

SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974

Case No. 12750-2025

BETWEEN:

SOLICITORS REGULATION AUTHORITY

Applicant

and

SARAH LOUISE KEARNEY

Respondent

Before:

Ms A Banks (Chair)

Mrs L Murphy

Ms L Hawkins

Date of Hearing: 25 September 2025

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 were that, between January and April 2023, she failed to disclose material details relating to the Firm's business and financial management to a Forensic Investigation Officer of the SRA during the course of their investigation into the Firm.
2. By doing so, the Respondent breached any or all of: Principles 2 and 5 of the SRA Principles, paragraphs 3.6 and 9.1 of the Code of Conduct for Firms and paragraphs 7.2, 7.3, and 7.4 of the Code of Conduct for Solicitors, RELs and RFLs.

Admissions

3. The Respondent admitted the allegation in full, including all associated breaches of the Principles, including lack of integrity, and the Code of Conduct.

Documents

4. The Tribunal had before it the following documents:-
 - The Form of Application dated 1 April 2025
 - Rule 12 Statement dated 28 March 2025
 - Statement of Agreed Facts and Proposed Outcome signed by the Respondent and the Applicant dated 24 September 2025

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

5. 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.

Factual Background

6. The Respondent is a solicitor having been admitted to the Roll on 1 May 2012.
7. At the time of the misconduct the Firm had two Managers, Mr Thomas Hardwick an unadmitted individual and the Respondent. The Respondent commenced employment at the Firm on 14 October 2019. She became the Manager and HOLP on 4 March 2022. Ms Victoria Powell an unadmitted individual held the position as HOFA.
8. The Firm was a licensed body operating from a single office at Floor 3, No 1 Tithebarn House, Tithebarn Street, Liverpool, L22NZ up until it went into administration on 5 June 2023 and effected an orderly closure on the same date.

Findings of Fact and Law

9. The Applicant was required to prove the allegation on the balance of probabilities. The Tribunal had due regard to 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.

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

Sanction

11. The Tribunal considered the Guidance Note on Sanction (11th Edition). The Tribunal's principal objective when considering sanction, was the need to maintain public confidence in the integrity of the profession.
12. The Respondent failed to disclose material information to the Solicitors Regulation Authority during the course of a regulatory investigation. Solicitors are under a professional duty to act with integrity and to be open and co-operative with their regulator. It is not acceptable for a solicitor to withhold information from the SRA. Such conduct undermines trust in the profession and is a serious breach of professional obligations.
13. The Tribunal concluded that the proposed sanction, suspension for the period of 3 months, was an appropriate and proportionate sanction given the circumstances and the Respondent's full admissions.

Costs

14. The parties agreed that the Respondent should pay costs in the sum of £12,842.66. The Tribunal determined that the agreed amount was reasonable and appropriate. Accordingly, the Tribunal ordered that the Respondent pay costs in the agreed sum.

Statement of Full Order

15. The Tribunal Ordered that the Respondent, SARAH LOUISE KEARNEY, solicitor, be **SUSPENDED** from practice as a solicitor for the period of 3 months to commence on the 25th day of September 2025 and it further Ordered that she do pay the costs of and incidental to this application and enquiry fixed in the sum of £12,842.66.

Dated this 17th day of October 2025

On behalf of the Tribunal

A. Banks

A Banks
Chair

BEFORE THE SOLICITORS DISCIPLINARY TRIBUNAL

Case No:

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

AND IN THE MATTER OF:

SOLICITORS REGULATION AUTHORITY LIMITED

Applicant

and

SARAH LOUISE KEARNEY

Respondent

STATEMENT OF AGREED FACTS AND PROPOSED OUTCOME

1. By its application dated 28 March 2025 and the statement made pursuant to Rule 12 (2) of the Solicitors (Disciplinary Proceedings) Rules 2019 which accompanied that application, the Solicitors Regulation Authority Limited ("the SRA") brought proceedings before the Solicitors Disciplinary Tribunal making one allegation of misconduct against Sarah Louise Kearney ("the Respondent").

The allegation

2. The allegation against the Respondent, made by the SRA within that statement was that:
3. Between January and April 2023, whilst in practice as a Solicitor at High Street Solicitors ("the Firm") she failed to disclose material details relating to the Firm's business and financial management to a Forensic Investigation Officer ("FIO") of the SRA during the course of their investigation into the Firm. By doing so, the Respondent breached any or all of Principles 2 and 5 of the SRA Principles, paragraphs 3.6 and 9.1 of the Code of Conduct for Firms and paragraphs 7.2, 7.3, and 7.4 of the Code of Conduct for Solicitors, RELs and RFLs.

4. The Respondent admits the allegation.

Agreed Facts

4. The following facts and matters which are relied upon by the SRA in support of the allegation set out at paragraph 3 (allegation 1.1 of the Rule 12 statement dated 28 March 2025), are agreed between the SRA and the Respondent.

Professional Details

5. The Respondent who was born on [redacted] is a solicitor having been admitted to the Roll on 1 May 2012. At the time of the misconduct the Firm had two Managers, Mr Thomas Hardwick an unadmitted individual, and the Respondent. The Respondent commenced employment at the Firm on 14 October 2019. She became the Manager and HOLP on 4 March 2022. Ms Victoria Powell an unadmitted individual held the position of HOFA.
6. The Firm was a licensed body operating from a single office at Floor 3, No 1 Tithebarn House, Tithebarn Street, Liverpool, L2 2NZ up until it went into administration on 5 June 2023 and effected an orderly closure on the same date. The Respondent holds a current Practising Certificate which is free from conditions.

Background

8. The conduct which is the subject of the present allegation came to the attention of the SRA when Phlorum Limited, a creditor of the Firm, made a report on 21 February 2022, stating that the Firm had not paid expert fees and that they had instructed a debt recovery agency to conduct background checks on the Firm. Those checks identified financial concerns including three unsatisfied Country Court Judgments ("CCJs") in the sum of £50,176, and 14 satisfied CCJs in the sum of £347,141.
9. The FIO attended the Firm on 19 January 2023 and had a meeting with Mr Hardwick and the Respondent. During the meeting the FIO was advised that Mr Hardwick and the Respondent did not have any concerns regarding the Firm's ability to meet its short-term liabilities, the CCJs had been satisfied, the financial issues were "*mainly historic*" and "*from our point of view we are now doing very well*". The FIO cannot recall whether the Respondent gave the express assurance that the Firm could meet its short-term liabilities.

However, if Mr Hardwick gave that express assurance the Respondent failed to correct him.

10. On 26 April 2023, a further meeting was held with the FIO where the Respondent was in attendance. The Respondent failed to inform the FIO during that meeting that the Firm was facing serious financial difficulties.
11. In fact, Winding Up Petitions had been served on the Firm on 7 October 2022 and 7 March 2023 respectively. Following a hearing in the Liverpool Insolvency and Companies Court on 2 May 2023 the Firm entered administration on 5 June 2023.

Allegation 1.1 - Between January and April 2023, the Respondent failed to disclose material details relating to the Firm's business and financial management to a FIO of the SRA during the course of their investigation into the Firm.

12. On 23 January 2023 the FIO was provided with a schedule of the Firm's liabilities as at 31 December 2022. The schedule showed total liabilities in the sum of £5,308,793.07. The Respondent was copied into the correspondence to the FIO attaching this schedule.
13. On 7 March 2023, C L Medicall Aid Limited Legal Representative served a winding up petition on the Firm and a hearing was listed on 2 May 2023. The letter was addressed to the Respondent and Mr Hardwick. It transpired that a statutory demand in the sum of £340,596.24 was served and received by the Firm on 26 January 2023. A covering letter was attached with the statutory demand addressed to the Respondent and Mr Hardwick, notifying them that if a response was not received, C L Medicall Aid Limited Legal Representative would proceed with a winding up petition. It would necessarily have been obvious to the Respondent at that stage that the Firm was in serious financial difficulties. However, the Respondent did not disclose this information to the FIO despite being aware of the statutory demand and upcoming hearing of the winding up petition.
14. It further transpired that a previous winding up petition had been filed by C L Medicall Aid Limited Legal Representatives on 7 October 2022. On 13 October 2022, a payment plan had been agreed between the parties and the petitioner's solicitor agreed to withdraw the winding up petition. The Respondent must have been aware of this as the petitioner's solicitor copied her into the email sent on 13 October 2022 proposing the terms of the payment plan agreement. Furthermore, when Mr Hardwick replied and agreed to the terms of the agreement he copied in the Respondent and explained she would pick this matter up in his absence. The Firm paid £100,161.20 but made no other payments and therefore

the second winding up petition was served. The Respondent failed to disclose any of this information to the FIO in the meeting on 19 January 2023. Furthermore, this debt was not included in the schedule of liabilities provided to the FIO on 23 January 2023.

15. The winding up petition was listed to be heard on 2 May 2023. It would necessarily have been obvious to the Respondent at that stage that the Firm was in serious financial difficulties. However, the Respondent did not disclose this information to the FIO at the material time.
16. On 5 April 2023 Ms Sam Palmer, of Pinsent Masons, informed the FIO that she had been instructed to provide regulatory advice and support to the Firm. On 14 April 2023, Ms Palmer provided the FIO with a '*financial assurance self-report*' on behalf of the Firm. This included a schedule of liabilities which as at 28 February 2023 showed liabilities totalling £9,185,326.02 and '*funding arrangement borrowing*' in the sum of £17,349,900.33. This was inconsistent with the information contained in the schedule of liabilities which the FIO had been provided with on 23 January 2023, which indicated that the Firm's liabilities were approximately £4,000,000 less, and did not disclose any '*funding arrangement borrowing*'. Ms Palmer advised the FIO that the Firm was considering an all options approach, having taken restructuring advice from Quantuma Advisory Limited. Ms Palmer also advised in her letter that the Respondent had confirmed that she had seen and approved the financial assurance self-report including all the attachments. This letter failed to address the statutory demand or the winding up petition even though the Respondent had approved Ms Palmer's correspondence to the SRA.
17. The FIO returned to the Firm on 26 April 2023 and discussed the self-report with the Respondent and Ms Powell, which confirmed that a decision had not yet been made as to the future of the Firm. The Respondent again chose not to disclose to the FIO that the Firm had received a statutory demand, the winding up petition or the upcoming hearing of the petition, despite being aware of this information. The Respondent was presented with an opportunity to disclose material details relating to the Firm's business and financial management. However, the Respondent chose not to do so and instead concealed the reality from her regulator.
18. On 27 April 2023, an Investigation Officer of the SRA notified the FIO of the winding up petition and the upcoming hearing on 2 May 2023. