SOLICITORS DISCIPLINARY TRIBUNAL

<u>IN THE MATTER OF THE SOLICITORS ACT 1974</u> <u>Case No. 12551-2024</u>

BETWEEN:

SOLICITORS REGULATION AUTHORITY LTD Applicant

and

SIMON PAGET-BROWN Respondent

Before:

Ms T Cullen (in the Chair)
Ms C Rigby
Dr A Richards

Date of Hearing: 10-11 July 2024

Appearances

Mr Matthew Edwards, barrister of Capsticks Solicitors LLP of 1 St George's Road, Wimbledon, London SW19 4DR, for the Applicant.

The Respondent represented himself.

JUDGMENT ON AN AGREED OUTCOME

Allegations

1. The allegations against the Respondent, Simon Paget-Brown, made by the SRA are that, while in practice as a Solicitor at recognised sole practice, Paget-Brown (UK) ("the Firm") and recognised body Paget-Brown (UK) Limited he:

1.1. Between 1 March 2018 and 2 October 2019, acted for Wraith Capital Group Limited and Wraith Capital Limited and:

1.1.1 Participated in or facilitated transactions which bore hallmarks of advance fee fraud and / or failed to be alert to its suspicious features; and

1.1.2 Acted in transactions for a company of which he was a director, thereby giving rise to an own interest conflict.

In doing so he breached any or all of Principles 2, 3 and 6 of the SRA Principles 2011 and Outcome 3.4 of the SRA Code of Conduct 2011 ("the Code") in relation to allegation 1.1.2.

1.2. Between 6 April 2018 and 30 April 2018, failed to perform an undertaking given to a lender's solicitor within an agreed timescale.

In doing so he breached any or all of Principles 2 and 6 of the SRA Principles 2011 and Outcome 11.2 of the Code.

1.3. Between 20 December 2018 and 17 March 2020, caused or allowed the Firm's client account to be used as a banking facility.

In so far as the conduct occurred up to 25 November 2019, he breached either or both Principle 6 of the SRA Principles 2011 and Rule 14.5 of the SRA Accounts Rules 2011.

In so far as the conduct occurred after 25 November 2019, he breached either or both of Principle 2 of the SRA Principles 2019 and Rule 3.3 of the Solicitors Accounts Rules 2019.

1.4. Between 6 April 2018 and 27 October 2020, failed to ensure that accounting records were maintained and did not obtain accountant's reports for the years ending 30 June 2018, 30 June 2019, and 30 June 2020.

In so far as the conduct occurred up to 25 November 2019, he breached any or all of Rule 1.2(f), Rule 1.2(i), Rule 29.1(a) and Rule 29.9 of the SRA Accounts Rules 2011.

In so far as the conduct occurred after 25 November 2019, he breached any or all of Rule 8.1, Rule 12.1 and Rule 12.2 of the SRA Accounts Rules 2019.

Recklessness

2. In addition, Allegation 1.1.1 is advanced on the basis that the Respondent's conduct was reckless. Recklessness is alleged as an aggravating feature of the Respondent's misconduct but is not an essential ingredient in proving the allegations.

Documents

3. The Tribunal had before it the following documents:

- The Applicant's Rule 12 Statement and Exhibit MLR1 dated 24 January 2024
- The Respondent's Answer dated 5 March 2024
- The Applicant's Reply, dated 14 March 2024
- Respondent's Witness Statement dated 18 June 2024
- Witness Statement of Philip Evans, dated 18 June 2024
- Witness Statement of Allen Goodwin and Exhibit AG1 dated 18 June 2024
- Applicant's Schedule of Costs dated 24 January 2024 and Final Schedule of Costs dated 2 July 2024
- Respondent's statement of means dated 4 July 2024
- Application for an Agreed Outcome, dated 8 July 2024
- Application for an Agreed Outcome and to waive certain rules dated 9 July 2024
- Statement of Agreed Facts and Outcome between the Parties dated 10 July 2024

Background

4. The Respondent is a solicitor, having been admitted to the Roll of Solicitors on 1 March 2000. The Respondent was the recognised sole practitioner of the Firm between 11 June 2009 and 19 August 2019. Paget-Brown (UK) Limited, Companies House registration number 11958082, was incorporated on 23 April 2019 and became the successor practice of the Firm. Paget-Brown (UK) Limited commenced trading as a recognised body on 20 August 2019. The Respondent was its sole director; it ceased trading on 31 January 2020.

5. The Respondent holds a current practicing certificate free from conditions, however, he is not currently employed by an SRA regulated entity.

6. The Respondent's conduct in this matter came to the attention of the SRA through the following reports:

6.1. On 5 December 2018, a report was received from Brecher LLP on behalf of their Client A. The report raised concerns about the Respondent breaching an undertaking.

6.2. On 9 January 2019, a report was received from Person A of Company A. The report raised concerns about the Respondent being involved in an advanced fee fraud.

6.3. On 21 June 2019, a report was received from Person B of Company B on behalf of his client, Client B. The report raised concerns about the Respondent being involved in an advanced fee fraud.

6.4. On 22 October 2019, a report was received from Person C of Representative C on behalf of his client, Client C. The report raised concerns about the Respondent being involved in an advanced fee fraud.

7. As a result of these complaints, the Investigation & Supervision Department of the SRA commissioned an investigation into the Firm. On 30 April 2020 a duly authorised officer of the SRA ("the FI Officer") commenced an inspection of the books of accounts and other documents of the Firm. The inspection culminated in a Forensic Investigation Report dated 18 January 2022 (the FI Report).

8. The complaints regarding advanced fee fraud related to Wraith Capital Limited and Wraith Capital Group Limited who were introduced to clients as a company that would be able to assist in securing significant funding for commercial purposes.

9. The details of the SRA's investigation and other relevant facts are set out in the Statement of Agreed Facts and Outcome annexed to this Judgment.

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

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

11. Given that the Parties' joint application for approval of an Agreed Outcome was made two days prior to the Substantive Hearing, the Parties' application was made out of time within the meaning of Rule 25(1) of the Solicitors (Disciplinary Proceedings) Rules 2019. There was no other panel available at such a short notice and, therefore, the Substantive Hearing panel considered the Parties' application.

12. Both Parties expressly waived the protection afforded under Rule 25(6) and (7) and consented to the Substantive Hearing panel presiding over the Substantive Hearing in circumstances, where the Agreed Outcome proposal is refused by the Substantive Hearing panel.

13. In light of the Parties' express waiver and consent, and having carefully considered the Parties' joint application, the Tribunal granted permission to consider the Parties' Agreed Outcome application out of time.

