

IN THE MATTER OF CHINWE BERNADETTE IZEGBU,
[*RESPONDENT 2 – NAME REDACTED*] and
SAMUEL NWABUEZE OKORONKWO, solicitors

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

Mr A N Spooner (in the chair)
Mr R B Bamford
Ms A Arya

Dates of Hearing: 18th & 19th September, 28th & 29th November, 15th December 2006 and
22nd February 2007

FINDINGS

of the Solicitors Disciplinary Tribunal
Constituted under the Solicitors Act 1974

An application was duly made on behalf of The Law Society by Peter Harland Cadman, solicitor and partner in the firm of Russell-Cooke of 8 Bedford Row, London, WC1R 4BX on 20th June 2005 that Chinwe Bernadette Izegbu a solicitor of Erith, Kent, DA8 and *RESPONDENT 2*, a solicitor of, Billingshurst, RH14 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.

A further application was duly made on behalf of The Law Society by Peter Harland Cadman on 20th June 2005 that Samuel Nwabueze Okoronkwo, a solicitor's clerk of Herts, EN4 have an Order made by the Tribunal directing that, as from a date to be specified in such Order, no solicitor, Registered European Lawyer or incorporated solicitor's practice shall, except in accordance with permission in writing granted by the Society for such period and subject to such condition as the Society may think fit to specify in the permission, employ or remunerate, in connection with his practice as a solicitor, Registered European Lawyer or a member, director or shareowner of an incorporated solicitor's practice, the person with respect to who the Order is made or any such Order as the Tribunal should think right.

The allegations against MS Ms Izebu, the First Respondent and hereinafter referred to as “Ms Izebu”, and the Second Respondent hereinafter referred to as “*RESPONDENT 2*”, were that they had been guilty of conduct unbefitting a solicitor in each of the following particulars namely:-

The First Respondent - Ms Izebu

1. That with regard to the firm Jonathan & Co the books of accounts were not properly written up contrary to the Solicitors Accounts Rules;
2. That with regard to the firm Alberts she breached Practice Rule 7, Solicitors Practice Rules 1990 in that she agreed to share professional fees other than as permitted by that rule;
3. That she entered into a sham agreement under which she was held out as and purported to act as principal of a firm of solicitors by the name of “Alberts” when the reality was that Alberts was an instrument by which a non-solicitor, Mr Okoronkwo, purported to practice as a solicitor and/or improperly controlled a solicitor’s practice;
4. That she thereby permitted Mr Okoronkwo to be held out as a solicitor;
5. That she permitted bank accounts described as solicitor’s bank accounts to be held and controlled by a non-solicitor;
6. That monies received were not paid into a properly designated client account;
7. With regard to the firm Alberts the books of accounts were not properly written up contrary to the Solicitors Accounts Rules.

The Second Respondent - *RESPONDENT 2*

8. That he attempted to mislead an investigation officer of the Forensic Investigation Unit by representing himself as principal of Alberts;
9. That with regard to the firm of Alberts he breached Solicitors Practice Rule 7, Solicitors Practice Rules 1990 in that he agreed to share professional fees other than as permitted by that rule;
10. That he entered into a sham agreement under which he was held out and purported to act as principal of solicitors by the name of “Alberts” when the reality was that Alberts was an instrument by which a non-solicitor Mr Okoronkwo, purported to practice as a solicitor and/or improperly controlled a solicitor’s practice.
11. That the books of account of the firm Alberts were not properly written up contrary to the Solicitors Accounts Rules;
12. That he permitted bank accounts describing themselves as solicitor’s bank accounts to be held and controlled by a non-solicitor;

13. That he gave evidence which a Court found not to be entirely frank and honest thereby bringing the profession and himself into disrepute.

The Third Respondent - Mr Okoronkwo

The allegations against Samuel Nwabueze Okoronkwo, the third Respondent hereinafter referred to as “Mr Okoronkwo” are that he, having been employed or remunerated by solicitors but not himself being a solicitor has been a party to acts or defaults in relation to a solicitor’s practice which involved conduct on his behalf such that it would be undesirable for him to be employed or remunerated by a solicitor in connection with that practice and in particular:-

14. That he procured the aforementioned breaches of Practice Rule 7 of the Solicitors Practice Rules by the Respondent *Izegbu* (allegation 2) and *RESPONDENT 2* (allegation 9);
15. That he entered into sham agreements under which he owned and controlled firms held out to The Law Society and the public as being firms of solicitors whereas the firms were owned and controlled by him, a non-solicitor;
16. That he held himself out to be a solicitor;
17. That he operated and received clients’ funds into purported solicitor’s client accounts;
18. That he attempted to mislead The Law Society by falsely representing that the Respondents *Izegbu* and *RESPONDENT 2* were the principals and owners of the various practices named “Alberts”;
19. That he failed to ensure that proper accounting records were kept in respect of the practices known as “Alberts”;
20. That he gave evidence that a Court found not to be entirely frank and honest;
21. That he knowingly made a false statement as to his professional record in order to procure a qualification from The Law Society.

