

IN THE MATTER OF JUDITH IHEKERENMA NWOKORO, solicitor

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

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Mrs K. Todner (in the chair)  
Mr. E. Richards  
Mr. G. Fisher

Date of Hearing: 5th February 2008

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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 Law Society by Jonathan Richard Goodwin of Jonathan Goodwin Solicitor Advocate, 17E Telford Court, Dunkirk Lea, Chester Gates, Chester CH1 6LT on 3rd August 2007 that Judith Ihekerenma Nwokoro of Silvertons and Company Solicitors, 46 Sandy Hill Road, Woolwich, London SE18 7AZ might be required to answer the allegations set out in the statement which accompanied the application and that such order might be made as the Tribunal should think right.

The allegations against the Respondent were that she had been guilty of conduct unbecoming a solicitor in each of the following particulars namely that:-

- i. contrary to Rule 7 of the Solicitors Accounts Rules 1998 (hereinafter referred to as “the 1998 Rules”) she failed to remedy breaches promptly upon discovery.
- ii. she incorrectly paid client money into office bank account, said to be in respect of matters where fees had been agreed but which were not supported by documentation on the files in breach of Rule 15 (1) of the 1998 Rules.
- iii. bank charges had been incorrectly withdrawn from the general client bank account contrary to Rule 15 (1) and / or Rule 22 (1) of the 1998 Rules.

- iv. bank interest was incorrectly credited to the general client bank account resulting in office money being held in client bank account in breach of Rule 15 (2) of the 1998 Rules.
- v. contrary to Rule 32 (1), (2), (4), (5), (7) and (9) she failed to keep accounts properly written up and / or carry out the required reconciliations.
- vi. contrary to Rule 34 (1) she failed to produce accounting records.
- vii. contrary to Rule 37 of the 1998 Rules the Respondent instructed an unregistered auditor to complete the firm's Accountant's Report for the year ending 6th July 2005.
- viii. she failed to disclose material information to a lender client.
- ix. she utilised professional stationery which was misleading and / or inaccurate contrary to Section 1 (a) of the Solicitors Publicity Code 2001.
- x. she practised uncertificated and / or held herself out as a Solicitor when not entitled to do so.

The application was heard at The Court Room, Third Floor, Gate House, 1 Farringdon Street, London EC4M 7NS on 5th February 2008 when Jonathan Goodwin Solicitor Advocate appeared as the Applicant and the Respondent appeared in person.

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 ORDERS that the Respondent, JUDITH IHEKERENMA NWOKORO of 46 Sandy Hill Road, Woolwich, London, SE18 7AZ, solicitor, be suspended from practice as a solicitor for an indefinite period to commence on the 5th day of February 2008 and they further Order that she do pay the costs of and incidental to this application and enquiry fixed in the sum of £7,000.00.

**The facts are set out in paragraphs 1 to 27 hereunder:-**

1. The Respondent born in 1965 was admitted as a solicitor in 2001 and her name remained on the Roll of Solicitors.
2. At all relevant times the Respondent carried on practice on her own account under the style of Silvertons & Company Solicitors from offices at 46 Sandy Hill Road, Woolwich, London, SE18 7AZ.
3. On 13th November 2006 an Adjudication Panel resolved to intervene into the Respondent's practice and to refer her conduct to the Tribunal.

Accounts Rules Breaches - Allegations (i) - (vi)

4. The Forensic Investigation Unit of The Law Society carried out an inspection of the Respondent's books of account commencing 2nd May 2006 and produced a Report dated 17th August 2006.

