

SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974

Case No. 12325-2022

BETWEEN:

SOLICITORS REGULATION AUTHORITY LTD.

Applicant

and

MAZHAR ALI BADAR

Respondent

Before:

Mr A Ghosh (in the chair)

Mrs L Boyce

Ms L Hawkins

Date of Consideration: 9 November 2022

Appearances

There were no appearances as the matter was dealt with on the papers.

JUDGMENT ON AN AGREED OUTCOME

Allegations

1. The Allegations against the Respondent, made by the SRA within that statement were that, whilst working as a Registered Foreign Lawyer (RFL) and principal at MA Law Chambers (the Firm), he:
 - 1.1 On or around the 14 January 2020 and/or 20 January 2020, caused or allowed improper withdrawals from the Firm's client account, which led to a minimum cash shortage of £94,500.00, as of 19 February 2020. This breached:
 - 1.1.1. Either or both Principles 2 and 5 of the SRA Principles and
 - 1.1.2. Any or all of Rules 5.1 and 5.2 of the SRA Accounts Rules.
 - 1.2 Between 7 December 2019 and 8 February 2020:
 - 1.2.1 Failed to carry out client account reconciliations in accordance with the applicable rules;
 - 1.2.2 Failed to keep accounting records for the Firm properly written up to show dealings with client and office money and failed to appropriately record all dealings with client money in accordance with the applicable rules which breached;
 - 1.2.3 Principle 2 of the SRA Principles;
 - 1.2.4 Any or all of Rules 2.1 and 2.2 of the SRA Code of Conduct for Firms and
 - 1.2.5 Any or all of Rules 8.1 and 8.3 of the SRA Accounts Rules
 - 1.3 Allowed or failed to prevent Mr HA (himself and/or through his associates) from exerting influence and control over the Firm and/or its client account, in breach of:
 - 1.3.1 Any or all of Principles 2 and 5 of the SRA Principles and
 - 1.3.2 Any or all of paragraphs 2.1 and 2.5 of the SRA Code of Conduct for Firms.

Documents

2. The Tribunal had before it the following documents:-
 - Rule 12 Statement dated 13 April 2022 with Exhibit SG1.
 - Answer to the Rule 12 Statement (undated).
 - Statement of Agreed Facts and Proposed Outcome dated 8 November 2022.

Background

3. Mr Badar, who is 60 years of age, is a registered foreign lawyer, also being an advocate in Pakistan.

4. Mr Badar was:
 - (i) a director of the Firm from 1 August 2019 to 8 February 2020, and
 - (ii) a beneficial shareholder of the Firm (and its sole legal owner) from 9 December 2019 to 8 February 2020.
5. At all material times, Mr Badar was based at the Firm's offices in Ilford, Essex. Following the period to which the allegations relate, Mr Badar was a professional support lawyer at Reliance Solicitors Limited. As at the time of consideration of the Agreed Outcome, Mr Badar held a certificate of registration as a Registered Foreign Lawyer, free from conditions, but was not recorded as working for a solicitors firm.

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

6. The parties 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.

Findings of Fact and Law

7. 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 his private and family life under Articles 6 and 8 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.
8. The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admissions were properly made.
9. The Tribunal carefully considered the Applicant's application to withdraw the alleged breaches of Principle 5 (integrity) in relation to Allegations 1.1.1 and 1.1.3. That application was predicated on having reviewed Mr Badar's Answer to the Rule 12 Statement following which the Applicant concluded that the allegation was "no longer supported on an evidential basis". Mr Badar, in his Answer, essentially averred that he was deceived by Mr HA, who had bought the Firm and appointed Mr Badar. Mr HA directed Mr Badar to effect transactions which Mr Badar questioned the validity of. Mr Badar did what was asked of him but reported Mr HA to the Firm's Banker, the Police and the Applicant. On the facts before it, the Tribunal determined that the allegations pertaining to integrity were no longer supported by the evidence before it.
10. The application to withdraw the alleged breaches of Principle 5 in Allegations 1.1.1 and 1.1.3 was therefore GRANTED.
11. The Tribunal considered the Guidance Note on Sanction (Tenth Edition: June 2022). In doing so the Tribunal assessed the culpability and harm identified together with the aggravating and mitigating factors that existed as set out in the Agreed Statement of Facts.

