SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 Case No. 12646-2024

BETWEEN:

SOLICITORS REGULATION AUTHORITY Applicant

and

WAHEED UR REHMAN MIAN Respondent

Before:

Ms A Kellett (Chair)
Mr J Abramson
Dr S Bown

Date of Hearing: 4 and 5 February 2025

Appearances

Louise Culleton, Counsel employed by Capsticks Solicitors LLP, Wellington House, 60-68 Wimbledon Hill Road, London, SW19 7PA, for the Applicant

Mr Mian attended the hearing and represented himself.

JUDGMENT

Allegations

The allegations against the Respondent, Waheed Ur Rehman Mian, made by the SRA are that, whilst in practice as a solicitor at M-R Solicitors LLP ("the Firm"), he:

1.1. Between 30 June 2017 and 19 November 2019, failed to disclose to clients investing in proposed development projects ("the development projects") a relevant connection to and/or interest in the businesses involved in the development projects and thereby allowed the Firm to represent clients in circumstances where he knew, or ought to have known, there was, or a significant risk of, a conflict of interest and thereby breached any or all of Principles 2, 3, 4, 6 and 8 of the SRA Principles 2011 ("the Principles") and/or failed to achieve Outcomes O(3.2) and O(3.4) of the SRA Code of Conduct 2011 ("the Code")

1.2. Between 30 June 2017 and 19 November 2019, failed to adequately advise clients involved in the development projects (which were 'off-plan' buyer-led investment schemes) of the risks inherent in such investment schemes and failed to ensure clients fully understood those risks and thereby breached any or all of Principles 4, 5 and 6 of the Principles and/or failed to achieve any or all of Outcomes O(1.2) and O(1.5) of the Code.

1.3. Between 30 June 2017 and 19 November 2019, failed to ensure clients were informed about issues regarding planning permission prior to releasing client funds to Aronex Developments Limited and thereby breached Principle 4 of the Principles and/or failed to achieve Outcome O(1.2) of the Code.

1.4. Between 30 June 2017 and 19 November 2019, failed to provide any supervision/adequate supervision of a junior staff member representing clients in relation to the development projects and thereby breached any or all of Principles 4, 5 and 8 of the Principles and/or failed to achieve any or all of Outcomes O(1.5) and O(7.8) of the Code.

Executive Summary

2. The Respondent was an owner, member, COLP and COFA of the Firm. The Firm acted for a number of clients who had agreed to purchase properties through a property development company called Aronex. Aronex was set up to build high-specification, mixed use residential properties which would be sold to investors on a leasehold basis.

3. Aronex started to suffer a decline in cash flow due to the costs associated with obtaining planning permission for its development projects and declining overseas investment. The company was placed into administration and ceased trading in November 2019. Aronex properties were consequently never completed, which led to investors losing their deposit monies.

4. The Applicant was notified of the Firm's involvement in the failed scheme by investor clients and commissioned a forensic investigation which commenced in August 2021 and ultimately resulted in a detailed report dated 25 April 2022.

5. The investigation identified that the Respondent and the Firm had significant connections with Aronex. The Respondent's wife was a director of Aronex and two employees of the Firm were similarly directors of Aronex. The Firm was also the landlord of the leased premises occupied by Aronex.

6. The Applicant therefore alleged that the Respondent had represented clients in circumstances where he knew, or ought to have known, that there was a conflict of interest. Further that he failed to adequately advise clients involved in the development projects of the risks inherent in such investment schemes and failed to ensure clients fully understood those risks.

7. All transactions followed the same format with approximately 70% of the purchase price being paid over to Aronex prior to completion. The Applicant alleged that the Respondent failed to ensure that his clients were informed about issues regarding planning permission prior to releasing his client's funds to Aronex.

8. The Applicant also alleged that the Respondent had failed to provide supervision to a junior staff member representing clients in relation to the development projects.

9. The Tribunal found all allegations proved and ordered that Respondent be suspended from practice as a Solicitor for a period of 6 months to commence on 5 February 2025.

10. The Tribunal also ordered that the Respondent do pay the costs of and incidental to this application and enquiry fixed in the sum of £40,218.40.

Sanction

11. The Tribunal Ordered that Respondent be suspended from practice as a Solicitor for a period of 6 months to commence on 5 February 2025**.**

The Tribunal's sanction and its reasoning on sanction can be found [here]

Documents

12. The Tribunal reviewed all the documents submitted by the parties, which included:

Applicant

- Application and Rule 12 Statement with exhibit "IWB1" dated 17 July 2024
- Statement of Agreed Facts dated 4 February 2025
- Schedule of Costs dated 27 January 2025

Respondent

- Answer to the Rule 12 Statement dated 16 August 2024
- Respondent's Skeleton Argument dated 3 February 2025
- Respondent's Statement of Means dated 31 January 2025

Professional Details

13. The Respondent is a solicitor who was admitted to the Roll on 15 May 2003. The Respondent was an owner, member, COLP/COFA of the Firm and held a practising certificate free from conditions at the time of the misconduct alleged.

Preliminary Application

14. The Respondent applied to file the Firm's accounts for the period of 2017-2020 as late evidence. The Respondent had failed to submit these documents in advance of the hearing in accordance with the Tribunal's directions and he therefore made an application for them to be filed out of time. The Respondent submitted that the Firm's accounts were relevant as they demonstrated that the Firm's revenue had plateaued and declined over the period 2017-2020 and therefore there was no financial motivation behind his acceptance of instructions in relation to the development projects.

15. Ms Culleton indicated that the application was not opposed although she invited the Tribunal to permit submissions on behalf of the Applicant in relation to this late evidence to ensure fairness.

16. The Tribunal noted that although there was no good reason for the Respondent failing to file and serve this evidence pursuant to the timetable set out within the case directions, it was evidence that was relevant to the proceedings and the application was not opposed by the Applicant.

17. The Tribunal determined that it should be admitted so that the parties could address the Tribunal regarding the impact of this evidence on the allegations. The Respondent's application was therefore granted.

Agreed Factual Background

18. The parties had agreed the following factual background which the Tribunal accepted:

Admissions and Denials

Allegation 1.1

18.1 The Respondent admits the allegation on the basis that his conducted amounted to:

18.2 A breach of Principles 4, 6 and 8 of the Principles; and a failure to achieve Outcomes O(3.2) and O(3.4) of the Code; and

18.3 The Respondent denies that his conduct in respect of allegation 1.1 amounted to a breach of Principles 2 and 3 of the Principles.

Allegations 1.2, 1.3 and 1.4

18.4 The Respondent admits allegations 1.2, 1.3 and 1.4 in their entirety together with the associated breaches of the Principles and the Code referred to.

Background

Aronex Developments Limited

19. Aronex Developments Limited, company number 08379723, ("Aronex") was incorporated on 29 January 2013. Its sole shareholder was Mrs Abir Mehmood.

20. Details of Aronex's directors as outlined at Companies House are as follows:

Director	**Start Date**	**End Date**
Asher Qureshi	24 November 2017	Active
Hammad Ghous Malik	23 September 2014	28 November 2019
Abir Mehmood	29 January 2013	1 July 2019
Nadeem Sharif	11 November 2013	21 August 2015
Sobi Waheed	11 November 2013	1 July 2019

21. Following a meeting between Mr Asher Qureshi and Mr Simon Campbell of Quantuma LLP on 19 November 2019, it was resolved that Aronex should be placed into liquidation. On 8 December 2019, Mr Simon Campbell and Mr Andrew Watling of Quantuma LLP, were appointed joint administrators of Aronex (in liquidation).