5. The Report showed that the Respondent's books of account did not comply with the Solicitors Accounts Rules 1998, for the reasons particularised in the Report. In particular the following are relevant:-
- no client bank account reconciliations were produced during the course of the inspection for any period from the date of the first client bank account transactions in July 2004 through to March 2006.
  - no client account cash book was produced for any period after 29th July 2005 and that produced for the period to 29th July 2005 was inaccurate and incomplete.
  - the list of client ledger balances produced by the Respondent as at 31st March 2006 could not be reconciled with the bank statement balance as at that date.
  - individual client ledger accounts had not been maintained for all matters and where they had been maintained, they were inaccurate.
  - costs had been taken directly into office bank account in respect of matters where it was said fees had been agreed. However, documentation did not support the contention that the cases had been conducted on an agreed fee basis and as such client money had been incorrectly paid into the office bank account.
  - bank charges had been incorrectly withdrawn from the general client bank account on twenty six occasions between November 2004 and March 2006.
  - bank interest had been incorrectly credited to the general client bank account on twenty one occasions between July 2004 and March 2006 resulting in office money being held in the client bank account.
6. At a meeting on 30th May 2006 with the Investigation Officer, the Respondent agreed that her accounting records were not in compliance with the Accounts Rules. The Respondent insisted that the manual records had been maintained up to December 2005 but acknowledged that the only accounting records produced during the course of the inspection were those from HC, her former accountants, the most recent entry on which was 29th July 2005.
7. In view of the inadequacy of the accounting records it was not considered practicable for the Investigation Officer to calculate the total liabilities to clients as at 31st March 2006.
8. The Respondent told the Investigation Officer that she was currently in dispute with her former accountants HC over the standards of the accounts they had produced and that this had resulted in HC refusing to forward her manual records to her new accountants.
9. The Investigation Officer contacted Mr. B of HC by telephone and letter on 3rd May 2006. Mr. B denied that his firm was in dispute with the Respondent and agreed to forward all records to the firm.

10. The Respondent's new accountants who were retained in February 2006 had confirmed to the Investigation Officer in a letter dated 2nd May 2006 that they had experienced considerable delay in receiving any records from HC. The new accountant subsequently informed the Investigation Officer that the records forwarded to them by HC did not include any bank reconciliations or client matter listings and so far it had proved impossible to complete the required client bank account reconciliations.

Allegation (vii)

11. The Respondent's Accountant's Report for the period ending 6th July 2005, was signed by D & Co Ltd Chartered Certified Accountants and Registered Auditors and dated 16th December 2005. It was ascertained there was no Rule 38 letter of engagement in place between the Respondent's firm and D & Co. The letter of engagement produced by the Respondent was between Silvertons & Company and HC Chartered Certified Accountants which read that, "we shall plan our work in order to prepare a report in conjunction with our sister firm for the purposes of the Rules in accordance with the procedures recommended by The Law Society and the professional body of accountants."
12. The Investigation Officer reviewed the website for the Association of Chartered Certified Accountants (ACCA) and ascertained that HC were not registered auditors and were unable to sign Accountant's Reports for submission to The Law Society.
13. The Respondent informed the Investigation Officer that the first she was aware that HC would not be completing the Accountant's Report was when a copy Report was forwarded to her in December 2005 by D & Co Ltd. Prior to completion of the Report there had been no contact or request for information or clarification by D & Co to the Respondent.
14. The Respondent advised that on receipt of the Accountant's Report she immediately contacted D & Co and HC. She was advised that D & Co had reviewed the records prepared by HC before completing the Accountant's Report
15. The Investigation Officer noted that the Accountant's Report initially submitted to The Law Society included several errors and omissions.

Allegation (viii)

16. Ms O of the Respondent's firm acted for the Respondent in respect of the purchase of 46 Sandy Hill Road, Woolwich, being the firm's practising address as well as the Respondent's personal residence.
17. Contracts were exchanged on 10th March 2006 and completion took place on 14th March 2006 at a stated contract price of £238,000.00.
18. The Respondent was assisted by a mortgage advance from Birmingham Midshires for whom the firm also acted.
19. Section 1.13 of the Council of Mortgage Lenders Handbook provides:-

*“If you or a member of your immediate family (that is to say a spouse, co-habitee, parent, sibling, child, step-parent, step-child, grandparent, grandchild, parent-in-law, or child-in-law) is the borrower and you are a sole practitioner, you must not act for us.”*

20. The Respondent confirmed that she was aware of the above provision at the time of the transaction. The Certificate of Title, said by the Respondent to have been signed by Ms O, was submitted under cover of a letter dated 2nd March 2006.
21. The Respondent was asked why the covering letter dated 2nd March 2006 enclosing the Certificate of Title to the lender client used a version of the firm’s professional stationery indicating that the firm was a partnership which it had not been since March 2005. The letter showed three partners to include the Respondent. The Respondent conceded that it was an error by Ms O in using an old letterheading on the computer system.
22. The Respondent had written a letter dated 20th January 2006 to the conveyancing panel of the Halifax informing them generally that she was a sole practitioner.
23. No ledger accounts had been created for this matter, but from the office and client account bank statements it was ascertained the balance of the purchase price (£238,000.00 less the mortgage advance of £212,951.00) did not pass through the firm’s bank account. The Respondent said that she paid the money directly to the vendor’s Solicitors. The Respondent did not inform the lender of this.