The application was heard at the Court Room 3rd Floor, Gate House, 1 Farringdon Street, London, EC4M 7NS when Peter Harland Cadman (Mr Cadman) appeared as the Applicant and the Respondents all appeared in person.

The evidence before the Tribunal included the admission by Ms Izegbu of allegation 7, the Reports of the Forensic Investigation Unit (“FIU”) dated 20th May 2003, 23rd December 2003 and 8th June 2004, the oral testimony of Mr A Smith and Mr J Clemo, Mr J Mercer and of all the Respondents.

Preliminary matters and matters arising in the course of hearing

1. Mr Okoronkwo applied at the outset of the hearing that the matter be heard in private. Mr Okoronkwo’s ground was that any order under S 43 of the Solicitors Act was not normally published in the Law Society Gazette. The application was refused. Mr Okoronkwo had not shown good reason. It was in the interest of the public that the

profession be seen to deal fairly and properly with allegations of misconduct. Thus the application should be refused unless good reason was shown.

2. Initially, the parties proposed that the order in which the parties would present their cases would be Ms Izegbu, then Mr Okoronkwo, then *RESPONDENT 2*. However, it was subsequently agreed that Mr Okoronkwo, then Ms Izegbu, then *RESPONDENT 2* would present their case, given Mr Okoronkwo's involvement with both Alberts 1 and Alberts 2.
3. At the end of the second day, an application was made by Mr Okoronkwo to admit further documents. The Tribunal directed that this application be heard prior to resumption of the substantive hearing on the third day and the reasons for the Tribunal's decision to grant leave to admit the further documents are set out in a memorandum dated 28th November 2006.
4. On the fourth day of the hearing Mr Cadman applied for leave to introduce further evidence in the form of a statement and oral testimony from Mr John Mercer of the Law Society and for leave to cross-examine Ms Izegbu further. This was on the ground that Ms Izegbu had in her evidence in answer to questions from Mr Okoronkwo introduced matters which had not previously been before the Tribunal. The Tribunal gave leave.

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

The First Respondent – Ms Izegbu

The Tribunal Orders that Chinwe Bernadette Izegbu of Erith, Kent, DA8, solicitor, be struck off the Roll of Solicitors and it further Orders that she do pay the costs of and incidental to this application and enquiry fixed in the sum of £33,000.

The Second Respondent - *RESPONDENT 2*

The Tribunal Orders that the Respondent *RESPONDENT 2* of Hereford House, 55 Station Road, Billingshurst, RH14 9SE, solicitor, do pay a fine of £5,000, such penalty to be forfeit to Her Majesty the Queen, and it further Orders that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £5,000.

The Third Respondent - Mr Okoronkwo

The Tribunal Orders that as from the 22nd day of February 2007 no solicitor, Registered European Lawyer or incorporated solicitor's practice shall, except in accordance with permission in writing granted by the Law Society for such period and subject to such conditions as the Society may think fit to specify in the permission, employ or remunerate in connection with the practice as a solicitor, Registered European Lawyer or member, director or shareowner of an incorporated solicitor's practice Samuel Nwabueze Okoronkwo of Barnet, Herts, EN4 a person who is or was a clerk to a solicitor and the Tribunal further Orders that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £22,000.