12. The admitted misconduct was assessed by the Tribunal as so serious that that neither a Restriction Order, Reprimand nor a Fine was sufficient to protect the public interest. The public interest comprised of the need to protect the public from harm, the declaration and upholding of proper standards within the profession and maintenance of public confidence in the regulatory system. Notwithstanding the fact that the allegations of integrity had been withdrawn, the Tribunal determined that the admitted misconduct was so serious that it called into question Mr Badar's continued ability to practise in accordance with the SRA Rules, Principles and Code of Conduct. The proposed sanction of suspension for 18 months and restrictions on his practice thereafter was appropriate and proportionate in all of the circumstances.
13. The Tribunal therefore APPROVED the Agreed Outcome.

Costs

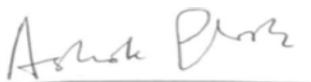
14. Costs were agreed in the sum of £8,000.00 which the Tribunal considered to be reasonable and proportionate.

15. Statement of Full Order

1. The Tribunal Ordered that the Respondent, Mazhar Ali Badar, Registered Foreign Lawyer, be suspended from the Register of Foreign Lawyers for the period of 18 months to commence on the 9th day of November 2022 and it further Ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £8,000.00.
2. 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:
- 2.1 The Respondent may not:
- 2.1.1 Be a Head of Legal Practice/Compliance Officer for Legal Practice or a Head of Finance and Administration/Compliance Officer for Finance and Administration;
- 2.1.2 Hold client money other than with leave of the Solicitors Regulation Authority;
- 2.1.3 Be a signatory on any client account other than with leave of the Solicitors Regulation Authority;
3. There be liberty to either party to apply to the Tribunal to vary the conditions set out at paragraph 2 above.

Dated this 9th day of December 2022

On behalf of the Tribunal



A Ghosh
Chair

JUDGMENT FILED WITH THE LAW SOCIETY
09 DEC 2022

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

AND IN THE MATTER OF:

SOLICITORS REGULATION AUTHORITY LIMITED

Applicant

and

MAZHAR ALI BADAR

Respondent

AGREED STATEMENT OF FACTS AND OUTCOME

By its application dated 13 April 2022, and the statement made pursuant to Rule 12 of the Solicitors (Disciplinary Proceedings) Rules 2019 which accompanied that application, the Solicitors Regulation Authority (SRA) brought proceedings before the Solicitors Disciplinary Tribunal (Tribunal) making three allegations of misconduct against the Respondent, Mr Mazhar Ali Badar. Definitions and abbreviations used herein are those set out in the Rule 12 Statement.

The allegations

1. The Allegations against the Respondent, made by the SRA within that statement were that, whilst working as a as a Registered Foreign Lawyer (RFL) and principal at MA Law Chambers (the Firm), he:
 - 1.1. On or around the 14 January 2020 and/or 20 January 2020, caused or allowed improper withdrawals from the Firm's client account, which led to a minimum cash shortage of £94,500.00, as of 19 February 2020. This breached:
 - 1.1.1. either or both Principles 2 and 5 of the SRA Principles
 - 1.1.2. any or all of Rules 5.1 and 5.2 of the SRA Accounts Rules

1.2. Between 7 December 2019 and 8 February 2020:

- 1.2.1. failed to carry out client account reconciliations in accordance with the applicable rules; and
- 1.2.2. failed to keep accounting records for the Firm properly written up to show dealings with client and office money and failed to appropriately record all dealings with client money in accordance with the applicable rules

which breached:

- 1.2.3. Principle 2 of the SRA Principles
 - 1.2.4. any or all of Rules 2.1 and 2.2 of the SRA Code of Conduct for Firms
 - 1.2.5. any or all of Rules 8.1 and 8.3 of the SRA Accounts Rules
- 1.3. Allowed or failed to prevent Mr HA (himself and/or through his associates) from exerting influence and control over the Firm and/or its client account, in breach of:
- 1.3.1. any or all of Principles 2 and 5 of the SRA Principles
 - 1.3.2. any or all of paragraphs 2.1 and 2.5 of the SRA Code of Conduct for Firms

Application to withdraw allegation of breach of Principle 5

- 2. The Respondent admits those allegations as set out above, save for the alleged breaches of Principle 5 of the SRA Principles as set out at paragraphs 1.1.1 and 1.3.1.
- 3. The Applicant applies to withdraw the allegations of breach of Principle 5 (as set out in paragraphs 1.1.1 and 1.3.1) on the basis that it no longer considers the allegation to be supported on an evidential basis. The Applicant has taken in to account the Answer filed and served by the Respondent in coming to this position.

Agreed Facts

4. The following facts and matters, which are relied upon by the SRA in support of the allegations set out within paragraph 1 (and amended by paragraph 3) of this statement, are agreed between the Applicant and the Respondent:
 - 4.1. The Respondent, who is sixty years of age is an RFL, also being an advocate in Pakistan.
 - 4.2. The Respondent was:
 - 4.2.1. a director of the Firm from 1 August 2019 to 8 February 2020
 - 4.2.2. a beneficial shareholder of the Firm (and its sole legal owner) from 9 December 2019 to 8 February 2020
 - 4.3. The Respondent was based at the Firm's offices at 711 Cranbrook Road, Ilford, Essex, IG2 6RJ.
 - 4.4. Following the period to which this statement relates, the Respondent was a professional support lawyer at Reliance Solicitors Limited from 2 April 2020 to 3 April 2020.
 - 4.5. The Respondent currently holds a certificate of registration as an RFL, free from conditions. He is not currently recorded as working for a solicitors firm.
 - 4.6. The Firm was founded on 11 May 2016 by Mr A, who was its sole owner and principal. SRA records show that Mr A ceased to be the owner, director, COLP and COFA on 7 December 2019 (although Companies House records him as ceasing to be a director on 6 December 2019 and records the Respondent as being its sole shareholder from the same date).
 - 4.7. According to the Respondent, an individual identifying himself as Mr HA had purchased the Firm on 9 December 2019, to be owned by the Respondent as sole shareholder. Mr HA's identity has since been called into question however he is referred to in this statement as Mr HA for consistency.
 - 4.8. The Respondent states that he met Mr HA at an event in May or June 2019 where the purchase of a firm in the Respondent's name was discussed. The Respondent said that Mr HA offered him a salary of £3,000 and a 15 percent profit share to run a law firm for him. The Respondent states that Mr HA identified the Firm as the firm he would buy in the Respondent's name.

- 4.9. Mr HA had informed the Respondent that he was a solicitor, although it transpired during the SRA's investigation that the details he provided did not match those of the sole solicitor admitted to the Roll of Solicitors with that name.
- 4.10. Mr AM subsequently informed a Forensic Investigation Officer (FIO) employed by the Applicant that, on 16 December 2019, the Respondent told him that Mr HA was an elderly gentleman who would undertake work from home when the Firm was "up and running". Mr AM states that, on 31 January 2020, he discovered that Mr HA had been undertaking work in the Firm's name.
- 4.11. The FIO established, and it is accepted by the Respondent, that the work conducted by Mr HA was not supervised.
- 4.12. On 4 February 2020, the Respondent made two calls to the SRA. The Respondent stated that the Firm had received £230,000 into its client account in a conveyancing transaction in which it acted for the seller. The Respondent had been asked by Mr HA to transfer these funds into two bank accounts unconnected to the transaction. The Respondent was concerned that the transaction was not genuine and that the transfers were not legitimate.
- 4.13. In the second call, the Respondent stated that he had reported the matter to the Firm's bank who had reduced the Firm's daily transfer limit. He stated that he was in hiding from the people constantly calling him requesting that he transfer money and that he would not return home.
- 4.14. A Forensic Investigation into the Firm commenced on 12 February 2020, with the following reports being produced:
- 4.14.1. an interim report, dated 14 February 2020 (the Interim Report)
 - 4.14.2. a final report, dated 28 September 2020 (the Final Report)
- 4.15. The Interim Report identified the following areas of concern:
- 4.15.1. The Firm had no managers, with both the Respondent and Mr AM stating that they did not intend to return to the Firm.

- 4.15.2. As at 12 February 2020, there was £230,373.52 in the Firm's client bank account. This money related to conveyancing matters handled by Mr HA. Both former managers had concerns over the legitimacy of the work conducted by Mr HA, and in relation to whether the person purporting to be Mr HA was genuinely him.
- 4.15.3. A further £500,000 was expected imminently into the Firm's client bank account for a further conveyancing matter conducted by Mr HA.
- 4.15.4. Mr HA and his associates had a level of control over the Firm. They had intimidated the Respondent to try and get him to pay the client account balance to third parties.
- 4.15.5. The Firm could not produce books of account for the period 31 October 2019 onwards. The client bank account statements showed 125 transactions from this date to 12 February 2020. As such, it was not possible to calculate the Firm's liabilities, nor to establish whether sufficient funds were held to meet those liabilities.
- 4.15.6. The reconciliations from August to October 2019 were not in compliance with the SRA Accounts Rules 2011.
- 4.16. The Final Report exemplified two conveyancing transactions which had suspicious characteristics and which gave rise to a minimum cash shortage on the Firm's client account of £94,500.00:

Allegation 1.1

The sale of Property A

- 4.17. On 13 January 2020, £32,500 was received into the Firm's client account from Firm D Solicitors.
- 4.18. On 14 January 2020, £3,500 was paid to the Firm by way of a client to office transfer.
- 4.19. On 14 January 2020, £29,000 was paid to NS.

- 4.20. Payments were made by the Respondent, which the Respondent informed the FIO were on Mr HA's instructions.
- 4.21. The contract for sale was between AV (seller, represented by the Firm) and PP Limited (buyer, represented by Firm D).
- 4.22. The file states that Mr HA acted on behalf of the Firm, although the third page of the file refers to the Respondent.
- 4.23. The charges on the Office Copy Entries (OCE) detailed on the file (and dated 7 January 2020) were different to those on the OCE obtained by the FIO, whilst the replies to the requisitions on title were unsigned and undated and again had different details of the charges to be discharged and the parties to receive funds.
- 4.24. The contract price for the sale of Property A was £325,000, whilst a contemporaneous valuation search held on the file showed the value to be £454,000 with a range of £427,000 to £481,000.
- 4.25. The FIO did not find evidence on the file of a client care letter, an AML risk assessment or other file opening documents. Copy documents relating to the seller's passport and utility bills were produced by the Respondent to the FIO in February 2020.
- 4.26. Two different "malaw" email addresses were used by the Firm in correspondence identified by the FIO, with the signature blocks stating that the emails were from "HA" and "Mazhar" respectively.
- 4.27. Firm D's file indicated that they had been told that someone at the Firm had met with the vendor (stating that they had been a client for three years), copied identification documents and that the Firm was happy with the vendor's identification.
- 4.28. On 3 February 2020, Firm D were told by Mr HA that the Firm's account had been hacked and was therefore on hold and that Firm EM, a "neighbour firm" would complete the transaction (although it was subsequently identified by the FIO that Firm EM had declined to do so and were not instructed). Firm D requested a copy of the client account bank statement. The one they were provided with by Mr HA on 18 February 2020 did not show the deposit money being paid out on 14 January 2020.

- 4.29. On 12 February 2020, the Respondent informed the FIO that he had no concern about this transaction. This was despite the suspicious nature of the transaction and the indications that it was improper, including (but not limited to): the transfer of £29,000 to a party seemingly unconnected to the transaction; discrepancies on the OCE and requisitions on title (including around the recipient of the funds from the sale); the absence of a client care letter and other file opening/anti-money laundering documentation; and apparently incorrect statements being made about the client account being “hacked”. It is agreed that it can be properly inferred from this evidence that the transfer to NS was improper and that it follows that the transfer to the Firm’s office account must also be improper.