14. The Tribunal did not approve the first version of the Statement of Agreed Facts and Outcome, dated 9 July 2024, that the Parties presented to the Tribunal. The Tribunal proposed to the Parties that in addition to the sanctions agreed between the Parties a further restriction on the Respondent's practising certificate preventing the Respondent from giving undertakings would be added to the agreed restrictions and other sanctions. Both Parties accepted this proposal and thereafter produced a revised Statement of Agreed Facts and Outcome after the first day of the Hearing on 10 July 2024.

Findings of Fact and Law

15. The Applicant was required to prove the allegations on the balance of probabilities. The Tribunal had due regard to its statutory duty, under section 6 of the Human Rights Act 1998, to act in a manner which was compatible with the Respondent's rights to a fair trial and to respect for their private and family life under Articles 6 and 8 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.

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

17. The Tribunal considered the Guidance Note on Sanction (10th Edition/ June 2022). The Tribunal's overriding objective, when considering sanction, was the need to maintain public confidence in the integrity of the profession. In determining sanction, the Tribunal's role was to assess the seriousness of the proven misconduct and to impose a sanction that was fair and proportionate in all the circumstances. In determining the seriousness of the misconduct, the Tribunal was to consider the Respondent's culpability and harm identified together with the aggravating and mitigating factors that existed.

18. The Tribunal found that the Respondent's misconduct was serious especially in relation to Allegation 1.1.1, which concerned the Respondent's participation in or facilitation of transactions which bore the hallmarks of advance fee fraud. The Tribunal considered the Respondent's culpability to be high given that he was a very experienced solicitor, and he had had a direct control of or responsibility for the circumstances giving rise to the misconduct. As COLP and COFA at the Firm, the Respondent should have also ensured that the Firm complied with the SRA Accounts Rules.

19. The Tribunal found that the Respondent's admission that his misconduct had caused Company C to lose £212,800 was properly made. The Tribunal was further satisfied that the Respondent's misconduct had been aggravated by his recklessness, which he has also admitted.

20. The Tribunal noted the matters set out within the non-agreed mitigation. The Tribunal further noted that the Respondent had adduced evidence in the form of two witness statements that suggested that his misconduct had arisen as a result of the deception by a third party (Mr Donaldson).

21. The Tribunal agreed with the Applicant that whilst this could be said to mitigate the seriousness of the Respondent's misconduct, the Respondent had been aware that Mr Donaldson was a convicted fraudster. The Tribunal was also satisfied that the Respondent had satisfied his undertaking but only after some 30 months after he had initially failed to perform it.

22. By admitting the alleged misconduct, the Respondent had shown some level of genuine insight, but the full admission had been made at very late stage of the proceedings, merely a day before the Substantive Hearing. The Tribunal concluded that there were no significant mitigating factors to be taken into account in determining the sanction.

23. The Tribunal determined that, given the serious and repeated nature of the Respondent's misconduct, there is a need to protect both the public and the reputation of the legal professional from future harm from the Respondent by removing his ability to practise for a fixed period but neither the protection of the public nor the protection of the reputation of the legal profession justifies striking the Respondent off the Roll of Solicitors.

24. The Tribunal was satisfied that the agreed suspension of 12 months would be adequate and proportionate and in the public interest. The Tribunal was further satisfied that the agreed practising restrictions would adequately safeguard the public from the on-going risk that the Respondent presents.

25. Accordingly, the Tribunal concluded that the sanction proposed by the SRA and the Respondent appropriately reflected the seriousness of the misconduct and required in the public interest. The Tribunal therefore GRANTED the application for an Agreed Outcome.

Costs

26. The Applicant and the Respondent agreed costs in the sum of £15 000. The Tribunal noted that the Respondent had provided a statement of financial means on 4 July 2024.

27. The Tribunal determined that the agreed costs were reasonable and proportionate. Accordingly, the Tribunal ordered the Respondent, Mr Paget-Brown to pay costs in the agreed sum of £15,000.00, inclusive of the VAT.

Statement of Full Order

28. The Tribunal Ordered that the Respondent, SIMON PAGET-BROWN solicitor, be suspended from practice as a solicitor for the period of 12 months to commence on the 11th day of July 2024 and it further Ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £15,000.00.

29. Upon the expiry of the fixed term of suspension referred to above, the Respondent shall be subject to conditions imposed by the Tribunal as follows:

29.1. The Respondent may not:

29.1.1. Practise as a sole practitioner or sole manager or sole owner of an authorised or recognised body; or as a freelance solicitor; or as a solicitor in an unregulated organisation;

29.1.2. Be a partner or member of a Limited Liability Partnership (LLP), Legal Disciplinary Practice (LDP) or Alternative Business Structure (ABS) or other authorised or recognised body;

29.1.3 Be a Head of Legal Practice/Compliance Officer for Legal Practice or a Head of Finance and Administration/Compliance Officer for Finance and Administration;

29.1.4 Hold client money.

29.1.5 Be a signatory on any client account;

29.1.6 Work as a solicitor other than in employment approved by the Solicitors Regulation Authority Ltd.

29.1.7 Give a professional undertaking in the capacity of a solicitor.

30. There be liberty to either party to apply to the Tribunal to vary or remove the conditions set out at paragraph 29 above.

Dated this 19th day of August 2024
On behalf of the Tribunal

T Cullen

T Cullen
Chair

JUDGMENT FILED WITH THE LAW SOCIETY
19 AUG 2024

BEFORE THE SOLICITORS DISCIPLINARY TRIBUNAL

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

AND IN THE MATTER OF:

SOLICITORS REGULATION AUTHORITY LIMITED

Applicant

and

SIMON PAGET-BROWN

Respondent

STATEMENT OF AGREED FACTS AND OUTCOME

Introduction

1. By an Application and statement made by Mark Lloyd Rogers, on behalf of the Applicant, the Solicitors Regulation Limited ("SRA"), pursuant to Rule 12 of the Solicitors (Disciplinary Proceedings) Rules 2019 dated 24 August 2023, the SRA brought proceedings before the Tribunal making allegations of misconduct against the Respondent. Definitions and abbreviations used herein are those set out in the Rule 12 Statement. The Tribunal made Standard Directions on 30 January 2024. There is a substantive hearing listed for 10-12 July 2024.

Admission

2. The Respondent, Mr Simon Paget-Brown, admits all of the Allegations and the facts set out in this statement and the parties have agreed a proposed outcome (the numbering of the Allegations are retained from the Rule 12 Statement).