The facts are set out in paragraphs 5 to 19 hereunder:-

5. Ms Izebu was born in November 1965 and admitted as a solicitor on 3rd June 1996. *RESPONDENT 2* was born in January 1969 and admitted as a solicitor on 2nd November 1998. Mr Okoronkwo was born in October 1961 and called to the Bar in July 2002.
6. Ms Izebu was a salaried partner in the firm of Jonathan & Co from 19th February 2003 until 14th April 2003. She had previously been an assistant solicitor with this firm. At the time Ms Izebu became a partner with Jonathan & Co, the Law Society was conducting a forensic investigation into the firm. A Report was concluded on 20th May 2003 and deficiencies were found in the firm's books of account.
7. On 14th April 2003 Ms Izebu set up practice purportedly as a sole principal but really in a form of partnership with Mr Okoronkwo under the style of Alberts Solicitors at 205 Wardour Street, London, W1. The firm of Jonathan & Co had previously carried on practice from this address. The terms under which Ms Izebu joined the firm of Alberts were set out in a letter to her from Mr Okoronkwo dated 30th April 2003. This letter began "...I am pleased to offer you employment..." and went on to set out the usual terms under which an employer employs an employee. Mr Okoronkwo and Ms Izebu also on 30th April 2003 set out the terms of their purported partnership in a document entitled "Practising Arrangement". This document provided that:-
 - “3. Mr Okoronkwo proposes to use his resources to set up a new law firm to be called Alberts Solicitors.
 4. *Miss Izebu* proposes to take employment with Alberts solicitors as a principal solicitor to fulfil the necessary requirements of the Law Society for law firms on terms annexed hereto.
 5. Mr Okoronkwo will work as a consultant to the firm.
 6. The firm shall appoint partners as necessary in the future in pursuance of its business objectives.”
8. In accordance with this Practising Arrangement, it was Mr Okoronkwo who provided the capital and he had the contractual right to appoint Partners. He was the lynchpin and driving force in the practice. He owned the lease on the Wardour Street premises and he opened the firm's bank account and he was sole signatory. The bank account initially was called "S Okoronkwo t/a Alberts Solicitors" but this was an acknowledged error on the bank's part. Mr Okoronkwo kept the files in his office. He was not a solicitor but the practice was effectively controlled by him and likewise he controlled Ms Izebu's role in the firm.
9. The arrangement between Ms Izebu and Mr Okoronkwo ended at the beginning of September 2003. Ms Izebu left Alberts following a disagreement with Mr Okoronkwo. Ms Izebu had discovered, while Mr Okoronkwo was away from the office on holiday at the end of August 2003, that Mr Okoronkwo proposed to bring another solicitor, Mr Al-S, into the practice on a salary significantly higher than her own. Ms Izebu learned of Mr Al-S's proposed salary on finding a letter from Mr Okoronkwo to Mr Al-S dated 9th August 2003.

10. Ms Izegbu confronted Mr Okoronkwo about her discovery on 1st September 2003, his first day back in the office. Mr Okoronkwo did not want Ms Izegbu to leave the practice because she was at that time its sole solicitor. Mr Okoronkwo offered Ms Izegbu, among other things, a pay rise and the outcome of their negotiations, which lasted all day, were jointly noted on a copy of Ms Izegbu's original letter of engagement dated 30th April 2003.
11. At the close of business on 1st September 2003 Mr Okoronkwo believed that he and Ms Izegbu had reached agreement as to terms on which Ms Izegbu would remain at Alberts. Ms Izegbu however later had second thoughts and that night she returned to the office and removed all the client files. Ms Izegbu on 2 September 2003 faxed a letter dated 29th August 2003 to The Law Society which read:-

“Dear Sirs

RETIRING FROM PRACTICE - ALBERTS SOLICITORS

Reference the above.

Please note that the Sole Principal in the above named firm has made a decision to retire from practice and accordingly, close the firm down.”

The Tribunal concludes that this letter was not sent to the Law Society earlier than 2nd September 2003 when Ms Izegbu faxed a copy to the Law Society's Customer Applications & Enquiry Team. Ms Izegbu requested confirmation of receipt and this was provided to her confirming 2nd September 2003.

12. Mr Okoronkwo meanwhile, on the evening of 1st September 2003, was introduced by a mutual acquaintance to *RESPONDENT 2*. *RESPONDENT 2* at this time was a partner in two other practices, Van Eaton of Temple Avenue, London, EC4 and Develmi & Co of Lewisham High Street, London, SE13. *RESPONDENT 2* and Mr Okoronkwo agreed that *RESPONDENT 2* should join Alberts purportedly in partnership with Ms Izegbu. Mr Okoronkwo and *RESPONDENT 2* later recognised that Mr Okoronkwo, notwithstanding the terms of the Practising Arrangement dated 30th April 2003, had no authority to make such an appointment. However, *RESPONDENT 2* at that time believed that Mr Okoronkwo did have such authority and that Ms Izegbu was a principal of Alberts.
13. On 2nd September 2003 Ms Izegbu did not attend for work at Albert's offices. Mr Okoronkwo made enquiries as to her whereabouts and, on discovering the removal of all client files, also made enquiries as to what had become of the files. He learnt that Ms Izegbu did not intend to return to Alberts and that she had the firm's files. When the latter were not returned, Mr Okoronkwo began legal action on his own account against Ms Izegbu in order to recover the files. This action was heard on 7th September 2003 and Ms Izegbu was ordered to return the files. This she did.
14. *RESPONDENT 2* on arrival at Alberts on 2 September 2003 soon realised that the manner in which Alberts had been operating did not in a number of respects comply with The Law Society's rules, in particular the Solicitors Accounts Rules. Mr Okoronkwo had relied upon Ms Izegbu to advise him of The Law Society's Rules and