The sale of Property B

- 4.30. On 17 January 2020, the Firm received £62,000 into its client account from Firm TR. On 20 January 2020, £2,500 was paid out by way of client to office transfer and a further £59,500 was paid to a GA.
- 4.31. Payments were made by the Respondent, which the Respondent informed the FIO were on Mr HA’s instructions.
- 4.32. Neither the Respondent nor Mr AM were able to provide the FIO with a collection of documents constituting a client file. Two documents were provided to the FIO on 14 February 2020 by the Respondent, namely:
- 4.32.1. a note from Mr HA to the Respondent on 20 January 2020 asking if he could make the settlement payment of £59,500 in this matter;
 - 4.32.2. a letter to Mr GA from Mr HA confirming that the payment had been made to his account.
- 4.33. Firm TR’s file identified the sellers as IWCM and the buyer as MI Limited.
- 4.34. Mr HA was again identified as acting on the Firm’s behalf although the Respondent was referenced at page 4 of the contract.
- 4.35. Completion was delayed due to contractual issues, after which Mr HA referred to a “bank situation” which the Firm was trying to resolve.

- 4.36. After the intervention into the Firm, Firm TR served a Notice to Complete on the purported vendors and was advised that Property B had neither been marketed nor sold. This was confirmed to the FIO by a woman who identified herself as the sole owner.
- 4.37. On 12 February 2020, the Respondent informed the FIO that he had no concern about this transaction. This was despite the suspicious nature of the transaction and the indications that it was improper, including (but not limited to): the transfer of £59,500 to a party seemingly unconnected to the transaction; apparently incorrect statements being made about their being a situation with the Firm's bank account; the absence of a matter file; and confirmation from the owner of Property A that it was neither being marketed nor sold. It follows that, as the transfer of £59,500 was improper, the transfer to the Firm's office account must also be improper.
- 4.38. The Respondent informed the FIO that he only became aware that Mr A was undertaking conveyancing due to incoming post and the client account receipts received in mid-January 2020. Prior to this he thought that Mr A was undertaking immigration and personal injury work. He did not raise any questions as to why Mr A was doing conveyancing as "*any lawyer can, can take any, any type of case*" and that, not having any experience of conveyancing himself, he understood Mr A to be "*quite senior and so I had to believe him whatever he was doing, he was doing right*".

Allegation 1.2

- 4.39. As at the extraction date of 31 January 2020, no list of liabilities to clients or other accounts information was produced by the Respondent or Mr AM. At the time of preparing the Interim Report, and in the absence of cashbooks and up to date matter listings, the FIO was unable to establish the Firm's liabilities to its clients or compare these to the cash held (and so could not establish whether there were sufficient funds to meet liabilities to clients as at the extraction date).
- 4.40. The Respondent informed the FIO that the Firm's books of account were maintained by an accountant, however the Respondent did not know the accountant's telephone number, address or surname.
- 4.41. The Respondent did not know who had overall responsibility for the Firm's books of account or whether these were up to date.

- 4.42. The Respondent was able to produce reconciliation statements up to 31 October 2019, although those from August 2019 were not in compliance with the SRA Accounts Rules 2011. These comprised a list of ledger balances and a comparison with the bank balance, however no cash book was available and the reconciliations did not compare a cash book figure. After adjustment for “cheques in transit” the list of ledger balances shown at 31 October 2019 agreed to the client account balance shown on the bank statements.
- 4.43. The Respondent did not know if any client reconciliations or books of account had been maintained after 31 October 2019, however the client account bank statements showed that from 31 October 2019 to 12 February 2020 there were a further 125 transactions
- 4.44. No further client account books of account or reconciliations were identified following the intervention into the Firm on 19 February 2020.