The allegations

3. The allegations against the Respondent, Simon Paget-Brown, made by the SRA are that, while in practice as a Solicitor at recognised sole practice, Paget-Brown (UK) ("the Firm") and recognised body Paget-Brown (UK) Limited he:

1.1 Between 1 March 2018 and 2 October 2019, acted for Wraith Capital Group Limited and Wraith Capital Limited and:

1.1.1 Participated in or facilitated transactions which bore hallmarks of advance fee fraud and / or failed to be alert to its suspicious features; and

1.1.2 Acted in transactions for a company of which he was a director, thereby giving rise to an own interest conflict.

In doing so he breached any or all of Principles 2, 3 and 6 of the SRA Principles 2011 and Outcome 3.4 of the SRA Code of Conduct 2011 ("the Code") in relation to allegation 1.1.2.

1.2 Between 6 April 2018 and 30 April 2018, failed to perform an undertaking given to a lender's solicitor within an agreed timescale

In doing so he breached any or all of Principles 2 and 6 of the SRA Principles 2011 and Outcome 11.2 of the Code.

1.3 Between 20 December 2018 and 17 March 2020, caused or allowed the Firm's client account to be used as a banking facility.

In so far as the conduct occurred up to 25 November 2019 he breached either or both Principle 6 of the SRA Principles 2011 and Rule 14.5 of the SRA Accounts Rules 2011.

In so far as the conduct occurred after 25 November 2019 he breached either or both of Principle 2 of the SRA Principles 2019 and Rule 3.3 of the Solicitors Accounts Rules 2019.

1.4 Between 6 April 2018 and 27 October 2020, failed to ensure that accounting records were maintained and did not obtain accountant's reports for the years ending 30 June 2018, 30 June 2019, and 30 June 2020.

In so far as the conduct occurred up to 25 November 2019 he breached any or all of Rule 1.2(f), Rule 1.2(i), Rule 29.1(a) and Rule 29.9 of the SRA Accounts Rules 2011.

In so far as the conduct occurred after 25 November 2019 he breached any or all of Rule 8.1, Rule 12.1 and Rule 12.2 of the SRA Accounts Rules 2019.

Recklessness

4. In addition, Allegation 1.1.1 is advanced on the basis that the Respondent's conduct was reckless. Recklessness is alleged as an aggravating feature of the Respondent's misconduct but is not an essential ingredient in proving the allegations.

Professional Details

5. The Respondent, who was born in September 1970, is a solicitor having been admitted to the Roll on 1 March 2000.

6. The Respondent was the recognised sole practitioner of the Firm between 11 June 2009 and 19 August 2019. Paget-Brown (UK) Limited, Companies House registration number 11958082, was incorporated on 23 April 2019 and became the successor practice of the Firm. Paget-Brown (UK) Limited commenced trading as a recognised body on 20 August 2019. The Respondent was its sole director; it ceased trading on 31 January 2020.

7. The Respondent holds a current practising certificate free from conditions, however, he is not currently employed by an SRA regulated entity.

The facts and matters relied upon in support of the allegations

Background

8. The conduct in this matter came to the attention of the SRA through the following reports:
    8.1. On 5 December 2018, a report was received from Brecher LLP on behalf of their Client A. The report raised concerns about the Respondent breaching an undertaking.
    8.2. On 9 January 2019, a report was received from Person A of Company A. The report raised concerns about the Respondent being involved in an advanced fee fraud.

8.3. On 21 June 2019, a report was received from Person B of Company B on behalf of his clients, Client B. The report raised concerns about the Respondent being involved in an advanced fee fraud.

8.4. On 22 October 2019, a report was received from Person C of Representative C on behalf of his client, Client C. The report raised concerns about the Respondent being involved in an advanced fee fraud.

9. As a result of these complaints, the Investigation & Supervision Department of the SRA commissioned an investigation into the Firm. On 30 April 2020 a duly authorised officer of the SRA ("the FI Officer") commenced an inspection of the books of accounts and other documents of the Firm. The inspection culminated in a Forensic Investigation Report dated 18 January 2022 (the FI Report).

10. The complaints regarding advanced fee fraud related to Wraith Capital Limited and Wraith Capital Group Limited who were introduced to clients as a company that would be able to assist in securing significant funding for commercial purposes.

Wraith Capital Limited

11. Wraith Capital Limited ("WC Ltd"), company number 10854828, was incorporated on 7 July 2017 and dissolved on 6 July 2021. Its registered address was 20-22 Wenlock Road, London, N1 7GU. Details of WC Ltd's directors as outlined on Companies House are as follows:

Director	Start Date	End Date
Santok Premji Hirani	7 July 2017	8 July 2019
Simon Paget-Brown	8 July 2019	22 October 2019
Allen Martin Goodwin	22 October 2019	6 July 2021

Wraith Capital Group Limited

12. Wraith Capital Group Limited ("WC Group"), company number 10298195, was incorporated on 27 July 2016. Its registered address is 20-22 Wenlock Road, London, N1 7GU. Details of WC Group's directors as outlined on Companies House are as follows:

Director	Start Date	End Date
Santok Hirani	27 July 2016	16 April 2018
Simon Paget-Brown	16 April 2018	22 October 2019
Allen Martin Goodwin	22 October 2019	

Winston Donaldson

13. Companies House records confirm that Winston Donaldson is a disqualified director. The disqualification related to his conduct while acting for Cadogan St Helens Ltd and Hunt & Gather Investment Ltd. His disqualification was imposed for a period of 13 years, from 27 November 2013 until 26 November 2026.

14. Winston Donaldson was convicted of fraud and money laundering in 2014 at Southwark Crown Court. Internet reports detail that the conviction related an advance fee fraud in respect of loan facilities being arranged by Cadogan St Helens Limited. Mr Donaldson has been a director of this company since 15 October 2009. Following his conviction, Mr Donaldson received a sentence of imprisonment for four and a half years.

15. Winston Donaldson adopts two alias names in the documentation that has been obtained by the SRA; William Donaldson and William Davidson.

Allegation 1.1.1 – participated in/facilitated transactions which bore hallmarks of advance fee fraud

Allegation 1.1.2 – Acted in transactions for a company for which he was a director of, thereby giving rise to an own interest conflict.