was willing to make such changes as *RESPONDENT 2* advised in order to meet the Rules. The first significant change made was in respect of the terms of the Practising Arrangement between Mr Okoronkwo and *RESPONDENT 2*. This document was dated 5th September 2003 although it was plain from its preamble, referring to discussions in September and October 2003, that it was in fact signed at a later date. The Tribunal concluded that while the document should have been correctly dated, there was no dishonest intention behind the wrong date. This Practising Arrangement, a copy of which was sent to Mrs V Hather of the Law Society in November 2003, provided a different financial structure from that between Mr Okoronkwo and Ms Izegbu and, under clause 25, all the firm's profits and losses accrued to *RESPONDENT 2* as principal of the firm. *RESPONDENT 2* admitted in evidence that he had made no enquiries into the books of account before agreeing to join the firm but on arrival ensured the appointment of a book-keeper and changed the bank account arrangements so that he became primary signatory to the client bank account.

15. Mr Okoronkwo contacted The Law Society in early September 2003 to inform the latter of the changes in Alberts: by fax on 2 September 2003 to advise of the arrival of *RESPONDENT 2* with effect from that date and, by telephone call on 5 September 2003, to advise of Mr Al-S's arrival with effect from 15th September 2003. There then followed an exchange of correspondence between Mrs V Hather and Mrs C Gripton of the Law Society and Messrs *RESPONDENT 2* and Okoronkwo as to the then set up of Alberts. The Tribunal finds that *RESPONDENT 2* was open with the Law Society in what he said about Alberts and its set up.
16. The Law Society sent Mr Smith of the FIU to inspect the books of account of Alberts. Inspection began on 29th September 2003. It was on this date that Messrs Okoronkwo and *RESPONDENT 2* learned from Mr Smith of the fact that Ms Izegbu had closed the firm of Alberts earlier that month. Mr Smith took the view that the firm which *RESPONDENT 2* had joined on 2 September 2003 was a new firm which for the purpose of his Report was styled "Alberts 2" and the original firm of Alberts became "Alberts 1".
17. Both Mr Okoronkwo and *RESPONDENT 2* were largely cooperative with Mr Smith in his inspection. However, some of the documents requested by Mr Smith were never provided to him. Indeed it was only during the course of the hearing that Mr Okoronkwo produced the bank statements for Alberts 1. The inspection resulted in a Report dated 23rd December 2003. It was found that the books of account had not been properly written up and that Mr Okoronkwo had been sole signatory to the bank account. Clients' monies had been received (eg £25,000 from a Mr O for representation in criminal proceedings) and should have been paid into a client bank account. No such account had existed within the firm. Furthermore Mr Okoronkwo had effective control of the firm's accounting records. The Law Society, as a consequence of Mr Smith's findings, resolved to intervene to close the practice. Mr Okoronkwo and *RESPONDENT 2* took steps to resist this and obtained an injunction. A further forensic investigation into Alberts (now Alberts 2) was then carried out by Mr Clemo of the Law Society whose report was dated 8th June 2004.
18. Messrs Okoronkwo and *RESPONDENT 2*'s application to the High Court to stop the Law Society's intervention was heard by Mr Justice Rattee on 30th July 2004. The application was dismissed and Mr Justice Rattee passed comment that he did not find either Mr Okoronkwo or *RESPONDENT 2* an "entirely honest and frank witness".

Mr Justice Rattee did not hear evidence from Ms Izegebu because she was not called by the Law Society.

19. Mr Okoronkwo meanwhile had passed the requisite examination to transfer from the Bar and on 24th February 2004 applied to the Law Society to be admitted as a solicitor. The application form asked whether he was “currently subject to investigation by the Office for the Supervision of Solicitors or any other regulatory body?”. Mr Okoronkwo answered “no”.