22. The Statement of Joint Administrators' Proposals for Aronex (in liquidation) outlined the following details about Aronex:

- The principal activity of the Company was the buying and selling of its own real estate;
- It traded from leasehold premises at 140A High Road, London, E18 2QS from 1 October 2018 to 9 December 2019; and
- The Company was set up to build high-specification, mixed use residential property which would be sold to investors on a leasehold basis.

23. In April 2017, Aronex launched a new investment/development in the City of Leicester, located at 44 Conduit Street, Leicester, LE18 1DZ ("City Heights") and another located at 47 Clarence Street, Leicester, LE1 3RW ("47 Clarence Street") (together, "the Development Projects"). The Development Projects were advertised and made available for reservation ('off-plan' buyer-led investment schemes) in April 2017. These comprised individual units within residential blocks that were marketed and sold to individual purchasers and investors. A full planning application was submitted prior to the launch; however, it was not approved until August 2019. The Development Projects sold quickly, but due to issues obtaining planning permission, construction could not begin.

24. Aronex started to suffer cash flow decline due to the costs associated with obtaining planning permission for both the Development Projects and overseas investment declining due to the uncertainty of Brexit.

25. On 19 November 2019, Aronex was placed into administration and ceased trading. The Development Projects were never completed which led to investors losing their deposit monies.

The Firm

26. The Respondent was the most senior member of the Firm who held the majority interest in it. He was referred to in one letter to a client as "*the Principal Solicitor of this firm*."

27. The Firm acted for a number of clients who had agreed to purchase properties forming part of the Development Projects. In his interview with the SRA, the Respondent clarified the figure in respect of the Development Projects to be:

> "*In these particular two developments if we talk, it is about over seventy-five units I believe, forty-five to seven in one and over thirty in one, and out of those probably we acted for twenty-five, twenty-six or more.*"
>
> "*There were clients who, as I said, 30 there were over seventy units and we were probably acting for a little over twenty*".

28. The Firm attended to the exchange of contracts and to the payment of deposit monies to the seller's solicitors. The purchases were "off-plan" prior to the construction of the developments.

29. The transactions between the Firm's clients and Aronex would follow the same procedure, namely:

    a. A Reservation Agreement would be concluded prior to the Firm receiving instructions;

    b. The Reservation Agreement would provide for the payment of a Reservation Fee, usually in the sum of £5,000.00, to the Developer (Aronex) followed by a number of staged payments on exchange of contracts and at various intervals thereafter.

    c. A referral would be made to the Firm and clients could elect to instruct the Firm to proceed with the conveyance of the property.

    d. A Sale and Purchase Agreement would be drafted and, upon payment of the initial deposit, the contracts would be exchanged.

    e. The Sale and Purchase Agreement mirrored the payment clause in the Reservation Agreement.

f. The client would be called upon to remit the post-exchange deposits upon the specified dates as set forth in clause 8 of the Sale and Purchase Agreement.

g. Lease Agreements were prepared between Aronex as Landlord and the investor clients as Tenants for execution upon completion.

h. Rental Agreements were prepared between the investor clients as landlord and Mughni Limited, the management company tasked with the management of the building, for execution upon completion. These agreements would provide a regular income to the landlord whilst allowing the management company to sublet the property to a permitted occupier.

i. Reports on title were drafted and placed on file.

30. All transactions followed the same format with approximately 70% of the purchase price being paid via the seller's solicitors, to Aronex, prior to completion. On or around 24 November 2017, a number of staff members resigned from the Firm and joined R W Anderson & Co. This resulted in several conveyancing files involving Aronex investment properties transferring to R W Anderson & Co with the respective fee earner.

31. Details of the client matters retained by the Firm, together with their respective investments, is set out at Appendix 2. Sonia Baig and Asim Aslam of the Firm had conduct of these matters, and some were under the supervision of the Respondent, as outlined in Appendix 2. The Respondent was described in the client care letters as being "*the Principal Solicitor of this firm*."

Investigation

32. The SRA were notified of the Firm's involvement in the Development Projects on 29 January 2020 following reports from two investor clients (one based in Zimbabwe and the other based in the UK) made to Action Fraud and then referred to the Applicant. Additionally, the Applicant received a direct complaint from a client investor based in China.

33. Following the reports, the SRA commissioned its own forensic investigation. This commenced on 25 August 2021 and ultimately resulted in a detailed report dated 25 April 2022 ("the FIR").

34. **Allegation 1.1 – Failing to disclose to clients investing in proposed development projects a relevant connection to and/or interest in the businesses involved in the development projects and thereby allowing the Firm to represent clients in circumstances where he knew, or ought to have known, there was, or significant risk of, a conflict of interest.**

34.1 The following matters gave rise to a conflict of interest, or a significant risk, of a conflict of interest:

a. The Firm was the landlord of the leased premises occupied by Aronex at 140(a) High Road, South Woodford, London, E18 2QS from September 2018 to November 2019.

b. Ms Sobi Waheed, a director of Aronex from 11 November 2013 to 1 July 2019, and somebody with a financial interest in that company, was the Respondent's wife.

c. Mr Asher Qureshi, a director of Aronex having been appointed on 24 November 2017, was an employee of the Firm between 4 January 2011 and 22 December 2017. Mr Qureshi is also recorded as being the Money Laundering Nominated Officer for the Firm between 4 January 2011 to 22 December 2017.

d. Mr Naveed Ahmed, the sole shareholder and director of Mughni Limited, the management company specified in the rental agreements, was an employee of the Firm between 12 November 2012 and 14 August 2020.

34.2 No attempt was made to advise clients of the potential conflicts of interest that the Respondent was aware of. This failure to advise was repeated for each client for whom the Firm acted in respect of the Development Projects. When the clients were referred to the Firm, the Respondent should have disclosed the conflict and not allowed himself or the Firm to act for the clients in the first instance. One of the Firm's clients in respect of 47 Clarence Street, Mr Hall, was asked by the SRA whether he knew of any familial links between the Firm and Aronex and whether knowledge of such links would have affected his decision to sign the agreement. Mr Hall replied that he did not know at the time he signed the agreement and that, had he known, it would have affected his decision. Mr Hall stated that "*we would not have used M-R Solicitors knowing that a family member was also a director of Aronex*."

Admissions of a breach of the Principles and the Code

Principle 4

34.3 The Respondent admits that in allowing the Firm to act in a situation where there was a conflict of interest or a significant risk of a conflict of interest, which ought to have been known, and by not disclosing the connections to the businesses and individuals involved in the transaction, he failed to act in the clients' best interests because his clients' interests conflicted with that of his own.

34.4 In a situation of own-interest conflict the Respondent should have declined to act in the first instance and informed the clients that he could not act for them due to conflict. A solicitor simply must not act in an own-conflict situation.

34.5 As such, the Respondent admits breaching Principle 4 of the Principles.

Principle 6

34.6 The Respondent admits a breach of Principle 6 of the Principles on the basis that the public's trust in the profession was undermined by him:

a. Allowing the Firm to act for clients where there was an own interest conflict or a significant risk of an own interest conflict arising; and

b. Failing to inform his clients of the fact that there was a conflict of interest or a significant risk of an own interest conflict which had the consequence of him not safeguarding his clients' interests.