Allegation 1.3

- 4.45. Mr HA purchased the Firm for £17,500, with the Respondent named as the owner. The Firm was identified by Mr HA and was previously unknown to the Respondent.
- 4.46. The Respondent was provided with a copy of Mr HA’s passport and supposed practising certificate. The Respondent now considers the passport not to be genuine (and the solicitor admitted to the Roll with the details provided by Mr HA has confirmed that they were not involved with the Firm).
- 4.47. Mr HA worked on conveyancing matters remotely, however the Respondent did not have details of his home address.
- 4.48. Mr HA appointed a secretary called “James” to work at the Firm. The Respondent did not know what “James” surname was, however “James” had keys to the office and took post away from the Firm. Although the Respondent sometimes opened post, he was not allowed to open Mr HA’s and “James” took these to Mr HA. Other individuals were also referred to by the Respondent as being Mr HA’s associates, including “Jasmine”.
- 4.49. The Respondent informed the FIO that he did not have continuous access to the Firm’s email accounts. When he was given access, the passwords were changed shortly afterwards. He had never seen or used the address

maz@masolicitors.co.uk nor any other email address save for info@masolicitors.co.uk. The Respondent also believed that the Firm's telephones were diverted to Mr Ahmed.

4.50. Prior to mid-January 2020, the Respondent thought that Mr HA was doing immigration and personal injury work. Whereas, in fact, it transpired that Mr HA was, or appeared to be, doing conveyancing work.

4.51. The Respondent did not query Mr HA doing conveyancing work as "*any lawyer can, can take any, any type of case*". He understood Mr HA to be "*quite senior and so I had to believe him whatever he was doing, he was doing right*".

4.52. The Respondent did not know how many conveyancing matters were being handled by Mr HA or where they were stored. He had not seen any of the correspondence coming in on the files until the FIO identified this to him, and he did not undertake the work on the files that was done in his name (including exchanging contracts).

4.53. In addition to the transactions relating to Properties A and B, on 31 January 2020, the Firm received £230,000 into its client account. This money was supposedly received in respect of a conveyancing transaction. The Respondent did not accept that the underlying transaction was genuine. The Respondent informed the FIO that he was placed under pressure by associates of Mr HA to release funds relating to that transaction.

4.54. In a call to the SRA on 4 February 2020 he stated that he had been instructed to make payments into two accounts unconnected with the seller and that he feared for his safety. The Respondent stated that:

4.54.1. if the SRA did not act, he would be under pressure from Mr HA which would be "*very hard for me to avoid. So I want SRA to intervene just right now*";

4.54.2. the £230,000 was "*still in clients account and I have big pressure from [HA] to transfer this money into two different accounts which are not account of the seller*".

4.55. In a further call to the SRA on 4 February 2020 the Respondent stated that:

4.55.1. he was now hiding from "*those people*" who were calling him;

4.55.2. he was not going home and may have to sleep in the car;

4.55.3. *“they are calling me constantly and now the... secretary of the fee-earner, she was saying if you come to me we can transfer even £15,000.00. And I don’t want to transfer even single penny. I’m hiding. I’m sitting in the street, honestly”;*

4.55.4. *“I am thinking now, I do have a COFA and COLP... the only one person, if this goes out of my hands I will ask him to resign. Then, you know, firm will be bust up straight away. That’s what I’m thinking now. Because otherwise I’m no, any alternative. I’m trying to call SRA since morning and you know I haven’t heard anything and I’m in the biggest ever trouble in my life”.*

4.56. In an email to SRA dated 6 February 2020, the Respondent stated:

4.56.1. *“help me and intervene into my law firm”;*

4.56.2. *“I’m under pressure by the Fee Earner, I had to go to the bank to transfer money on Tuesday the 4th of February, but... I requested to the bank’s employee, please don’t transfer money”;*

4.56.3. *“Yesterday 5th of February, The Fee Earner sent three of his guys with me to the bank to make sure to transfer the money. I called the bank before go to branch and then went to the bank... Police arrived at the bank and saved me from those people”;*

4.56.4. *“My life, my family’s life, my relative and their families life is in danger now”;*

4.56.5. *“There is no clientele at all so there’s no public interest involved in the firm but life threatening risk is there, that’s why I’m not opening the office from today”.*