The Applicant’s submissions

20. The Applicant made no submissions.

The Respondents’ submissions

Ms Izegebu

21. Ms Izegebu confirmed that she admitted Allegation 7 in that proper books of account for Alberts 1 had not been maintained.
22. Ms Izegebu contended that Alberts 1 had been set up using Mr Okoronkwo’s capital following the advice from the Law Society that this was acceptable.
23. Alberts 1 had had no clients as such in that all work done had been on a pro bono basis and there had therefore been no need for a client bank account because there were no client monies. Fees received from Mr O had been agreed fees.
24. She had supervised Mr Okoronkwo’s work and had had the exclusive right to close the firm of Alberts 1, which right she had exercised on 29 August 2003 in order to protect clients’ interests.
25. Ms Izegebu concluded by saying that, although she accepted that she had been “no angel” in this matter, she did not deserve to be punished severely.

Mr Okoronkwo

26. Mr Okoronkwo said that he had relied upon Ms Izegebu to ensure that Alberts 1 met Law Society requirements. He had thought her a competent solicitor and had therefore acted reasonably in so doing. He himself had been ignorant of Law Society rules.
27. The arrangements he had entered into first with Ms Izegebu and secondly with *RESPONDENT 2* were not “sham”. A sham was something intended to deceive and he had done nothing to deceive. He had carried out the terms agreed between him and Ms Izegebu and then *RESPONDENT 2*. He had been open with the Law Society. He had never denied that he had put up the capital for the firm.
28. The bank had wrongly recorded his name on the account he had opened for the firm. As soon as this had come to light, he had contacted the bank in order to get the matter put right. The bank acknowledged in its letter of 12 August 2004 that he had told the bank at the outset that he was a barrister and not a solicitor. The account designation

was an acknowledged mistake on the part of the bank and he had corrected it promptly. He as a non-solicitor was not responsible for the firm's non-compliance with the Solicitors Accounts Rules.

29. Mr Justice Rattee's adverse comments were made not having heard the full story. The Law Society, notwithstanding having subpoenaed Ms Izegbu, did not call her as a witness in the intervention proceedings. The learned judge needed to hear all three participants in order to form a fair view of where truth lay.
30. Mr Okoronkwo said that his application to be admitted to the Roll made no reference to the Law Society's investigation (which had resulted in these proceedings) because the Law Society's investigators (Messrs Smith and Clemo) had shown no interest in the part he had played in the running of Alberts 1 and 2. He had completed the application in the honest belief that he personally was not under investigation.

RESPONDENT 2

31. *RESPONDENT 2* adopted the submissions made by Mr Okoronkwo. He stressed that he had played no part in Alberts 1 although he had initially believed himself to be a partner in this firm. He had moreover sincerely believed (as had Mr Al-S) that Mr Okoronkwo had the authority to appoint him a partner of Alberts.
32. *RESPONDENT 2* had quickly realised that Alberts (by then Alberts 2) was being run contrary to Law Society rules. He had immediately begun to make the necessary changes. Thus the Practising Arrangement between him and Mr Okoronkwo was significantly different from that between Mr Okoronkwo and Ms Izegbu. He had moreover promptly engaged a book-keeper and opened proper bank accounts. *RESPONDENT 2* referred to the fact that Mr Justice Rattee in July 2004 had said that there were no subsisting breaches of the Solicitors Accounts Rules.
33. *RESPONDENT 2* had been unable to meet the Law Society's costs in the intervention proceedings (awarded against him and Mr Okoronkwo) and had consequently been made bankrupt. He had not since worked as a solicitor.

The Tribunal's Findings

34. The Tribunal heard a significant amount of evidence on behalf of both the Law Society and each of the Respondents. So far as the Law Society is concerned, the Tribunal heard from Messrs Smith, Clemo and Mercer. The Tribunal found each of these witnesses to be honest, reliable and credible. So far as Messrs Smith and Clemo are concerned, both are very experienced Investigators. Mr Smith held a number of meetings with the Respondents and his reports dated 20th May and 23rd December 2003 were carried out in a methodical and meticulous way. Mr Clemo, again, was careful in his approach. The Tribunal accepts the findings set out in Messrs Smith and Clemo's Reports save those findings in the Report of 23rd December 2003 where Mr Smith relies upon what Ms Izegbu told him because the Tribunal, having heard from Ms Izegbu, has formed an adverse view of her trustworthiness.
35. The Tribunal finds the evidence of Ms Izegbu to be wholly unreliable and unconvincing. She was evasive when tested in cross-examination and at times inconsistent. For example, she denied that she had ever met Mr Al-S but then

admitted that she had. In two areas, the Tribunal find that she was dishonest and gave evidence which was intended to mislead the Tribunal:-