Principle 8

34.7 The Respondent admits that in failing to identify a situation in which a conflict of interest arose or there was a significant risk of a conflict of interest and in continuing to act for clients in such circumstances, he breached Principle 8 of the Principles. Furthermore, given the Respondent was the Senior Partner of the Firm and the Firm's internal processes did not preclude the Respondent from acting for those clients, the Respondent admits he was not running the Firm and/or carrying out his role with sound risk management principles.

Outcome 3.2

34.8 The Respondent admits that acting for clients in circumstances where a conflict of interest or significant risk of an own interest conflict existed demonstrated a failure in the Firm's systems and controls for identifying client conflicts. Further the Respondent admits that the Firm's systems and controls for such matters were not appropriate to the size and complexity of the Firm and the nature of the work undertaken. It is on this basis that the Respondent admits he failed to achieve Outcome 3.2 of the Code.

Outcome 3.4

34.9 The Respondent admits that in acting for clients in circumstances where there was an own interest or a significant risk of, an own interest conflict, he failed to achieve Outcome 3.4 of the Code.

35. **Allegation 1.2 – Failing to adequately advise clients involved in 'off-plan' buyer-led investment schemes of the risks inherent in such investment schemes.**

Allegation 1.3 – Failing to ensure clients were informed about issues regarding planning permission prior to releasing client funds to Aronex Developments Limited.

35.1 On 23 June 2013, the SRA issued a Warning Notice entitled "Investment schemes (including conveyancing)" (the Warning Notice). The Warning Notice sets out the SRA's concerns to the profession in respect of investment schemes where "*dubious or risky schemes are being presented as routine conveyancing or investment in 'land' when the reality is very different*."

The Warning Notice also outlined:

> *"Schemes are being promoted as involving the routine buying of a property when in reality the buyers' money is being used to finance a development or refurbishment …*
> *High deposits are used by property developers to finance their developments. Investors are not being advised, or properly advised, that this often presents a much higher risk than simply buying an existing house or apartment…*
>
> *We are seeing cases of solicitors simply processing transactions for buyers and adopting the language of conveyancing. The effect is to mask what is really happening. For example, investors provide money for a "deposit" which is released to the seller upon some (often spurious) condition. The investor's money is used to buy the property or finance its building or refurbishment. This carries substantial risks such as the money being misappropriated, the seller failing to complete the scheme or the seller becoming insolvent. The usual deposit in a conveyancing transaction is 10 percent. It is paid to ensure that the buyer will complete the contract. In dubious schemes we have seen, the "deposit" has been 30 percent or even 80 percent. These are not market standard deposits but involve both pre-payment of the price and effectively the providing of finance to the developer. Referring to them as deposits is part of the psychology of presenting a risky "investment" as routine conveyancing. Clients are actually paying their money into often high-risk property development, and substantial losses have been suffered."*

The Warning Notice set out advice to be given to buyers in these types of transactions as follows:

> *"Where you are acting for the buyers in these types of transactions, you must advise clients fully about the transaction and how it significantly differs from the simple buying of an existing property, such as:*
>
> *Buying a property not yet built or completed i.e. off plan or subject to significant refurbishment, involves substantial risk that the developer or seller could fail and money will be lost*
>
> *Promises of substantial returns are often illusory – and standard warnings in publicity about the risk of capital loss are not enough to ensure that a law firm has properly advised a client upon the transaction (see outcomes (1.1),(1.2),(1.12) of the Code of Conduct)*
>
> *High "deposits" are being used to finance the development…*
>
> *You should ensure that clients fully understand the risks and it may well be necessary to strongly advise clients against entering into the transaction."*

In this matter, the reports on title that were found to exist on client files "*were confusing and contradictory*" noting:

> *"The deposit will be held by the Seller's solicitors as an agent. On completion of the purchase of the property, the deposit will be paid to the seller.*
>
> *Upon exchange and prior to completion, the Seller's solicitors may release the deposit to the Seller. If subsequently the Seller refuses to complete, you will be entitled to your deposit paid however if the Seller becomes insolvent you may not recover the sum paid as deposit and you may have to initiate further legal proceedings."*

35.2 Only two attendance notes have been discovered which support the fact that the Firm notified the investor clients of their deposit being at risk/non-recoverable in the event that the seller became insolvent. The Respondent accepts that there was a failure to adequately advise clients of the risks inherent in 'off-plan' Buyer-led investment schemes so as to ensure clients fully understood these risks. Further, he accepts that the reports on title were not sent to the clients.

Planning Issues – 47 Clarence Street

35.3 A planning application was sought in respect of 47 Clarence Street on 13 January 2017. The application was made under application number 20162286 for the demolition of an existing structure and the development of a seven-story building to accommodate 47 student flats. The application was granted on 17 May 2017 subject to a number of conditions. Condition 3 outlined:

> *"(A) No development shall take place or commence until a programme of archaeological work including a Written Scheme of Investigation has been submitted to and approved in writing by the City Council as local planning authority. The scheme shall include an assessment of significance and research questions; and: (1) the programme and methodology of site investigation and recording; (2) the programme for post-investigation assessment; (3) provision to be made for analysis of the site investigation and recording; (4) provision to be made for publication and dissemination of the analysis and records of the site investigation; (5) provision to be made for archive deposition of the analysis and records of the site investigation; (6) nomination of a competent person or persons or organization to undertake the works set out within the Written Scheme of Investigation. (B) No demolition or development shall take place other than in accordance with the Written Scheme of Investigation approved under (A) above. (C) The development shall not be occupied until the site investigation and post-investigation assessment has been completed in accordance with the programme set out in the Written Scheme of Investigation approved under (A) above, and the provision made for analysis, publication and dissemination of results and archive deposition has been secured, unless agreed in writing with City Council as local planning authority. (To ensure that any heritage assets that will be wholly or partly lost as a result of the development are recorded and that the understanding of their significance is advanced; and in accordance with Core Strategy policy CS18. To ensure that the details are agreed in time to be incorporated into the development, this is a PRE-COMMENCEMENT condition.)"*

35.4 It became apparent during the planning applications that the Development Projects were on land in which some ancient artefacts had been buried. Each step of the development had to be approved by multiple departments at the City Council.

35.5 On 26 February 2018, Aronex made an application to Leicester City Council pursuant to the Town & Country Planning Act 1990 to discharge condition number 3 of the permission that was granted on 17 May 2017 (Application number 20180403).

35.6 On 5 June 2018, Aronex submitted a Written Scheme of Investigation to Leicester City Council in support of their application to discharge condition number 3 of the permission that was granted on 17 May 2017.

35.7 On 7 June 2018, Leicester City Council resolved the application by discharging Parts A and B of condition 3. However, the decision noted that "*Further information will be required prior to the occupation of the development to discharge Part C. Note that the development must be carried out in accordance with these details in order to discharge the condition*." Conveyancing transactions generally involve large amounts of client money and are an enhanced risk to a firm. In this case, the transactions carried an even higher risk due to them involving "off-plan" purchases and potential adverse planning issues.

35.8 The Respondent admits that in failing to advise the Firm's clients of the risks associated with the development projects prior to investing, he failed to provide services to his clients in a manner which protected their interests in their matters and failed to provide a competent service to his clients.

Admissions of a breach of the Principles and the Code

Principles 4 and 5

35.9 The Respondent admits, as "*the Principal Solicitor*" of the Firm who supervised Sonia Baig on several of the client matters, that it was his duty to ensure the Firm's clients were advised of and fully understood:

- the inherent risks in investing in 'off-plan' investment schemes; and
- the issues regarding planning permission that were associated with the 47 Clarence Street development prior to his clients releasing funds.