Allegation (ix)

24. The letter dated 2nd March 2006 (paragraph 21 above) showed CTE, the Respondent and IUD as partners with consultants being MCO and RM. A further letter dated the 3rd March 2006 showed the Respondent as the only partner with consultants being IUD, MCO and RM. Law Society records indicated that IUD was a registered foreign lawyer and MCO was neither a solicitor nor a registered foreign lawyer but this was not indicated on the notepaper. Further CTE and IUD left the firm on 22nd March 2005 and 22nd April 2005 respectively.
25. The Respondent indicated that IUD worked on a voluntary basis but had not done so recently as she was studying for examinations. The Respondent accepted that her firm’s stationery was inaccurate and took steps to revise it so as to show only her name on the letterheading.

Allegation (x)

26. The Respondent’s firm was the subject of a resolution to intervene dated 13th November 2006. Thereafter intervention agents were instructed. Their enquiries suggested that the Respondent continued to practise notwithstanding that her certificate was suspended on 16th November 2006 following the intervention and/or that she allowed herself to be held out as a solicitor. There were before the Tribunal copies of two letters dated 8th December 2006 and 16th January 2007 both addressed to the Abbey National Plc bearing the Respondent’s reference and headed Silverton Partnership LLP at the Respondent’s practising address.

27. There were before the Tribunal copies of the correspondence making representations on the Respondent's behalf from her then solicitors and dated 18th September, 3rd October and 11th October 2006. Further representations were made by the Respondent on her own behalf by letters dated 24th October, 30th October and 7th November 2006.

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

28. The Respondent had admitted allegations (vii) to (x). Allegations (i) to (vi) had been denied in documentation but to her credit the Respondent after discussion immediately before the hearing had accepted that the obligation to ensure compliance with the Accounts Rules remained with the solicitor and had admitted allegations (i) to (vi) subject to mitigation.
29. The Tribunal was referred to the written responses by and on behalf of the Respondent.
30. In relation to allegation (vii) it was important that solicitors used auditors who were properly registered to enable them to comply with The Law Society requirements. This was the first line in the regulatory process.
31. In relation to allegation (viii) the Applicant accepted that the lender client, Birmingham Midshires, was connected to the Halifax. The Respondent sought to rely on her letter of 20th January 2006 to the Halifax at their address in Halifax advising that she was a sole practitioner. This however was a general letter and not specific to her own transaction. The Respondent should have informed her lender client of her status at the time of and in relation to her own transaction which was dealt with by Birmingham Midshires in Wolverhampton. There was nothing to suggest that the lender would have been alerted therefore and indeed the Respondent had conceded in her written Response that she should have reminded the lender when instructed. In the submission of the Applicant, the Respondent should have been entirely transparent. The Respondent would say that the Halifax might have overridden the provision in Section 1.13 of the handbook but there was no documentation to show that this was the case.
32. The letter of 2nd March 2006 showed the former partnership as it had been some 12 months earlier.
33. Allegation (ix) related to the letter of 2nd March 2006 but also to the letter sent only the following day showing the Respondent as the only partner with the three consultants. The use of the word "consultant" in this way was a clear indication that both IUD and MCO were solicitors holding current practising certificates when this was not in fact the case.
34. Rule 7(a)(iv) of the Solicitors Publicity Code stated:-
- "The following terms, used alone or in combination, will be deemed to indicate that a person is a solicitor holding a current practising certificate, unless it is made clear that the person is not so qualified:
- (A) associate;
- (B) assistant;
- (C) consultant"

35. The Applicant did not allege dishonesty against the Respondent.
36. The Applicant sought his costs in the agreed sum of £7,000.00. This represented a considerable reduction on the actual costs of the Applicant but had regard to the circumstances and the ability of the Respondent to pay the full amount.