- (a) Ms Izebu sought to take advantage of a typing error in a page on the Law Society's current website relating to the date on which Rule 7 of the Solicitors Practice Rules 1990 was amended to permit capital in a solicitor's practice to be provided by a non-solicitor. The webpage states April 2003. The evidence of Mr Mercer of the Law Society, which the Tribunal accepted, was that the change was not made until April 2004. Ms Izebu however stated in her evidence to the Tribunal that she had been advised of the change by a Law Society member of staff whom she had telephoned for advice in April 2003 prior to setting up the practice arrangement with Mr Okoronkwo. Ms Izebu alleged that she would not have gone into partnership with Mr Okoronkwo had she not received this advice. Given that this change was not effective until 2004, no such telephone advice could have been given. Ms Izebu alleged she had made a file note of her conversation but at no stage produced a copy of that note. The Tribunal concluded that Ms Izebu's evidence in this respect was deliberately untruthful.
 - (b) Similarly the Tribunal concluded that her evidence in respect of the time when she made manuscript amendments to a copy of her letter of engagement dated 30th April 2003 to be deliberately untrue. Mr Okoronkwo said in evidence that the amendments had been made during the course of negotiations as to terms on which Ms Izebu would stay with Alberts on 1st September 2003. Ms Izebu said she had not sought to negotiate new terms with Mr Okoronkwo on 1st September 2003 but had spent the day explaining to him that she had closed the practice. She said that the manuscript amendments she had made on that letter had been made at or around the date of the letter. This seemed to the Tribunal to be inherently unlikely and the Tribunal preferred the evidence of Mr Okoronkwo. Both Ms Izebu and Mr Okoronkwo said their discussions lasted all day. This suggests much was discussed and this is consistent with negotiations as described by Mr Okoronkwo. It is not consistent with Ms Izebu's assertion that she told Mr Okoronkwo that Alberts had been closed. Moreover, the date on which Ms Izebu's letter dated 29th August regarding closure of Alberts 1 was faxed to the Law Society was the day after the meeting, namely 2nd September 2003.
36. The Tribunal was satisfied that *RESPONDENT 2* gave his evidence in an open manner. Where Mr Okoronkwo's evidence conflicted with Ms Izebu's, the Tribunal preferred Mr Okoronkwo's. However, it found that his explanation as to the manner in which he had completed his application for admission to the Roll to have been disingenuous.
 37. Given its above findings, where Ms Izebu's evidence conflicted with that of Mr Okoronkwo or that of the Law Society, the Tribunal prefers the evidence of Mr Okoronkwo and of the Law Society witnesses. It is also right to say that the Tribunal took a very serious view about the way Ms Izebu gave evidence. The Chairman of the Tribunal warned Ms Izebu of the consequences of lying to the Tribunal and afforded her the opportunity to reconsider the way she was presenting her case. Ms Izebu did not take advantage of this opportunity and the Tribunal gave leave to Mr Cadman to call Mr Mercer to disprove Ms Izebu's evidence.

38. The Tribunal found the following as regards the allegations.

Ms Izegbu

Allegation 1: Proved

39. The Tribunal finds that Ms Izegbu was a Partner of Jonathan & Co from 19th February 2003 to 14th April 2003. Her name was shown as a Partner on Jonathan & Co's notepaper and she was held out to be a Partner by the firm. The Tribunal accepts the evidence of Mr Smith and the findings in paras 83 - 102 of his report that the accounts were not in accordance with the Solicitors Accounts Rules.

Allegations 2 and 3 - Proved

40. Ms Izegbu knew from the outset that the Mr Okoronkwo would control the firm. He owned the lease of the premises; could appoint partners; was responsible for the bank accounts and administration of the practice. He could agree fees with clients (eg Mr O) and received clients money. Ms Izegbu was an employee as was plain from the letter of engagement dated 30th April 2003. She was remunerated by the Mr Okoronkwo under the PAYE system.
41. The Tribunal finds that, under the terms of the Practice Arrangement dated 30th April 2003, profits over and above Ms Izegbu's salary of £26000 and bonus were to belong to Mr Okoronkwo. Mr Okoronkwo was not a qualified solicitor and as such the agreement to share professional fees was in breach of Rule 7 in force at the material time.
42. It could not be said on the facts as found that Ms Izegbu was the principal of the firm and Mr Okoronkwo, her employee. As has already been said, the Tribunal finds Ms Izegbu's evidence that she contacted the Law Society in April 2003 to ensure that she was not in breach of Rule 7 to be dishonest. The Tribunal finds as a fact that she did not speak to the Law Society at that time. Although she claims to have made a note of the telephone conversation, no note was ever produced.