35.10 In failing to ensure that the appropriate advice identified above was provided to clients, to enable them to understand the associated risks of the transactions, the Respondent admits (a) he failed to act in the best interests of the Firm's clients, and therefore breached Principle 4 of the Principles; and (b) he failed to provide a proper standard of service to his clients, and therefore he admits breaching Principle 5 of the Principles.

Principle 6

35.11 The Respondent admits that he failed to ensure his clients were advised of and fully understood: (a) the inherent risks in investing in 'off-plan' investment schemes; and

(b) the issues regarding planning permission that were associated with the 47 Clarence Street development prior to his clients releasing funds. The Respondent accepts that those risks were clear and obvious and that it fell to him to advise on those risks and that, as such, the public's trust in him and in solicitors generally was seriously diminished by this clear and obvious failure. He therefore admits a breach of Principle 6 of the Principles.

Outcomes 1.2 and 1.5 of the Code

35.12 The Respondent admits that in failing to advise the Firm's clients in respect of the risks associated with the development projects prior to investing, he failed to provide (a) services to his clients in a manner which protected their interests in their matters; and (b) a competent service to his clients. He therefore admits failing to achieve Outcomes 1.2 and 1.5 of the Code.

36**. Allegation 1.4 – Failing to provide any supervision/adequate supervision of a junior staff member**

36.1 Sonia Baig of the Firm who had conduct of the matters was admitted to the Roll on 16 March 2020. When working on the above matters, she was a trainee solicitor at the Firm.

36.2 When Baig was asked by the SRA why certain information had not been disclosed to clients prior to the exchange of contracts, including the fact that the proposed development was on land upon which some ancient artefacts had been buried, that each step of the development had to be approved by multiple departments at the City Council and that Aronex were waiting for the planners to give the go-ahead to continue with the excavation, she replied:

> *"As a trainee at the time, I did not realise the necessity to include comments on the planning permission in relation to (but not limited to) the archaeological 'status' of the site and the required assessment by the City Council."*

36.3 The Respondent confirms that the Firm's conveyancing team left to go to another firm in 2017 and, for a few months thereafter, the Firm did not have anyone employed in that team. Mrs Baig then joined the Firm in February/March 2018 as a trainee solicitor and she worked on the Aronex transactions.

Admissions to a breach of the Principles and the Code

The Respondent accepts:

- He was "*the Principal Solicitor*" of the Firm;
- He was the named supervisor of Mrs Baig;
- It was his responsibility as the "*the Principal Solicitor*" of the Firm to ensure that trainee solicitors were adequately supervised.

- He was responsible for ensuring Mrs Baig provided a competent service to the Firm's clients, including making them aware of all issues relevant to their matters.

- That adequate supervision should have ensured that the appropriate advice was provided so that the clients understood and benefitted from that advice thereby ensuring that clients were advised with competence, skill and diligence.

- That the Firm should have made their clients aware of (a) the inherent risks in developments of this nature; and (b) the planning issues in respect of the 47 Clarence Street development, at the beginning of the retainer; the Firm failed to do so.

Principles 4 and 5

36.4 The Respondent admits his failure to adequately supervise Mrs Baig resulted in a failure by the Firm to provide a competent service to clients, which was not in their best interests. The Respondent therefore admits:

- He failed to act in his clients' best interests, therefore breaching Principle 4.

- He failed to provide a proper standard of service to his clients, therefore breaching Principle 5.

Principle 8

The Respondent accepts:

- He had no expertise in conveyancing matters.

- He employed a trainee Mrs Baig to handle such matters and develop the department.

- He failed to ensure Mrs Baig was supervised, either adequately or at all.

- In this case, the transactions carried a high risk due to them being "off-plan" purchases and involving potential adverse issues with planning permission.

36.5 The Respondent admits that in allowing a non-qualified trainee to deal with the matters in respect of the Development Projects in their entirety and without adequate supervision, he failed to run the Firm and carry out his role as a member/manager effectively and in accordance with proper governance and sound risk management principles. It is on this basis that the Respondent admits breaching Principle 8 of the Principles.

Outcome 1.5 of the Code

36.6 By failing to adequately supervise Mrs Baig, the Respondent admits he failed to ensure a competent level of service was provided to the Firm's clients. The Respondent therefore admits that he failed to achieve Outcome 1.5 of the Code.

Outcome 7.8 of the Code

36.7 By allowing (a) the Firm to undertake work in a field in which they did not possess the relevant experience; and (b) a trainee solicitor to work on matters without adequate supervision, the Respondent admits he failed to implement a system at the Firm to supervise client matters to include the regular checking of the quality of work by suitably competent and experienced people. The Respondent therefore admits that he failed to achieve Outcome 7.8 of the Code.

Contested Allegations

36.8 The Respondent admitted the underlying factual matrix of Allegation 1.1 as set out within the statement of agreed facts that was submitted by the parties. In respect of Allegation 1.1 the Respondent denied that the admitted facts amounted to a breach of Principles 2 and 3 of the Principles. These are now referred to as the contested allegations.

Applicant's Submissions regarding contested allegations

36.9 Ms Culleton on behalf of the SRA referred to paragraphs 97 and 100-101 of Wingate v Solicitors Regulation Authority v Malins [2018] EWCA Civ 366 ("Wingate"), and cited the guidance provided in that case regarding the definition of "integrity" within the context of professional regulation: -

> *"In professional codes of conduct, the term "integrity" is a useful shorthand to express the higher standards which society expects from professional persons and which the professions expect from their own members. See the judgment of Sir Brian Leveson P in Williams at [130]. The underlying rationale is that the professions have a privileged and trusted role in society. In return they are required to live up to their own professional standards."*
>
> *"Integrity connotes adherence to the ethical standards of one's own profession. That involves more than mere honesty. To take one example, a solicitor conducting negotiations or a barrister making submissions to a judge or arbitrator will take particular care not to mislead. Such a professional person is expected to be even more scrupulous about accuracy than a member of the general public in daily discourse.*
>
> *The duty to act with integrity applies not only to what professional persons say, but also to what they do. It is possible to give many illustrations of what constitutes acting without integrity. For example, in the case of solicitors:*
>
> *i) A sole practice giving the appearance of being a partnership and deliberately flouting the conduct rules (Emeana);*
>
> *ii) Recklessly, but not dishonestly, allowing a court to be misled (Brett);*
>
> *iii) Subordinating the interests of the clients to the solicitors' own financial interests (Chan);*
>
> *iv) Making improper payments out of the client account (Scott);*

v) Allowing the firm to become involved in conveyancing transactions which bear the hallmarks mortgage fraud (Newell-Austin);

vi) Making false representations on behalf of the client (Williams)"

36.10 Ms Culleton emphasised the incompatibility between the Respondent's regulatory obligations and his acting on behalf of clients in relation to the Development Projects. In continuing to act contrary to the mandatory prohibition on acting in conflict, the Respondent disregarded basic yet important principles and failed to ensure that clients' interests were put first. Ms Culleton put the Applicant's case of the Respondent's lack of integrity and failure to ensure his independence based on this wilful or reckless conduct by the Respondent.

36.11 Ms Culleton submitted that clients were misled as they were not informed of the conflict and could not therefore make an informed decision on instructing the Firm. Allowing clients to be misled, even recklessly, amounted to a lack of integrity.