Facts and matters relied on in support of the allegation

Company A

16. Around March 2018, Company A were introduced to Winston Donaldson of WC Limited by their then Master Sales Agent, Mr Jonathan Stephens of Surrenden Invest Limited. Company A were advised by Mr Stephens that WC Limited could assist them in securing funding for the purchase of a parcel of land in Grafton Street, Liverpool. In turn they engaged with Winston Donaldson who offered them a funding facility for the scheme and provided indicative terms which highlighted the fees associated in order for WC Limited to provide the funding for the scheme. Company A questioned the terms as they were not in line with other lenders. The response from Mr Donaldson was that they were "*a boutique lender who gets the job done fast and in turn their arrangement fees and business model is different to other lenders*".

17. On 20 April 2018, Company A received an invoice for the loan that they had decided to proceed with from WC Ltd. The gross loan was for £5,321,250.00. Loan

arrangement and acceptance fees, legal fees and procurement fees as outlined in the invoice totalled £121,050.00 including VAT.

18. On 25 April 2018, Company A emailed their legal representative, copying in Mr Donaldson and the Respondent. The email stated:

    "Wim of Wraith Capital has requested i send a [sic] email to make a [sic] introduction to Simon his lawyer as he will be acting for Wraith Re the loan and the exchange of all units on block B… Funds will be with you today Re the Wraith Capital invoice we discussed in relation to there [sic] fees".

19. On 25 April 2018, Mr Donaldson sent an email to Company A copying in Nick Wallace and the Respondent which stated:

    "Nick sent Simon an emIl [sic] last evening, to which Simon replied. I am with Simon presently and he is fully primed with this project. We look forward to receiving the funds today so that he can progress matters and move forward to a rapid conclusion"

20. On 26 April 2018, the Respondent emailed Company A stating:

    "Dear Representative A, Further to your conversation with Wraith this morning. I am happy to reiterate to you that the policy of Wraith Capital Group Limited in the event of aborted transactions, is that it will fully refund the arrangement fee and procurement fee plus whatever balance of the legal fees paid, that has not been expended"

21. Company A replied to the Respondent the same day, copying in Mr Donaldson. The email thanked the Respondent for confirming that the fees would be refunded. It also requested a copy of the policy referred to by the Respondent and sought confirmation that the fees would be capped.

22. At 14:19 on 26 April 2018, the Respondent emailed Company A stating:

    "I have advised you previously in writing the blanket policy regarding aborted transactions. This is not a written policy as such, however Wraith Capital Group has no legal entitlement or reason for that matter to withhold fees if the transaction breaks down for any reason. Wraith Capital Group will aim to return the fees within 5 working days and the legal fees will be taxed between myself

and the counter-party solicitor and upon agreement, balance legal fees will be refunded again within 5 working days. I can confirm that there are no other fees due from you other than the fees noted on the invoice which you have in your possession, with the only other financial commitment from yourselves being the interest and exit fee, which is deducted from the initial loan drawdown funds prior to it being released to your solicitor."

23. The reply sent by the Respondent appears to have been drafted by Mr Donaldson to send to Company A.

24. Further emails were exchanged between Company A and Mr Donaldson on 26 April 2018 to which the Respondent was copied in. Company A sought clarification on the maximum fee deduction in the event that the loan did not drawdown. In response to these queries Mr Donaldson confirmed in an email that in the event of an aborted transaction 100% of both the loan arrangement fee and the procurement fee would be refunded within five working days.

25. On 30 April 2018, Nick Wallace emailed the Respondent to confirm monies were in the process of being transferred and asking him to confirm receipt. In the same email Mr Wallace attached a report on title for the Grafton Street property and offered to extend reliance on this given the upcoming completion date. Company A paid WC Group £25,000.00 and £95,000.00 on 30 April 2018 and 1 May 2018 respectively.

26. A conference call between Company A and WC Group took place on 2 May 2018. The same day Mr Donaldson emailed Company A stating "*our lawyers will be working over the bank holiday weekend to enable an anticipated completion date of the 9th/10th of May*".

27. The following day, Company A responded requesting "proof of funds to the net advance". Mr Donaldson responded to this request stating "W*e are a boutique finance house and creating funding solutions is our core competence, so we do not engage in agreements we can not fulfil so we will not provide proof of funds, however I will have my lawyers provide the necessary comforts to the counter party legal team stating we have the means and ability to perform."*

28. On the day of the agreed completion, Mr Donaldson advised Company A via telephone that his funding partner based in the Middle East had removed the funding facility they had in place without reasonable explanation. Mr Donaldson advised that he was flying out to Abu Dhabi to his funding partners in order to get an understanding as to why the facility had been pulled. Mr Donaldson called and advised that he had managed to arrange a separate facility from the cousin of the original lender. Whilst the Baltic Gardens deal could not be revived, Company A required funding for one of their other projects and followed this up with WC Group.

29. The arrangement fee for this loan totalled £87,262.50. An invoice for this amount was received from WC Group on 24 July 2018 and this was paid by Company A to WC Group on 26 July 2018. This deal did not proceed "*due to Wraith Capital finding a way to advise us that they could not get comfortable with the contact between buyer and seller*".

30. Given WC Group had failed to provide the funding facility on the second project, Company A requested via email that "*Wraith Capital refund all of the fees*" that they had incurred which totalled £178,718.74, exclusive of VAT.

31. On 14 November 2018, Company A received correspondence from WC Group confirming that they would settle a refund for £161,593.74 and that this would be done within five working days. Company A were advised by Mr Donaldson that the fees paid were held in a secure bank account accruing high interest. Mr Donaldson stated the fees were "*ring fenced and do not worry you are not exposed*".

32. Despite these assurances the fees paid have not been returned to Company A by WC Group. Excuses offered by WC Group included that the fees are stuck in the banking system; they also stated that they were awaiting funds from elsewhere to pay Company A back.

33. On 25 September 2019, the Respondent met with Representative A of Company A. Representative A set out the nature of their discussions, together with what the Respondent confirmed, in an email sent to the Respondent the following day:

    "Why (sic) was confirmed was the following

1.Metro monies have been unfrozen and this was done over 6 weeks ago however for some reason you couldn't 100% clarify were (sic) those funds were now and why we hadn't been paid from them which I found pretty odd to say the least
Then I advised you that Win said they had been sent to some fund in the states and they are being sent back to Paget brown and you advised you have had to advise your Barclays Bank that there is a big payment due in
You also confirmed Druces are now involved with this matter - This is new to me as I was not aware of this

2.The deal you and Win brokered was confirmed again over 6 weeks ago as being completed and you advised that all you are waiting for us (sic) the money to land in your account
You confirmed Druces have confirmed to you that they have the money but for some reason you cannot understand why they have not yet sent it to you but it is happening and you was going to find out what was going on

3.You did confirm unless I stay in check then you won't pay us our money and that you may keep it for years
Which in fact is a threat and to be fair was unwarranted and unappreciated given we have been trying to meet for over a year and all I wanted to know was when you was paying us back

4.You confirmed you did not know were (sic) our money went and although you are the directors of Wraith capital you have no day to day dealings with the incoming or outgoings of monies which I find incredible but if that is how Wraith is run then that's your business
I confirmed to you that back in February Winston had confirmed to me he spent the money as he thought he had money coming in to replace it but you shrugged it off and said I don't know!!

34. On 26 September 2019 at 8.10am, the Respondent replied to Representative A's email stating "*once again you have twisted things. Lets (sic) see what the future brings. I will be in touch*."

35. Representative A replied the same day, at 8.18am, stating "*Simon Is this not what was said yesterday!! I feel your (sic) trying to send me cuckoo. If it wasn't can you advise what was discussed. Please confirm you availability at your offices tomorrow*". The Respondent replied to this email, at 2.19pm indicating that he was overseas tomorrow but that he would write to Representative A confirming what was said. No email was ever received by Representative A from the Respondent confirming what was said on 25 September 2019.

36. Company A describe receiving daily messages via WhatsApp from the Respondent and Mr Donaldson since November 2018, stating proof is available that the monies are in transit. Proof of such has never been seen by Company A as the Respondent

and Mr Donaldson refused to send this electronically via email. Those messages are produced at.

37. Subsequent investigations conducted by Company A confirmed:

    37.1. Mr Donaldson was not a director or shareholder of WC Group;
    37.2. The Respondent was not only their legal representative through Paget-Brown UK LLP, but also WC Group's managing director, a clear conflict in their view; and
    37.3. Mr Donaldson has previously been convicted of financial fraud in similar circumstances.

38. As of 23 January 2024, no monies had been repaid to Company A by WC Group.

Client B (represented by Company B)

39. In March/April 2018, Client B instructed several lawyers with a view to obtaining funding for the purchase of Property A. Under instruction from Mr Donaldson during this period, the Respondent wrote to these solicitors on behalf of WC Ltd to facilitate this process.

40. On 12 April the Respondent wrote to Client B's representative stating, amongst other things:

    "Wraith has advised receipt of the fee today from your client and the brokers involve (sic) have advised that you have a KYC pack and signed agreement for your client which I would be grateful if you could email me at your earliest convenience"

41. After Client B's legal representation changed, on 19 April 2018, the Respondent emailed the new representative seeking answers to a number of questions. Answers and information were provided in response to these queries, to the Respondent, on 23 April 2018.

42. On 24 April 2018, Client B signed WC Ltd's "Approval in Principle" document for the proposed bridging loan. The proposed loan was in the sum of £2,061,250 for a term of 9 months. The document indicated that initial fees and arrangement and acceptance fees had been "*Paid & received with thanks*". Client B paid £80,000.00 and £11,436.00 on 8 March 2018 and 11 April 2018 respectively.

43. On 26 April 2018, the Respondent informed Client B via email:

    "As you are aware we act for Wraith Capital Group, we are actively working through the pack and we envisage all things being equal, that we will be in a position to complete this matter no later than Friday the 04th May 2018"

44. The target date of 4 May 2018 was put back. On 9 May 2018, the Respondent requested confirmation of the loan figures from Client B's representative. On 14 May 2018, Client B queried the delay in completion. Despite payment of the associated fees, the funding was never provided.

45. On 4 July 2018, the Respondent emailed Mr Donaldson attaching a letter dated 29 June 2018, in which he stated that he acted for WC Group and had been asked to advise upon how to return monies remitted by Client B and Trust A.

46. On 16 July 2018, Client B emailed Mr Donaldson and the Respondent requesting the return of the first £30,000.00 be paid into his UK bank account.

47. On 7 January 2019, Company B, representing Client B, emailed Mr Donaldson and Mr Paget-Brown noting that the sum of £35,000.00 had been paid back to Client B in respect of the fees, but the balance of £56,000 was still outstanding for "advanced fee's [*sic*] paid for the bridge loan that you could not complete on". The email also outlined that a complaint would be made to the SRA for improper practice given that the Respondent was the sole director of WC Ltd during this process. The email was addressed "*Hello Will*".

48. On 11 March 2019, the Respondent emailed Client B attaching an email from Metro Bank purportedly explaining why WC Group's bank accounts had been blocked. The Respondent promised to update Client B when the account was unblocked.

49. On 21 June 2019, Concordia emailed the Respondent. The email complained of further excuses being made regarding the outstanding fees owed to Client B. It also outlined their discovery that the person they believed to be Will Davidson, was in fact Winston Donaldson who had been convicted of fraud in similar

circumstances and sentenced to four and a half years imprisonment in 2014 for what appeared to be an identical crime.

50. It was later discovered by Concordia that the £35,000.00 returned to Client B was paid from a director's personal account and not the WC Ltd company account.

51. As of 23 January 2024, no further monies had been repaid to Concordia by WC Ltd.

Client C

52. Client C purchased a property known as Property B on 12 November 2018 for £4,675,000.00. The purchase was made with a short term loan from Arum Capital Limited and it was the intention of Client C that this would be refinanced by a longer loan as the property was redeveloped into apartments.

53. Mezzanine financing was secured in April 2019 by Client C from WC Ltd through their partner 'Will Davidsons'. The funding was in the sum of circa £3,000,000.00. The associated fees in association with the loan totalled £112,800.00 which was paid to WC Ltd on 17 May 2019. The Respondent was initially instructed by WC Ltd to act on their behalf, however, this purportedly changed to Messrs Druces Solicitors.

54. Additional funding in the sum of £10,530,000.00 was offered to Client C by 'Will Davidson'. This offer was accepted and a further £100,000.00 was paid in arrangement fees.

55. On 12 June 2019 at 12:48, Client C's legal representative, Person C emailed the Respondent stating:

> *"I understand from Will having just spoken to him you are sending me confirmation that you will be sending funds today. I require this confirmation to forward to the original investor directors to prevent this from aborting today. Can you please email me by return."*

56. The Respondent replied at 13:19, stating:

"I can confirm that my instructions are to send to Druces £10,530,000 today."