### **The Oral Evidence of Mr Ferrari**

37. Mr Ferrari, an Investigation Officer with The Law Society, confirmed that the contents of his Report dated 17th August 2006 were true to the best of his knowledge and belief.
38. Mr. Ferrari in his inspection had noted several matters where money was being received into office account as an agreed fee but in some cases the amount received was in excess of or below the agreed fee. An agreed fee could not change.
39. The records had been in a very poor state. On the first day of the inspection the Respondent had gone into detail about her problems with her accountant and Mr. Ferrari had seen a file of correspondence with the firm of accountants in which the Respondent expressed concern. The Respondent had also shown him a text message from Mr. B and said that Mr. B had threatened to refer her to The Law Society. Mr. Ferrari took copies of the correspondence. It was put to him in cross examination that the text messages were of a threatening nature to the Respondent and her family. Mr. Ferrari said that the text messages were open to interpretation.
40. Mr. Ferrari confirmed that he had attended the inspection at the address in The Law Society's records but the Respondent had not received the notification letter about the inspection as she had just moved premises. He had had a general discussion with the Respondent initially and had not started the inspection proper immediately. The Respondent was able to access one computer having just moved.
41. Part of the dispute with Mr. B related to the Inland Revenue and one of the letters seen by Mr. Ferrari indicated the Respondent's serious concerns regarding figures prepared to the Inland Revenue. Mr. Ferrari also recalled seeing a letter from Mr. B asking why she was querying this and if she was not going to pay any tax she should just send it in anyway.
42. Mr. Ferrari also recalled correspondence from the Respondent asking why Mr. D was doing the Accountant's Report when there had been no contact from him and he had never checked her records.
43. Mr. Ferrari had received some accounts information later. He had seen some client ledgers but they were inaccurate and not maintained as client ledgers should be. He did not receive client bank reconciliations. Through the Respondent's new accountants he saw what appeared to be a cash book but the last entry was the 29th July 2005 and he received it in May 2006. Post-July 2005 he had no actual reconciliation records although there were client ledgers post that date.
44. Mr. Ferrari recalled seeing a letter where Mr. B effectively said that he had a lien on the Respondent's files until she paid her final bill.

45. The information received by Mr. Ferrari from the new accountants was rough data which the new accountants indicated to him was partial, incomplete and inaccurate. None of it post-dated the 29th July 2005.
46. Mr Ferrari confirmed that he was aware that the Respondent had paid Mr B by Direct Debit from when he started as her accountant.
47. When Mr. Ferrari raised with the Respondent the issue of the letterhead she had altered it immediately.

### **The Submissions of the Respondent**

48. The Tribunal had before it the Respondent's written Reply to the allegations dated 20th January 2008.
49. In her written Reply the Respondent had denied allegations (i) to (vi) but in oral submissions she confirmed that she now realised that they were a strict liability offence and that they were admitted.
50. The Respondent had a very small practice and had tried to keep records herself as set out in her written reply.
51. As she had a very small practice and a small baby she decided to practise from home.
52. She had been introduced to Mr. B by other solicitors. The ACCA had confirmed that he was a member and she therefore knew that he was a chartered accountant. She was aware that his firm employed other auditors but had not been aware that they would prepare the Accountant's Report.
53. Mr B had wanted more money from the Respondent and had been annoyed that she had contacted the auditor Mr D directly. Mr. B had thought that she was making problems for him and wanted her to pay more and "shut up". The Respondent had not done so. She had not made any profit. She was practising from home and was pregnant with complications. She was already paying Mr. B and considered he was misleading her by asking for money while taking money off her at the same time.
54. In relation to allegation (ix) the Respondent had not kept printed stationery. The stationery was printed off the computer as needed and sometimes mistakes were made but she had corrected this to prevent it happening again. She had not intended to mislead with the use of the word "consultant" and had removed those names when Mr. Ferrari had addressed this.
55. In relation to her own purchase and the payment direct to the lenders the Respondent's personal bank had failed to transfer the money on time in respect of the purchase. The Respondent had therefore instructed the bank to transfer the money directly to the sellers to avoid breach of contract.
56. There was provision for lenders to vary Section 1.13 of the Council of Mortgage Lenders Handbook. The Respondent's letter to the Halifax of the 20th January had confirmed that she was a sole practitioner. She had understood that they would check on their files. The Tribunal was referred to the Respondent's written explanation in this regard contained in her Reply.