36.12 By acting in an own client conflict, the Respondent subordinated the interests of clients to his own. Ms Culleton submitted that this also amounted to a lack of integrity and compromised the Respondent's independence.

36.13 Ms Culleton submitted that the public expect solicitors to be scrupulously accurate. The Respondent's failure to achieve this when acting for clients in relation to the Development Projects was at the heart of this case. By not informing them of the factors giving rise to the own client conflict, the Respondent was not scrupulously accurate and therefore not demonstrating the higher standards expected of a professional in the context of Wingate. Ms Culleton submitted that the Respondent was therefore not acting with integrity.

36.14 In response to points raised by the Respondent, Ms Culleton clarified that there was no allegation of dishonesty in this case and that the Applicant's case in relation to lack of integrity was not predicated on proving any attempt by the Respondent to deceive. Instead, the Applicant's case was that by acting in an own client conflict, the Respondent's conduct demonstrated a failure to uphold the ethical standards of the profession and was therefore a breach of Principle 2.

Respondent's submissions regarding contested allegations

36.15 The Respondent submitted that he was unaware that his wife was a director in Aronex. The Respondent accepted that this was an oversight on his part as he should have searched thoroughly to identify any potential conflicts of interest.

36.16 The Respondent submitted that he first became aware of his wife's connection with Aronex at some point between May and June 2019 and emphasised that the Applicant had provided no evidence in the course of its case to contradict this.

36.17 The Respondent placed the allegations into context stating that the case against him arose from the failure of a development over which he had no control and for which he was not responsible.

36.18 The Respondent stressed that his clients' losses were compensated by his insurers and that, out of his sense of moral correctness, he did not litigate or seek to prevent this.

36.19 The Respondent submitted that he did not fail morally nor breach Principle 2 or 3 of the Principles as he was unaware of his wife's role until around June 2019 shortly before she resigned as a director of Aronex in July 2019. The Respondent stated that his wife was similarly unaware that the Firm was acting for purchasers in the Development Projects. The Respondent stated that she had no decision-making powers within Aronex, describing her as a 'sleeping partner.'

36.20 The Respondent referenced the roles of Asher Qureshi (a director of Aronex having been appointed on 24 November 2017 and an employee of the Firm between 4 January 2011 and 22 December 2017) and Naveed Ahmed (sole shareholder and director of Mughni Limited, the management company that featured in the rental agreements and an employee of the Firm between 12 November 2012 and 14 August 2020) as tangential and not factors that gave rise to a conflict.

36.21 The Respondent referred the Tribunal to the Firm's accounts which he stated demonstrated a declining turnover during the period of the Development Projects. The Respondent submitted that this confirmed that he made no gain from his work on behalf of the purchaser clients. The Respondent informed the Tribunal that his main work type was immigration and that he was not a conveyancing solicitor. In that context the Respondent invited the Tribunal to consider that neither Principle 2 nor 3 were engaged by his conduct.

36.22 The Respondent referenced the case of Wingate accepting that the test is an objective one however the Respondent submitted that state of knowledge is relevant consideration for the Tribunal when determining if someone acted with integrity. The Respondent's position was that the Applicant had presented no evidence that proved his state of knowledge in relation to his wife's role at Aronex. The Respondent submitted that he did not mislead his clients and did not compromise professional independence.

36.23 The Respondent referred the Tribunal to the case of Barca[1] regarding which the Respondent stated that Mr Barca had entered financial arrangements with clients (whether loans or some other form of financial assistance) between October 2013 and June 2019 where there was an own interest conflict or a significant risk of such a conflict. The Tribunal considering that case did not find that Mr Barca's conduct had amounted to a lack of integrity and the Respondent drew comparisons stating that notwithstanding the conflict of interest in his case Principle 2 was similarly not engaged.

36.24 The Respondent referred the Tribunal to the case of Westwood[2]. Mr Westwood acted in five conveyancing transactions where there was a conflict of interest or significant risk of an own interest conflict between his lender client and himself and failed to disclose the material information, concerning his relationship to his borrower client

[1] Case No. 12486 / 2023 – Richard Gregory Barca
[2] Case No. 12610 / 2024 – Mark Robert Westwood

where the borrower client either an immediate relative or himself. The SRA ultimately withdrew the allegation of breach of Principle 2 and the Tribunal determined that a fine was appropriate in that case.

36.25 The Respondent referred the Tribunal to Cutlers Holdings Ltd v Shepherd and Wedderburn LLP [2023] EWHC 720 (Ch). This was a case involving professional negligence and conflict of interest which the Respondent stated was relevant as there was no lack of integrity found by the Court notwithstanding the presence of a conflict of interest.

36.26 The Respondent submitted that the connection between the developer and his wife was entirely incidental or collateral and the familial link did not have any bearing on the non-completion of the Development Projects. The Respondent stated that the failure to declare the familial link was not intended, planned or foreseeable, instead it was because the Respondent did not know of the link between his wife and the developers.

36.27 The Respondent sought to explain the circumstances by which he first became aware of his wife's role as a director and her connection with the developer. He stated that around June 2019 his father became ill and he had to travel abroad. This caused a stretch to his finances and his wife offered him additional funds which she informed him had come from an abortive property development. The Respondent discovered that this was the Development Projects i.e. the same project that he was involved with through the Firm. The Respondent described how his wife was also surprised by this coincidence and that she did not know that the buyers were clients of the Firm. The Respondent stated that his wife did not visit the property developers' office which was in the same building as the Firm.

36.28 The developer became a tenant in the Firm's building in 2018 and the Respondent acknowledged that he was responsible for approving this arrangement and that he was aware of it throughout. The Respondent submitted that there was no subterfuge nor anything hidden from clients as if they attended the Firm's offices they could see the connection between the firm and Aronex, the developer.

36.29 The Respondent submitted that the Firm acted conspicuously, fairly and honourably in dealings with the clients' claims against it. This had had a detrimental effect on the Firm's professional indemnity insurance premium which had increased from £25,000 to around £165,000. The Respondent submitted that this was part of the reason for the decline in the Firm's turnover across the period including and after the Development Projects and he reiterated that there was no financial motivation underpinning his work behalf of the purchaser clients. The Respondent stated that the Firm had suffered reputational damage through its involvement with Aronex.

36.30 The Respondent submitted that Principles 2 and 3 come with high thresholds which were not met in his case given the Applicant's evidence and his state of knowledge.

36.31 The Respondent acknowledged that it was open to him to give evidence regarding his state of knowledge as to his wife's involvement in Aronex. He, however, declined to do so. The Respondent indicated that in the course of his engagement with the Applicant during the investigation and subsequently he had explained his position

accepting there was a conflict of interest on the basis that he ought to have known about his wife's interest in Aronex. However, the Applicant did not specifically enquire about his state of knowledge and the Applicant had presented no evidence of his contemporaneous awareness of his wife's interest in Aronex.

Applicant's further submissions in relation to the Contested Allegations

36.32 The Tribunal invited Ms Culleton to make further submissions on behalf of the Applicant as the Respondent had introduced a new line of defence regarding his state of knowledge. The Respondent had not previously advanced his case on the basis that he was unaware that his wife was a director in Aronex and it was therefore fair and necessary for the Applicant to have an opportunity to respond and address this issue.

36.33 Dealing firstly with the Respondent's submission that he had received no financial gain, Ms Culleton clarified that the Applicants case was never premised on the basis that the Respondent obtained a financial gain. A finding on this was not required for the Applicant to succeed in respect of the contested allegations. However, notwithstanding this, Ms Culleton referred to the Applicants pleaded case which stated[3] "*…if the Respondent had fulfilled his duty to disclose… at least some of the clients may have chosen not to instruct the Respondent or the firm in the particular circumstances. The obvious inference is that the Respondent chose not to disclose this information from a fear of clients choosing not to instruct him or his firm as a consequence of their concerns about the familial and other links between both him/the firm and other individuals/entities involved in the projects…A further obvious inference is that clients electing to instruct other solicitors would have resulted in an adverse financial consequence for the Respondent and the firm due to the loss of fees which would follow."*

36.34 The Respondent had submitted the additional accounts material regarding the financial performance of the Firm and advanced his case on the basis that the Firm was failing financially which indicated that it did not benefit from Aronex work. Ms Culleton submitted that it followed that the opposite was in fact correct i.e. the Respondent was incentivised to accept instructions from clients in relation to the Development Projects to alleviate the decline in the Firm's financial performance.

36.35 Ms Culleton referred to the Respondent's position as it was now understood that he had been unaware of his wife's role as a director in Aronex until around June 2019. The Respondent had declined to give evidence and be cross-examined on this new aspect of his case.

36.36 Ms Culleton submitted that it was inconceivable that the Respondent did not know of his wife's position as a director of Aronex between 2017-2019 given the close relationship and significant connections between the Firm and Aronex.

36.37 This was a crucial point relevant to his defence that he would have made clear to the Applicant throughout its investigation as opposed to introducing it for the first time during the substantive hearing. Ms Culleton referenced the numerous opportunities

[3] At Paragraph 24 of the Rule 12 statement

which the Respondent had to disclose this information during the investigation including when he was specifically asked about his wife by the FIO during an interview. At no stage did the Respondent state that a conflict may have arisen but that it had occurred unbeknownst to him as he did not know his wife was a director until 2019.

36.38 The Respondent was asking the Tribunal to believe that he was unaware that his wife had raised approximately £175,000 and coincidentally invested in Aronex, a company he dealt with on hundreds of occasions.

36.39 The Respondent had specifically addressed the status of his wife in the context of the allegations brought by the Applicant prior to the substantive hearing (in detailed written submissions prepared by Counsel) without disclosing that he was unaware that his wife was an Aronex director until 2019: -

> *"Mr Mian acknowledges and admits that he failed to disclose to clients his wife's connection to Aronex, the company involved in the Developments and thereby allowed the Firm to represent clients in circumstances where he ought to have known that a risk of a conflict of interest existed."*
>
> *"The previously successful track record of Aronex, coupled with the facts that the Firm did not act for Aronex, his wife was only a sleeping partner in Aronex and the buyers were referred to the Firm by independent agents, meant that Mr Mian failed properly to appreciate the risk of a conflict arising. However, as he said in interview, he did not discuss his clients with his wife, he was not personally dealing with the conveyancing on a day to day basis and those that did so did not have any connection with his wife"*

36.40 The Respondent also specifically addressed the status of his wife in further submissions he made to the Applicant after the investigation had concluded. Again, he failed to disclose that he was unaware that between 2017-2019 that his wife was an Aronex director: -

> "*I admit the substance of the allegation i.e. I ought to have known the potential of conflict of interest particularly November 2017 onwards after the departure of* [sic] *conveyancing team. However, I deny that I failed to act with integrity. I would like to submit that there was no mala fide intention in not disclosing the conflict that my wife was one of the directors in* [Aronex]"

36.41 Ms Culleton emphasised that the Respondent had not called his wife to give evidence and had not filed a witness statement endorsed with a signed statement of truth in which he provided his account regarding his state of knowledge in relation to his wife's role in Aronex.

36.42 The Respondent had introduced a new defence during his substantive hearing without giving evidence and the Tribunal could consider drawing an adverse inference in the circumstances. The Respondent had the opportunity to give evidence on this important issue but instead chose to make submissions only. The Applicant could have approached other witnesses on the point had it been raised previously.

36.43 The Respondent essentially adopted the approach that the FIO never specifically asked him about his knowledge regarding the connection between his wife and Aronex. This was misconceived as it should have been volunteered by the Respondent as a key element of his defence.

36.44 Ms Culleton submitted that the Applicant's case in relation to conflict of interest and breach of Principles 2 and 3 did not solely rest on the Respondent's wife. The Respondent was not scrupulous with his clients about other matters that also gave rise to a conflict of interest. For completeness these included: -

- The Firm was the landlord of the leased premises occupied by Aronex

- Naveed Ahmed, the sole shareholder and director of Mughni Limited, the management company that featured in the rental agreements, was an employee of the Firm between 12 November 2012 and 14 August 2020

- Asher Qureshi, a director of Aronex having been appointed on 24 November 2017, was an employee of the Firm between 4 January 2011 and 22 December 2017. Mr Qureshi is also recorded as being the Money Laundering Nominated Officer for the Firm between 4 January 2011 to 22 December 2017

36.45 In his submissions, the Respondent had stated that he cooperated with the FIO and the Applicant and morally felt it right not to fight the claims by clients seeking recompense. Ms Culleton emphasised, however, that acting with integrity at a later stage does not defend an earlier breach of the Principles. In turning to address the authorities cited by the Respondent, Ms Culleton submitted that those were cases decided on their own facts which did not bind the Tribunal. Little weight could be given to findings in those cases where Principle 2 was not engaged (or was withdrawn by the Applicant). In relation to the Cutlers Holdings case referenced by the Respondent, this was not relevant to SDT proceedings which considers professional codes and standards as opposed to fiduciary duties and issues of negligence.

Witnesses

37. No oral evidence was received, and the Tribunal considered all of the evidence and submissions made by the parties. The evidence referred to will be that which was relevant to the findings of the Tribunal, and to facts or issues in dispute between the parties. The absence of any reference to particular evidence should not be taken as an indication that the Tribunal did not read, hear or consider that evidence.

Findings of Fact and Law

38. The Applicant was required by Rule 5 of The Solicitors (Disciplinary Proceedings) Rules 2019 to prove the allegations to the standard applicable in civil proceedings (on the balance of probabilities). The Tribunal had due regard to its statutory duty, under section 6 of the Human Rights Act 1998, to act in a manner which was compatible with 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.

39. The position of the parties was set out in the Statement of Agreed Facts and they invited the Tribunal to make factual findings on that basis regarding the admitted allegations.

40. Additionally, the Tribunal heard submissions from the parties regarding the contested allegations.

41. **Allegation 1.l - Between 30 June 2017 and 19 November 2019, failed to disclose to clients investing in proposed development projects ("the development projects") a relevant connection to and/or interest in the businesses involved in the development projects and thereby allowed the Firm to represent clients in circumstances where he knew, or ought to have known, there was, or a significant risk of, a conflict of interest**

41.1 The Tribunal noted that in respect of Allegation 1.1 the Respondent admitted the underlying facts and accepted within the Statement of Agreed Facts that his conducted amounted to a breach of Principles 4, 6 and 8 of the Principles; and a failure to achieve Outcomes O(3.2) and O(3.4) of the Code.

41.2 The Respondent denied that his conduct at Allegation 1.1 amounted to a breach of Principles 2 and 3 of the Principles and the Tribunal's findings in respect of the contested allegations are dealt with below.