4.57. On 17 February 2020, a decision was made by an SRA Adjudicator to intervene into the Firm.

Non- Agreed Mitigation

5. The Respondent has been offered the opportunity to advance mitigation but has not done so.

Penalties proposed

6. It is therefore agreed that the Respondent be suspended from the Register of Foreign Lawyers for a period of 18 months.
7. It is also agreed that, upon the term of suspension expiring, restrictions be imposed that the Respondent may not:
 - 7.1. be a Head of Legal Practice/Compliance Officer for Legal Practice or a Head of Finance and Administration/Compliance Officer for Finance and Administration.
 - 7.2. hold client money other than with leave of the Solicitors Regulation Authority;
or
 - 7.3. be a signatory on any client account other than with leave of the Solicitors Regulation Authority.
8. With respect to costs, it is further agreed that the Respondent should pay the SRA's costs of this matter agreed in the sum of £8,000.00. The SRA's total costs in relation to this matter are £35,425.00.
9. The Respondent accepts that the SRA's costs are appropriate and reasonable, however on consideration of the information provided by the Respondent to the SRA as to his financial means and his ability to pay, it is further agreed that it is appropriate and proportionate to limit the amount payable by the Respondent to £8,000.00.

Explanation as to why such an order would be in accordance with the Tribunal's sanctions guidance

10. At the material time, the Respondent was an RFL who was also an advocate in Pakistan. His misconduct took place over a period of approximately two months and involved inappropriate payments in the sum of £94,500. Further, the Respondent (as one of only two principals at the Firm), failed to carry out reconciliations and/or keep accounting records properly written up whilst also allowing (or failing to prevent) others from exerting control over the Firm and/or its client account. The Respondent did not take steps to properly establish the identity

of Mr HA. This allowed Mr HA to purportedly conduct work for the Firm, and give instructions to the Respondent on making payments out of the client account, whilst working from an address for which the Respondent did not have details. The Respondent was, for some time, not aware of the work that Mr HA was conducting nor was he allowed access (or only given limited access) to the email accounts that Mr HA was using in the Firm's name. Further, the Respondent allowed (or failed to prevent) associates of Mr HA to have keys to the Firm's property and to remove post that the Respondent had not read. Prior to the receipt of money into the Firm's client account on 31 January 2020, the Respondent did not challenge the above behaviour. The Respondent had direct responsibility for the circumstances giving rise to the misconduct, which was not spontaneous and from which he expected to benefit through the receipt of salary and a share of the profits. As a result, including the Respondent's level of experience, the level of control that he exercised over the Firm during the period over which the above took place and the time it took to question and/or challenge Mr HA's behaviour, the Respondent's culpability for his actions was accordingly high.

11. As a result of the Respondent's actions, Mr HA was allowed to operate (purportedly as a solicitor) in the name of the Firm. He conducted transactions which bore hallmarks of fraud, specifically those commonly referred to as "property hijacks". In doing so he made payments in the sum of £94,500 to seemingly unconnected third parties. This harm could reasonably have been foreseen by the Respondent as a result of the misconduct.
12. The sanctions outlined above are considered to be in accordance with the Tribunal's *Guidance Note on Sanctions* (10th edition) taking into account the guidance set out in *Fuglers and Others v Solicitors Regulation Authority* [2014] EWHC 179 (as per Popplewell J) and as set out in the Guidance at paragraph 8.
13. As to the principal factors which aggravate the seriousness of the misconduct:
 - 13.1. The misconduct was such that 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
14. As to the principal factors that mitigate the seriousness of the misconduct:
 - 14.1. The Respondent has made admissions, and has cooperated fully with the SRA;
 - 14.2. The Respondent did report concerns to the SRA and invite investigation;

14.3. There is no allegation of the Respondent acting with a lack of integrity or dishonesty.

15. The Parties consider that in light of the admissions set out above, the proposed outcome represents a proportionate resolution of the matter which is in the public interest. It is considered that the staged order of a period of suspension and indefinite restrictions properly and proportionately manage ongoing risk to the public and the reputation of the profession.

Signed:



Mr M Badar

Dated:

Signed:



of Capsticks Solicitors LLP
On behalf of the Solicitors Regulation Authority Limited

Dated: November 2022