57. Person C replied at 13:28 in the following terms:

"Simon. Please confirm you are holding this sum. Regards. Joe"

58. Person C did not receive a reply to this email and on 27 September 2019, he emailed the Respondent again stating:

"As you are no doubt aware my client had been in discussions with your client (of which you are also a Director) since the failure of your client in mid June to provide finance for the refinancing and redevelopment of the above site. My client paid it believed to Wraith Capital Group Limited (but in fact the bank account details given to it transpires is Santok Hirani's personal account) the not insubstantial sum of £212800 by two instalments of £112800.00 and £100000.00

This sum is due and repayable to my client forthwith. Both Will Davidson and Santok Hirani his partner have confirmed this to me by email. Will confirmed to me that certain sums had actually been returned to Abensons. Will at the outset confirmed in an email that these sums would be returned if funding was not drawn down. They obviously never were. He became indignant when I questioned whether this was an advanced fee fraud which I am convinced it is, nothing he promised or says he has actually done ever happens.

This is now going to end. Your own conduct is also in question both as a solicitor and a Director of Wraith Capital Group Ltd. You mislead me in an email stating that you were instructed to send the sum of £10m to me. I asked whether you were in fact holding this sum, you were silent. In fact I have not heard from you since. That email on anyone's reading is misleading and is a clear breach of the Solicitors Code of Conduct.

My client is at the end of its tether. It is now going to take proceedings to recover its monies. My client itself is also going to now do the following:-

1. *Report your clients and the individuals involved to FCA, local trading standards and the Police/NCA.*

2. *Report you to the SRA. I quite frankly am against this course but it is insistent. In any event a report to the Police will involve them informing the SRA as the SRA is informed of any such report within 2 weeks.*

The only way the above can be avoided is if £212800.00 is returned to my client or this firm by 12pm Friday 4th October 2019."

59. On 2 October 2019, the Respondent sent an email to Person C confirming WC Ltd were willing to refund the amount of £212,800 exclusive of VAT (£170,540.00). However, the Respondent pointed out that the £100,000 payment made to WC Ltd's company account had been frozen by Lloyds and that it was not therefore prepared to refund this amount at present. The Respondent went on to state that the figure of £70,540 would be returned within the specified time-frame.

60. Person C replied the same day requesting evidence that the funds transferred to Lloyds had in fact been frozen. He also warned that if the first payment was not made by noon on 4 October then there would be "*no further communication, only proceedings and reports as previously set out*".

61. On 7 October 2019, Person C emailed the Respondent to notify him that as the money had not been received he was now advising his client to cease contact and take action as previously set out.

62. As of 23 January 2024, no monies had been repaid to Client C by WC Group.

Allegation 1.2 – failed to perform an undertaking given to a lender's solicitor within an agreed timescale

Facts and matters relied on in support of the allegation

63. The Respondent was acting for Ms Santok Hirani who had agreed a loan facility with Client A, a group of companies specialising in providing short term loans and bridging loans.

64. The loan facility agreement comprised two loans, one of £392,000 (Loan 1) and one of £150,000 (Loan 2) to be repaid with interest at 3% per month (or at 1.45% in the event of punctual payment and in the absence of other breaches of the agreement) within six months of the first advance. The two loans were advanced

in full on 7 April 2017 and therefore the loan facility agreement was due to be redeemed on 6 September 2017.

65. As security for the liabilities arising under the loan facility, Ms Hirani agreed to provide a legal charge over the property she owned at 4 Regent Close, Harrow HA3 0SF. This legal charge was executed on the same day the loans were advanced, 7 April 2017.

66. At or around the beginning of September 2018, Client A agreed to advance a further sum of £50,000 which was to be added to Loan 2 of the loan facility agreement to Ms Hirani for a period of four months. This was agreed on the basis that the Respondent would give an undertaking to repay the sum of £200,000.00 in the event that Ms Hirani failed to do so.

67. On 6 September 2017, the Respondent wrote to Client A in the following terms:

> *"We act for Ms Santok Hirani who we understand you are providing the sum of £150,000 (one hundred and fifty thousand British Pounds) bridging finance to on terms to be agreed. In order for this bridging finance to be provided, you have requested that we provide a solicitors' undertaking to confirm that we will pay to you £200,000 (Two Hundred Thousand Pounds) on or before 4.00pm (GMT) on 6th January 2018 in the event that Ms. Santok Hirani fails to do so.*
>
> *Mr Simon Paget-Brown, the sole principal of Paget-Brown (UK), hereby confirms our undertaking to pay [Client A No1 Ltd & Client A No.2 Ltd] that the sum of £200,000 (two hundred thousand pounds) will be paid to you on or before 4.00pm (GMT) on 6th January 2018 in the event that Ms. Santok Hirani has failed to do make payment of this sum. In the event that part payment has been made by that Ms. Santok Hirani our undertaking will remain in full force and effect for the balance of the outstanding."*

68. Pursuant to the additional agreement between Client A and Ms Hirani, and in reliance upon the undertaking from the Respondent, the additional sum of £50,000.00 was advanced to Ms Hirani on 7 September 2017.

69. On 9 September 2017, the Respondent posted the original letter containing the signed undertaking to Client A's legal representative, Brecher LLP.

70. On 26 January 2018, following an agreement reached between Client A and Ms Hirani to extend the term for repayment of the loan facility agreement, Brecher LLP sent an email to the Respondent requesting that in light of the agreement he extend his undertaking accordingly. On 28 January 2018, the Respondent replied to this email stating:

    "No issues extending the undertaking to whatever date suits you. Please treat this email as my confirmation to amend the undertaking to 16:00hrs (GMT) on 6th April 2018. I will provide an original signed version of this e-mail and drop it off at your offices this week."

71. On 7 March 2018, the Respondent sent an email to Brecher LLP referring to an agreement that had been reached between Ms Hirani and Client A to extend the repayment date for the sums owing under the loan facility agreement. On 9 March 2018, two payments were made from the Paget-Brown (UK) client account to the Brecher LLP client account in the sums of £10,000 and £15,000 in part repayment of the liabilities arising under the loan facility agreement.

72. On 3 April 2018, a formal demand was served upon Ms Hirani for repayment of the total sums owing under the loan facility agreement which enclosed redemption statements made up to 6 April 2018. The amounts outstanding were £439,146.38 and £225,814.72 for loans one and two respectively.

73. On 12 April 2018, Brecher LLP emailed the Respondent calling upon him, in the absence of further payment from Ms Hirani or confirmation that payment is imminent, for immediate payment of £200,000.00 pursuant to the amended undertaking.

74. On 12 April 2018, the Respondent emailed Brecher LLP. The email started "*For the avoidance of doubt please treat this email as a further extension of time for my undertaking until end of April 2018 so no issues with time.*" It went on to provide an update regarding anticipated funds that were to be received imminently and made an offer to send £20,000.00 the following day to "*shiw [sic] willing*".