41.3 The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admission in respect of Allegation 1.1 was properly made. The Tribunal accepted the information presented by the parties within the Statement of Agreed Facts and noted that the supporting evidence within exhibit IWB1, including the FIR, sustained Allegation 1.1.

41.4 Principle 4 required the Respondent to act in the best interests of each client. Principle 6 required the Respondent to behave in a way that maintains the trust the public placed in him and in the provision of legal services. Principle 8 required the Respondent to run his business or carry out his role in the business effectively and in accordance with proper governance and sound financial and risk management principles.

41.5 Outcome 3.2 of the Code required that the Respondent's systems and controls for identifying client conflicts are appropriate to the size and complexity of the firm and the nature of the work undertaken, and enabled him to assess all relevant circumstances, including whether:

(a) the clients' interests are different;
(b) your ability to give independent advice to the clients may be fettered;
(c) there is a need to negotiate between the clients;
(d) there is an imbalance in bargaining power between the clients; or
(e) any client is vulnerable.

41.6 Outcome 3.4 required the Respondent not to act if there is an own interest conflict or a significant risk of an own interest conflict.

41.7 The Tribunal found that between 30 June 2017 and 19 November 2019 the Respondent failed to disclose to clients investing in the development projects a relevant connection to and/or interest in the businesses involved in the development projects and thereby allowed the Firm to represent clients in circumstances where he knew, or ought to have known, there was, or a significant risk of, a conflict of interest. The Tribunal found that the Respondent breached Principles 4, 6 and 8 of the Principles; and a failed to achieve Outcomes O(3.2) and O(3.4) of the Code.

41.8 The Tribunal found **Allegation 1.1 proved** on the balance of probabilities.

42. **Allegation 1.2 - Between 30 June 2017 and 19 November 2019, failed to adequately advise clients involved in the development projects (which were 'off-plan' buyer-led investment schemes) of the risks inherent in such investment schemes and failed to ensure clients fully understood those risks**

42.1 The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admission in respect of Allegation 1.2 was properly made. The Tribunal accepted the information presented by the parties within the Statement of Agreed Facts and noted that the supporting evidence within exhibit IWB1, including the FIR, sustained Allegation 1.2.

42.2 Principle 5 required that the Respondent to provide a proper standard of service to his clients. Principles 4 and 6 are defined above.

42.3 Outcome O(1.2) required that the Respondent provide a service to his clients in a manner which protected their interests in their matter, subject to the proper administration of justice.

42.4 Outcome O(1.5) required that the Respondent provide a service to his clients that is competent, delivered in a timely manner and takes account of his clients' needs and circumstances.

42.5 The Tribunal found that between 30 June 2017 and 19 November 2019, the Respondent failed to adequately advise clients involved in the development projects (which were 'off-plan' buyer-led investment schemes) of the risks inherent in such investment schemes and failed to ensure clients fully understood those risks. The Tribunal found that the Respondent breached Principles 4, 5 and 6 of the Principles; and a failed to achieve Outcomes O(1.2) and O(1.5) of the Code.

42.6 The Tribunal found **Allegation 1.2 proved** in full, on the balance of probabilities.

42.7 **Allegation 1.3 - Between 30 June 2017 and 19 November 2019, failed to ensure clients were informed about issues regarding planning permission prior to releasing client funds to Aronex Developments Limited**

42.8 The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admission in respect of Allegation 1.3 was properly made. The Tribunal accepted the information presented by the parties within the Statement of Agreed Facts and noted that the supporting evidence within exhibit IWB1, including the FIR, sustained Allegation 1.3.

42.9 The requirements of Principle 4 of the Principles and/or failed to achieve Outcome O(1.2) of the Code are detailed above. The Respondent was required to uphold these regulatory requirements.

42.10 The Tribunal found that between 30 June 2017 and 19 November 2019, the Respondent failed to ensure clients were informed about issues regarding planning permission prior to releasing client funds to Aronex and thereby breached Principle 4 of the Principles and/or failed to achieve Outcome O(1.2) of the Code**.**

42.11 The Tribunal found **Allegation 1.3 proved** in full, on the balance of probabilities.

43. **Allegation 1.4 - Between 30 June 2017 and 19 November 2019, failed to provide any supervision/adequate supervision of a junior staff member representing clients in relation to the development projects**

43.1 The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admission in respect of Allegation 1.4 was properly made. The Tribunal accepted the information presented by the parties within the Statement of Agreed Facts and noted that the supporting evidence within exhibit IWB1, including the FIR, sustained Allegation 1.4.

43.2 The requirements of Principle 4, 5 and 8 of the Principles and Outcome O(1.5) are detailed above. The Respondent was required to uphold these regulatory requirements. Outcome (7.8) required the Respondent to have a system for supervising clients' matters, to include the regular checking of the quality of work by suitably competent and experienced people.

43.3 The Tribunal found that between 30 June 2017 and 19 November 2019, the Respondent failed to provide any supervision/adequate supervision of a junior staff member representing clients in relation to the Development Project. He therefore breached any or all of Principles 4, 5 and 8 of the Principles and/or failed to achieve any or all of Outcomes O(1.5) and O(7.8) of the Code.

43.4 The Tribunal found **Allegation 1.4 proved** in full, on the balance of probabilities.

The Contested Allegations

43.5 The Respondent denied that his conduct at Allegation 1.1 amounted to a breach of Principles 2 and 3 of the Principles and the Tribunal had been addressed by the parties' submissions on the contested allegations.

43.6 The Respondent advanced a new defence during the hearing as to why he had not identified a conflict of interest. This was that he was unaware that his wife was a director of Aronex until May or June 2019. He submitted that he ought to have made his clients aware of the conflict of interest if he had known but that he had not done so because he did not have that knowledge. The Respondent chose not to give evidence in relation to this new defence.

43.7 The Tribunal found that the Respondent had five previous occasions on which he could have raised this argument:-

i) During his first interview with the FIO on the 25th of August 2021;

ii) During his second interview with the FIO on the 17th of February 2022;

iii) When first responding to the SRA's Investigation Report that preceded his referral to the Tribunal;

iv) In his Answer to the Applicant's Rule 12 statement; and

v) In his Skeleton Argument dated 3 February 2025.

43.8 A no time had he chosen to do so. Instead, he had previously stated that his wife was a silent director and shareholder and that the failure to advise clients of the conflict or potential conflict of interest was an error and oversight caused by the strains of a busy practice.

43.9 Accordingly, in light of the evidence before it, the Tribunal dismissed the Respondent's submission about his state of knowledge prior to May/June 2019. Further the Tribunal considered that there were other substantial links between the Firm and Aronex which it did not consider to be merely coincidental. These included: -

i) The Firm was the landlord of the leased premises occupied by Aronex;

ii) Naveed Ahmed, the sole shareholder and director of Mughni Limited, the management company that featured in the rental agreements, was an employee of the Firm between 12 November 2012 and 14 August 2020; and

iii) Asher Qureshi, a director of Aronex having been appointed on 24 November 2017, was an employee of the Firm between 4 January 2011 and 22 December 2017. Mr Qureshi is also recorded as being the Money Laundering Nominated Officer for the Firm between 4 January 2011 to 22 December 2017.