57. If the Respondent had known that so many problems would arise from her purchase she would have instructed someone else to do it. The lender had never instructed her to stop acting despite the fact that it had taken more than six months to complete the conveyance.
58. In relation to allegation (x) the Respondent had been told that she should not hold herself out as a solicitor so she had taken her name off the notepaper and had just had the heading Silverton Partnership LLP. She had not meant to mislead anyone. She had intended only to carry out simple legal services, such as filling out forms, just to get money coming in. As soon as the client changed her mind and tried to get money from the Abbey National the Respondent had stopped acting for her. She had written to the Abbey National long before The Law Society found out. She had stopped immediately completely as she did not know where she was going to go wrong and she considered that The Law Society was really trying to find something wrong.
59. As at the 3rd July 2006 the Respondent had only had three files one of which was her own purchase. At the time of the intervention she had had only one file. She had never held much clients' money. Her bank had kept making mistakes. Most of her clients were family friends. Indeed she often used her own money for disbursements. She had not realised the implications of this as when they paid her she would transfer the money to office account.
60. The Respondent felt that ACCA had "backed their own" and that people saw her dispute with Mr. B as just a matter between herself and him. This was not the case. The Respondent had tried her best. There was no dishonesty. She had been gullible at that time. Other solicitors represented by Mr. B had not assisted her and had simply told her to pay up as they did not want to be investigated. When the Investigation Officer had first seen the files the Respondent had thought that he would be proud that there was someone who was sticking to real rules and not giving in to blackmail or tricks and someone who would see the right thing and do it no matter the conditions. That had not been mentioned at all.
61. The Respondent had terrible conditions on her practising certificate which made it very difficult for her to get a job especially given her travel restrictions as she had a 2 year-old child.

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

62. The Tribunal found the allegations to have been substantiated indeed they were not contested.
63. The Tribunal had considered carefully the oral and written submissions together with all the documentation including the explanations made on behalf of and by the Respondent contained in the documentation. The Tribunal accepted that the Respondent clearly had strong feelings about her dispute with Mr B her former accountant. The Tribunal was deeply concerned, however, at the Respondent's apparent inability to understand the regulations which governed a solicitor's practice and the requirements they imposed. There were serious breaches of the Accounts Rules for which the Respondent had to her credit now accepted responsibility whatever her dispute with her accountant.

64. In relation to the Respondent's own purchase the Tribunal did not consider that a general letter to a lender in Halifax was adequate when dealing with a related lender in Wolverhampton. The Respondent's failure to make clear her status as a sole practitioner was compounded by the use in correspondence with the latter of stationery which clearly held her out as belonging to a partnership.
65. Allegation (x) was a serious allegation. Even in making her oral submissions the Respondent did not appear to have understood what she had done wrong and was clearly of the view that she could continue to carry out conveyancing and correspond with lenders, while her practising certificate was suspended, simply by changing her notepaper. There was no dishonesty alleged against the Respondent and no loss to clients had been established. The Tribunal had considered the points raised in mitigation by the Respondent. The Tribunal's primary duty however was to protect the public. The Respondent's lack of understanding of her obligations had led to a chaotic situation. The Tribunal had considered striking the Respondent off the Roll of Solicitors but in all the circumstances considered that the protection of the public could be achieved by the imposition of an indefinite suspension.
66. The Tribunal would also order the Respondent to pay the Applicant's costs in the agreed sum.
67. The Tribunal Ordered that the Respondent, JUDITH IHEKERENMA NWOKORO of 46 Sandy Hill Road, Woolwich, London, SE18 7AZ, solicitor, be suspended from practice as a solicitor for an indefinite period to commence on the 5th day of February 2008 and they further Ordered that she do pay the costs of and incidental to this application and enquiry fixed in the sum of £7,000.00.

Dated this 21<sup>st</sup> day of March 2008  
On behalf of the Tribunal

K Todner  
Chairman