Allegation 4: Not proved

43. Mr Cadman made plain that this allegation was limited to the existence of the bank account and cheque book in Mr Okoronkwo's name. The Tribunal finds that Mr Okoronkwo, on discovering that the bank had in error opened the account in his name, contacted the bank and ensured that the error was corrected and the account name appropriately changed. Accordingly the Tribunal found this allegation not proved.

Allegation 5: Proved

44. Mr Okoronkwo signed all cheques and Ms Izegbu was not a signatory to the accounts. Ms Izegbu admitted in evidence that she had nothing to do with the accounts and the files were in Mr Okoronkwo's office. Ms Izegbu did nothing to exercise control over these and allowed Mr Okoronkwo to deal with all financial matters and indeed expected him to do so.

Allegation 6: Proved

45. There was no properly designated client account and there was no office account held by a solicitor. Monies received from a client, Mr O, were paid into the firm's office account. These sums were said to have been paid in respect of an agreed fee. However, there was no evidence of an agreed fees structure or of any bill having been sent to the client and the payments should have been made into a client account.

Allegation 7: Proved

46. Ms Izegbu admitted this allegation and the Tribunal found it proved on her admission.

RESPONDENT 2Allegation 8: Not proved

47. *RESPONDENT 2* foolishly but nevertheless honestly believed that he was a partner in the firm of Alberts with effect from his meeting with Mr Okoronkwo on 1st September 2003. It was only subsequently that he realised that Mr Okoronkwo did not have the authority to appoint him as a partner and that Ms Izegbu had left the firm.

Allegation 9: Proved

48. *RESPONDENT 2* knew that Alberts was being run outside Law Society rules and at the outset he told Mr Okoronkwo that there would have to be changes. The first of these changes was the Practice Arrangement between *RESPONDENT 2* and Mr Okoronkwo. In particular, Clause 25 was significantly different from terms of the Practice Arrangement with Ms Izegbu. Given that *RESPONDENT 2* moved promptly to effect appropriate changes, the Tribunal does not take a serious view of this matter.

Allegation 10: Not proved

49. The Tribunal finds that the arrangement between Mr Okoronkwo and *RESPONDENT 2* was not a sham. Clause 25 of the Practice Arrangement demonstrated that *RESPONDENT 2* was not an employee of the firm. Moreover, both Mr Okoronkwo and *RESPONDENT 2* had contacted The Law Society to ensure that their arrangement was acceptable to the Society.

Allegation 11: Proved

50. The Tribunal finds this proved in respect of Alberts 1 and also in respect of Alberts 2 in the period 1st September to 28th September 2003. The Tribunal accepts the finding contained in Mr Smith's Report dated 23 December 2003 (paras 63-66) and Mr Clemo's dated 8 June 2004 (paras 30-39) that no books of account were produced. Indeed *RESPONDENT 2* admitted in evidence that he made no enquiries about the books before joining Alberts.

Allegation 12: Proved

51. The Tribunal accepts the findings contained in Mr Clemo's Report dated 8th June which show that the bank accounts were controlled by Mr Okoronkwo at the material time (paras 36 - 39).

Allegation 13 - Not proved

52. The Tribunal heard evidence from Ms Izebu. Mr Justice Rattee in the intervention proceedings did not hear evidence from Ms Izebu. The Tribunal had the benefit of assessing the trustworthiness of all the relevant parties and concluded that it was Ms Izebu's evidence which was the least reliable. The Tribunal was satisfied that had Mr Justice Rattee heard evidence from Ms Izebu he could well have taken a different view of Messrs Okoronkwo and *RESPONDENT 2*'s evidence.

Mr OkoronkwoAllegation 14: Not proved

53. The Tribunal finds that so far as the arrangement between Mr Okoronkwo and Ms Izebu is concerned, Mr Okoronkwo relied on her for advice about the Law Society Rules and confirmation that the practising arrangements were compliant with Law Society requirements. She let him down badly in this regard and thus the Tribunal finds the allegation not proved.
54. So far as Mr Okoronkwo and *RESPONDENT 2*'s position is concerned, there were different practising arrangements between them and *RESPONDENT 2* took steps to ensure compliance with the Law Society requirements. Therefore, again the Tribunal finds the allegation that he procured the breaches to be not proved.

Allegation 15: Proved

55. The Tribunal finds the allegation proved in relation to Mr Okoronkwo's arrangement with Ms Izebu, although Mr Okoronkwo bore a lesser responsibility because he had relied upon Ms Izebu's knowledge. The Tribunal finds this allegation not proved in relation to Mr Okoronkwo's arrangement with *RESPONDENT 2* for the reasons set out above.