43.10 Accordingly, the Tribunal found on the balance of probabilities that the Respondent either knew of the conflict, or as an experienced solicitor ought to have been aware. In such circumstances, the Respondent must have known that such a conflict was a mandatory prohibition on the Firm acting for these clients. The Firm should never have taken them on. In doing so, the Respondent failed to adhere to the ethical standards of the profession pursuant to the definition of integrity that was stated in Wingate. The Tribunal found this to be a breach of Principles 2 and 3 of the Principles. The Tribunal found the contested allegations proved on the balance of probabilities and therefore found **Allegation 1.1 proved** in full, on the balance of probabilities.

Previous Disciplinary Matters

44. None.

Mitigation

45. The Respondent referred the Tribunal to the SDT Guidance Note on Sanctions 10th Edition. He encouraged the Tribunal to consider the principles of proportionality and to impose the least restrictive sanction necessary. In relation to seriousness, the Respondent referred to the case of Barca and stated that in that case the Tribunal had found motivation and planning that did not apply to the breaches in his case.

46. The conduct that brought about the allegations arose incidentally because of the failed Development Projects. The Respondent submitted that his culpability was low and that he had cooperated with SRA throughout its investigation.

47. In relation to his experience, the Respondent submitted that he was an immigration solicitor with minimal working knowledge of conveyancing.

48. Turning to address the question of harm caused by his misconduct, the Respondent emphasised that although clients suffered financial loss, he made significant efforts to ensure that they were compensated including through insurers.

49. The Respondent submitted that there was an absence of aggravating features in his case. There was no deception, dishonesty or criminality. The Respondent submitted that the misconduct was not deliberate and he had not taken advantage of vulnerable clients. The Respondent further referenced that he had no adverse regulatory history.

50. The Respondent submitted that there had been no concealment of his wrongdoing and he did not blame others such as his Firm's conveyancing department instead he accepted the blame as the supervising solicitor.

51. The Respondent invited the Tribunal have regard for his character references which he submitted spoke to his professionalism and the seriousness with which he approached his work. The Respondent submitted that the references and online testimonials from his clients indicated that he did his best for them.

52. The Respondent invited the Tribunal to have regard for the financial impact on those who depended on him and submitted that his profession was the primary source of his family's income.

53. In relation to sanction the Respondent invited the Tribunal to consider whether a financial penalty would be sufficient and appropriate in the circumstances. If the Tribunal was minded to impose a suspension the Respondent invited the Tribunal to impose a suspended suspension.

Sanction

54. The Tribunal had regard for its Guidance Note on Sanctions (10th Edition) and the proper approach to sanctions as set out in Fuglers and others v SRA [2014] EWHC 179 ("Fuglers"). The Tribunal considered the seriousness of the misconduct, assessing the Respondent's culpability and the extent of any harm together with any aggravating or mitigating factors.

55. The Tribunal considered the Respondent's motivation for the misconduct and whether the misconduct arose from actions which were planned or spontaneous. The Tribunal was not persuaded by the Respondent's submission that there was no financial motivation to act for the purchaser clients. The Respondent had provided context regarding Firms declining financial performance during the period of the Development Projects. Had the Respondent disclosed the conflict of interest, his instruction by those clients could have been jeopardised. The Tribunal found that the Respondent was, therefore, incentivised by a financial motivation.

56. The Respondent had direct control of and responsibility for the circumstances giving rise to the misconduct, his actions were planned as opposed to spontaneous, and the Tribunal also had regard for the Respondent's overall level of experience. Accordingly, the Tribunal found that the Respondent's level of culpability was high.

57. The Tribunal considered the extent of the harm that might reasonably have been foreseen to be caused by the Respondent's misconduct. The potential impact on clients were obvious particularly given the deposits of up to 70% of the purchase price that were initially paid over to Aronex and the time taken subsequently for clients to recover their losses. The Respondent accepted that he had fallen short in adequately advising clients as to the risks involved in relation to the Development Projects.

58. The Respondent's misconduct, which included a lack of integrity, had impacted on the reputation of the profession particularly as he had acted whilst in a conflict of interest with his own clients notwithstanding the mandatory prohibition on doing so.

59. The Tribunal assessed the level of harm arising from the Respondent's misconduct as moderate.

60. The Tribunal considered the extent to which any aggravating features applied and noted that the Respondent's misconduct had continued over a period exceeding two years. It was also misconduct where the respondent knew or ought reasonably to have known that the conduct complained of was in material breach of obligations to protect the public and the reputation of the legal profession.

61. The Respondent had presented a new defence in the course of the hearing that was fundamentally flawed. He also demonstrated a lack of insight regarding his misconduct and the importance to the public and the reputation of the profession of upholding his regulatory obligations. This called into question the continued ability of the Respondent to practise appropriately.

62. In relation to mitigating factors, the Tribunal noted the Respondent had cooperated with the regulator and faced an increase to his professional indemnity insurance premium because of these matters.

63. The Tribunal determined that No Order, a Reprimand or a Fine were inadequate sanctions. None of these options were commensurate with the seriousness of the misconduct or the risk to the public and the reputation of the profession.

64. The Tribunal determined that a suspension from the Roll was the appropriate penalty in this case. Public confidence in the legal profession demanded no lesser sanction. The Tribunal identified the need to protect both the public and the reputation of the legal profession from future harm from the Respondent by removing his ability to practise, but neither the protection of the public nor the protection of the reputation of the legal profession justified striking off the Roll.

65. The Tribunal therefore imposed a suspension from the Roll on the Respondent for a period of 6 months.

Costs

66. Ms Culleton applied for Applicant's costs in the sum of £40,218.40 as particularised in the Applicant's Statement of Costs dated 27 January 2025.

67. Ms Culleton submitted that the Statement of Costs itemised the work undertaken by those involved in the preparation of the case which was all necessary and confirmed that there was no claim for any duplicated work within the schedule. Ms Culleton referenced that that case had been properly brought and all allegations including those that had been admitted and those that had been denied had ultimately been found proved. The Applicant was therefore entitled to its costs.

68. Ms Culleton also referred to the Respondent's Statement of Means and indicated that he was able to meet any reasonable costs order imposed by the Tribunal.

69. The Respondent submitted that the costs claimed by the Applicant were excessive and should be substantially reduced. The majority of the allegations were admitted and the issues between the parties were narrow. A proportion of the work undertaken and claimed for by the Applicant was therefore unnecessary.

70. The Tribunal assessed the Applicant's Statement of Costs in detail and had regard for the conduct of the parties (including the extent to which the Tribunal's directions and time limits imposed had been complied with), whether the amount of time spent on the matter was proportionate and reasonable and whether any or all of the allegations were pursued or defended reasonably.

71. The Respondent had made admissions which had narrowed the issues however the contested allegations had required the Applicant to prepare for and attend the substantive hearing. The Tribunal noted that the detailed and cogent FIR had been prepared by the FIO. This evidence was important in the context of the findings made and the Tribunal concluded that the work undertaken was necessary and the costs arising from it were properly incurred.

72. All allegations had been found proven and the Tribunal concluded that the costs as applied for by the Applicant were, in all the circumstances and by reference to Rule 43 of the SDPR 2019, proportionate and reasonable.

73. The Tribunal ordered that the Respondent do pay the costs of and incidental to this application and enquiry fixed in the sum of £40,218.40.

Statement of Full Order

74. The Tribunal ORDERED that the Respondent, WAHEED UR REHMAN MIAN solicitor, be SUSPENDED from practice as a Solicitor for a period of 6 months to commence on 5 February 2025 and it further Ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £40,218.40.

Dated this 4th day of April 2025
On behalf of the Tribunal

A. Kellett

A. Kellett
Chair