75. On 17 April 2018, the Respondent requested an updated redemption statement whilst stating a bankers draft was being paid into his client account in the next 30 minutes.

76. On 25 April 2018, LPA receivers were appointed in respect of Ms Hirani's charged property.

77. On 4 and 7 May 2018, the Respondent made payments of £20,000.00 and £10,000.00 respectively to the Brecher LLP client account in part compliance of the loan facility agreement and the Respondent's undertaking.

78. On 28 June 2018, Ms Hirani's charged property was sold for the sum of £560,000.00. The net sale proceeds of £533,070.04 was transferred to Client A in reduction of Ms Hirani's liabilities. The transfer had the effect of reducing the Respondent's liabilities, pursuant to the amended undertaking, to £172,253.97.

79. On 26 July 2018, the Respondent made a further £10,000.00 payment to the Brecher LLP client account in part payment of the loan agreement and part compliance of his amended undertaking.

80. In July 2018, the Respondent agreed to a legal charge being registered against a property he owned, Property C. The legal charge was executed on 31 July 2018.

81. On 6 December 2018, LPA receivers were appointed in respect of the Respondent's charged property.

82. On 10 January 2020, a payment of £120,000.00 was paid by the Respondent to the Brecher LLP client account following the sale of another property of his located at Property D. The final payment of £150,000.00 was paid by the Respondent to the Brecher LLP client account on 27 October 2020.

Allegation 1.3 – causing/allowing the Firm's client account to be used as a banking facility.

Regulatory Requirement

83. Rule 14.5 of the SRA Accounts Rules 2011 states as follows:

> *"You must not provide banking facilities through a client account. Payments into, and transfers or withdrawals from, a client account must be in respect of instructions relating to an underlying transaction (and the funds arising therefrom) or to a service forming part of your normal regulated activities."*

84. Rule 3.3 of the SRA Accounts Rules 2019 states as follows:

"You must not use a client account to provide banking facilities to clients or third parties. Payments into, and transfers or withdrawals from a client account must be in respect of the delivery by you of regulated services."

Facts and matters relied on in support of the allegation

Ledger A

85. The Respondent maintained an account in the client ledger, Ledger A.

86. An analysis of the ledger showed that between 1 February 2019 and 17 March 2020:

    86.1. There were forty nine transactions;
    86.2. There were six credits to the account totalling £1,442,917.23;
    86.3. A credit of £1,430,420.50 was received on 13 February 2019;
    86.4. There were forty three debits drawn on the account;
    86.5. The largest debit was for £650,000 on 5 March 2019;
    86.6. Seventeen payments on the ledger had the reference "Mrs Harris/Mrs E A Harris"

87. The SRA could find no evidence to support the fact that these transactions were associated with or in respect of instructions relating to an underlying transaction (and the funds arising therefrom) or to a service forming part of regulated activities or services.

Ledger B

88. The Respondent maintained an account in the client ledger, Ledger B.

89. An analysis of the ledger showed that between 20 December 2018 and 15 January 2020:

    89.1. There were twenty one transactions;
    89.2. There were nine credits to the account totalling £628,930.00;
    89.3. A credit of £400,000.00 was received on 24 June 2019;
    89.4. There were twelve debits drawn on the account totalling £628,930.00; and
    89.5. A payment of £100,000.00 was made on 30 August 2019 to Recipient C.

90. The SRA could find no evidence to support the fact that these transactions were associated with or in respect of instructions relating to an underlying transaction

(and the funds arising therefrom) or to a service forming part of regulated activities or services.

Allegation 1.4 – failing to ensure accounting records were maintained/obtain accounts reports for the years 30 June 2018, 30 June 2019, and 30 June 2020

Regulatory Requirement

91. Rule 1.2 of the SRA Accounts Rules 2011 states:

> *You must comply with the Principles set out in the Handbook, and the outcomes in Chapter 7 of the SRA Code of Conduct in relation to the effective financial management of the firm, and in particular must:*
>
> *(f) Keep proper accounting records to show accurately the position with regard to the money held for each client and trust*
>
> *(i) Deliver annual accountant's reports as required by the rules.*

92. Rule 29.1(a) of the SRA Accounts Rules 2011 states:

> *You must at all times keep accounting records properly written up to show your dealings with:*
>
> *(a) client money received, held or paid by you; including client money held outside a client account under rule 15.1(a) or rule 16.1(d); and*
>
> *(b) any office money relating to any client or trust matter.*

93. Rule 29.9 of the SRA Accounts Rules 2011 states:

> *The current balance on each client ledger account must always be shown, or be readily ascertainable, from the records kept in accordance with rule 29.2 and 29.3 above.*

94. Rule 8.1 of the SRA Accounts Rules 2019 states:

> You keep and maintain accurate, contemporaneous, and chronological records to:

(a) record in client ledgers identified by the client's name and an appropriate description of the matter to which they relate:

i. all receipts and payments which are client money on the client side of the client ledger account

ii. all receipts and payments which are not client money and bills of costs including transactions through the authorised body's accounts on the business side of the client ledger account;

(b) maintain a list of all the balances shown by the client ledger accounts of the liabilities to clients (and third parties), with a running total of the balances; and

(c) provide a cash book showing a running total of all transactions through client accounts held or operated by you.

95. Rule 12.1 of the SRA Accounts Rules 2019 states:

If you have, at any time during an accounting period, held or received client money, or operated a joint account or a client's own account as signatory, you must:

(a) obtain an accountant's report for that accounting period within six months of the end of the period; and

(b) deliver it to the SRA within six months of the end of the accounting period if the accountant's report is qualified to show a failure to comply with these rules, such that money belonging to clients or third parties is, or has been, or is likely to be placed, at risk.

96. Rule 12.2 of the SRA Accounts Rules 2019 states:

You are not required to obtain an accountant's report if:

(a) all of the client money held or received during an accounting period is money received from the Legal Aid Agency; or

(b) in the accounting period, the statement or passbook balance of client money you have held or received does not exceed:

i. an average of £10,000; and

ii. a maximum of £250,000,

or the equivalent in foreign currency.

Facts and matters relied on in support of the allegation

97. Upon being asked to provide client books and records by the SRA, the Respondent provided Excel spreadsheets. A review of these spreadsheets revealed:

    97.1. Whilst there were ledgers for each client, no individual transactions/matters were separately recorded and identified;
    97.2. There were no appropriate descriptions of the matter to which the ledger related;
    97.3. No running ledger balances were shown;
    97.4. Receipts and payments were not adequately described on the ledgers; and
    97.5. Ledgers did not contain a business side for office bank account entries.

