accounts Rules were minor. They accepted the respondent's assurance that he had taken steps to put matters right and to continue to ensure that such breaches would not occur again.

The allegation that the respondent was guilty of conduct unbecoming a solicitor in that he failed to disclose material information to lending institution clients was a very serious one indeed. No allegation of dishonesty was made against the respondent and it was not suggested that he was complicit in any fraud. However, all conveyancing solicitors were well aware of the climate in which the property market had operated in recent times which had lent itself to the nefarious activities of certain individuals who believed they could manipulate the mortgage lending system for substantial gain. It was important that every solicitor engaged in work of that nature should recognise his duty to be alert to the possibility of mortgage fraud and to deal with every conveyancing matter in such a way as to leave no opportunity for an unscrupulous person to take advantage of the situation. It was in order to ensure that the lending institution might double-check any lending arrangement entered into by it if there was any suspicion at all that the monies to be lent, apparently to assist a bona fide purchase of a property, were to be diverted for any other purpose. It was clear that a failure to disclose any information which was, or might be, material to the lending institution meant that a solicitor had fallen down in his very important duty to protect the interests of that client and to ensure that the good reputation of the solicitors' profession might be maintained.

The Tribunal imposed a reprimand in respect of the Accounts Rules breaches but imposed a fine of £5,000 in respect of the failure to disclose material information. The Tribunal had considered imposing a sanction which would have deprived the respondent from his ability to practise. However, in view of the fact that no dishonesty was alleged against the respondent and the fact that he had admitted the allegations, they had reached the conclusion that the matter could be dealt with by way of a financial penalty, but had set that penalty at the highest figure available to the Tribunal to ensure that the very serious view that they took of the respondent's behaviour was clearly marked.

The Tribunal was deeply concerned to learn that the facts which should have been disclosed to the lending institutions had in fact not been disclosed. The Tribunal expected each of the lending institutions which had been deprived of material information to be fully notified of the matters which should have been

drawn to its attention before completion within fourteen days of the hearing date and confirmation that that task had been completed was to be given both to the Law Society and to the Tribunal."

In April 2002 the Tribunal had been asked to consider a number of allegations some of which were supported by admitted facts demonstrating deeply worrying behaviour on the part of a solicitor. The Applicant had not put the matter before the Tribunal as one in which the Respondent had been complicit in dishonest activity. He had said that it was open to the Tribunal to make an inference of dishonesty.

The Tribunal is able to accept that the Respondent was not complicit in the fraud perpetrated by Mr de Serville. If the Respondent had not in reality turned a blind eye to what was going on, then his naivety reached proportions that were hard to conceive. By allowing Mr de Serville a free rein, by failing to take proper steps as a solicitor, by allowing his own conduct of affairs in his capacity as a solicitor to be dictated by Mr de Serville and perhaps worst of all in allowing Mr de Serville access to his professional stationery, the Respondent had facilitated the commission of fraud. There was no doubt in the mind of the Tribunal that to behave in such a manner went to the heart of the Respondent's fitness to practise as a solicitor.

The Tribunal had no difficulty at all in concluding that the Respondent was not fit to be a solicitor. The Tribunal therefore ordered that the Respondent be struck off the Roll of Solicitors. They further ordered that he should pay the costs of and incidental to the application and enquiry (to include the costs of The Law Society's Investigating Accountant) to be subject to a detailed assessment if not agreed between the parties.

DATED this 1<sup>st</sup> day of July 2002

on behalf of the Tribunal

R B Bamford  
Chairman