Allegation 16: Not Proved

56. The Law Society's case relates solely to the bank account showing "S Okoronkwo t/a Alberts". The Tribunal accepts that this was a bank error which was quickly corrected on discovery. As such the tribunal finds the allegation is not proved to the required standard.

Allegation 17: Proved

57. There was no designated bank account or indeed any proper accounts for Alberts. In the case of Mr O's monies, the Tribunal finds that these should have been paid into a client account and no such account existed. As such the Tribunal finds this proved.

Allegation 18: Proved

58. For the reasons outlined above, the Tribunal finds this allegation proved as regards the relationship between Mr Okoronkwo and Ms Izebu but not proved as regards Mr Okoronkwo and *RESPONDENT 2*.

Allegation 19: Not Proved.

59. There were no proper accounting records or accounts for Alberts and none were ever produced to Messrs Smith and Clemo. However, the Tribunal finds that it was not Mr Okoronkwo's responsibility to ensure compliance with the Solicitors Accounts Rules.

Allegation 20: Not Proved

60. The Tribunal finds this not proved for the same reasons as set out in relation to allegation 13.

Allegation 21: Proved

61. Mr Okoronkwo was clearly aware of the Law Society investigation and took an active part in the interviews and the investigation that was conducted by Messrs Smith and Clemo. The Tribunal finds that for him not to disclose this or at least refer to it was less than frank and open and as such finds this allegation proved.

The Tribunal's Decisions and its Reasons

62. The Tribunal has found that Ms Izebu lied to it in her evidence. It warned her of the perils that lay ahead should she continue down this path. Ms Izebu ignored the warning and continued to give evidence that could not be true. This was an act of blatant dishonesty and the appropriate penalty for such conduct is that she be struck off the Roll.
63. So far as Mr Okoronkwo is concerned, the Tribunal finds that Mr Okoronkwo was the lynchpin and driving force in Alberts 1 and 2. He ran the practices and exercised considerable influence over both Ms Izebu and *RESPONDENT 2* as to the running of the firm. The Tribunal also regarded his lack of candour in making a false statement as to his professional record in his application for admission to the Roll as being serious and considered that it is in the public interest that it imposes on Mr Okoronkwo an Order under Section 43.
64. So far as *RESPONDENT 2* is concerned, the Tribunal finds that, although he was a partner in two other practices at the time he was approached to join Alberts, he was somewhat naïve and disorganised in his approach to partnership. He joined Alberts to help Mr Okoronkwo out of his difficulties when Ms Izebu left and became embroiled in matters not entirely of his making and which led to the loss of his practising certificate and bankruptcy. The Tribunal finds that he was at fault but as a result of naiveté. In these circumstances the Tribunal considers that the appropriate penalty is a fine of £5,000.

Costs

65. Mr Cadman applied for costs. He said that his costs were £49,073.85 including VAT and those of the Law Society £31,341.59 excluding VAT. The Applicant produced a breakdown.
66. Mr Okoronkwo disputed the Applicant's costs in relation to preparation (£21,464.50) and travel (£4,244). Mr Okoronkwo pointed out that the Applicant's bundles were those used in intervention proceedings before the High Court and had merely been renumbered. As to travel, given that all parties and proceedings lived/took place in Central London, the amount stated seemed excessive.
67. Mr Cadman did not take issue with Mr Okoronkwo as to these submissions but the Tribunal noted that it was plain from the proliferation of page numbers on some of the Applicant's bundles that they had been previously used in other proceedings. The Tribunal was moved to comment that this had been a difficult case to hear because all parties had poorly prepared their cases as regards written representations and documents produced. Many of the documents were duplicated (indeed a number were duplicated even within the Applicant's bundles) and additional documents had been produced throughout the hearing. The Tribunal had admitted all such documents in the interest of justice but the hearing had in part thereby become protracted.
68. The Tribunal reduced the Applicant's costs to £60,000 and fixed costs in the sum of £5,000 in respect of *RESPONDENT 2* and apportioned costs of £55,000 between Mr Okoronkwo and Ms Izebu on a two-fifths and three-fifths basis respectively given her approach to the proceedings generally; and particularly as regards her unfounded assertions while giving evidence which had caused Mr Mercer to be called as a witness; and having regard to the Findings made by the Tribunal.

DATED this 1st day of May 2007

On behalf of the Tribunal

A N Spooner
Chairman