98. The balances on the Respondent's client bank accounts showed that for the years ending 30 June 2018, 30 June 2019 and 30 June 2020, accountant's reports were required.
99. The Notice of Investigation sent to the Respondent on 23 April 2020 included a request for production of the Firm's last Accountant's Report. No Accountant's Report was received.
100. In an email dated 19 October 2021, the SRA requested that the Respondent provide the Firm's Accountants' Reports for the three years up to closure of the practice, including any final cease to hold client money report. No reports were received.
101. After being directed by the Respondent to the Firm's accountants, the SRA contacted A&N Accountants on 16 November 2021. The accountant concerned stated that she had prepared an Accountant's Report for the Respondent at some point beyond three years ago. She said that when she had mentioned more recently to the Respondent that his Accountant's Reports would be due, he informed her that he was arranging it and he did not instruct her to undertake them.

Mitigation

102. The following points are advanced by way of mitigation on behalf of the Respondent but their inclusion in this document does not amount to adoption or endorsement of such points by the SRA:

102.1. The Respondent would like to make clear that there was no dishonesty on his part throughout;

102.2. The Respondent accepts there was a potential for a conflict to exist, however, a conflict only materialised as a result of Mr Donaldson's fraudulent endeavours;

102.3. The Respondent accepts he breached a solicitor's undertaking, however he used my best endeavours to comply with the undertaking within the relevant timeframe. The undertaking was eventually satisfied in full with further interest added to the same. He made considerable losses as a result of this breach, in excess of £500,000.00.

102.4. In respect of the use of the client account (ledger B), this was done to assist two clients going through a divorce, one of whom was going through a nervous breakdown at the time.

102.5. The Respondent's failure to obtain accountant's reports came about as a result of a genuine mistake as to when such reports were necessary and required. It was the Respondent's understanding that the accountant would have completed and filed such a document if required, but he accepts full responsibility for this failing.

Agreed outcome

103. The Respondent admits all of the above Allegations 1.1 to 1.4, including the aggravating feature of recklessness, and agrees:

103.1. To a period of suspension from the Roll for a period of twelve months**.**

103.2. That restrictions be imposed for an indefinite period upon the Respondent's practising certificate (with liberty to apply):

103.2.1. Practising as a sole practitioner or sole manager or sole owner of an authorised or recognised body; or as a freelance solicitor; or as a solicitor in an unregulated organisation;

103.2.2. Being a partner or member of a Limited Liability Partnership (LLP), Legal Disciplinary Practice (LDP) or Alternative

Business Structure (ABS) or other authorised or recognised body;

103.2.3. Being a Head of Legal Practice/Compliance Officer for Legal Practice or a Head of Finance and Administration/Compliance Officer for Finance and Administration;

103.2.4. Holding client money;

103.2.5. Being a signatory on any client account;

103.2.6. Working as a solicitor other than in employment approved by the Solicitors Regulation Authority; and

103.2.7. Not to give a professional undertaking in the capacity of a solicitor.

103.3. To pay the Applicant's costs in the sum of £15,000.00.

Explanation as to why such an order would be in accordance with the Tribunal's sanctioning guidance (10th edition)

104. The parties consider and submit that in light of the admissions set out above and taking due account of the mitigation put forward by the Respondent, the proposed outcome represents a proportionate resolution of the matter, consistent with the Tribunal's Guidance Note on Sanction (10th edition).

105. The allegations arise from the Respondent's time as a sole practitioner at the Firm between 1 March 2018 and 27 October 2020. During that period the Respondent:

105.1. Participated in/facilitated transactions which bore hallmarks of advance fee fraud and failed to be alert to its suspicious features;

105.2. Acted in transactions which gave rise to an own interest conflict;

105.3. Failed to perform an undertaking;

105.4. Caused or allowed the Firm's client account to be used as a banking facility; and

105.5. Failed to ensure the Firm's accounting records were maintained to the correct standard.

106. The most serious of the allegations is allegation 1.1.1. The Applicant's case is that the Respondent participated in or facilitated transactions which bore the hallmarks of advance fee fraud and that he ought to have been aware of such.

107. It is agreed that:

107.1. The seriousness of the misconduct is such that neither a Reprimand nor a Fine is a sufficient sanction or in all the circumstances appropriate.

107.2. There is a need to protect both the public and the reputation of the legal profession from future harm from the Respondent by removing their ability to practise, but

107.3. Neither the protection of the public nor the protection of the reputation of the legal profession justifies striking off the Roll; and

107.4. Public confidence in the legal profession demands no lesser sanction.

108. In respect of the level of culpability of the Respondent:

108.1. The Respondent was an experienced solicitor of more than eighteen years at the time of the relevant conduct.

108.2. As a director of the company issuing the loan monies, the Respondent had direct control of or responsibility for the circumstances giving rise to the misconduct.

108.3. The Respondent held the roles of COLP and COFA at the Firm during the relevant times and was therefore required to ensure compliance with the Solicitors Accounts Rules by the Firm.

108.4. The Firm has been the recognised sole practice of the Respondent for a considerable number of years.

109. The harm caused by the Respondent was that:

109.1. Company C lost £212,800.00. This must have been reasonably foreseeable given what had happened in the two recent transactions in which similar monies were lost.

Aggravating factors

110. The aggravating factors are recklessness. Recklessness is serious because it demonstrates inappropriate risk taking, and a lack of regard for the consequences of one's actions.

Mitigating factors

111. The mitigating factors are that:

111.1. The Respondent has adduced evidence in the form of two witness statements that suggests the misconduct has arisen as a result of the deception by a third party (Mr Donaldson). Whilst this could be said to mitigate the seriousness of the misconduct, it is part of the Applicant's case that the Respondent was aware of the fact that Mr Donaldson was a convicted fraudster that had been to prison at the time of the alleged misconduct.

111.2. In respect of the breach of the undertaking, the Respondent did satisfy the undertaking, albeit some 30 months after he had initially failed to perform it.

112. The parties consider that in light of the admissions set out above and taking due account of the mitigation put forward by the Respondent, the proposed outcome represents a proportionate resolution of the matter, which is in the public interest. The applicant is satisfied that the practising restrictions will adequately manage the ongoing risk the Respondent presents.

M.J.Edwards
…………………………..
Mr Matthew Edwards, Capsticks Solicitors LLP, on behalf of the SRA

S Paget-Brown
……………………………………………..
Simon Paget-Brown, Respondent

Dated: 10 July 2024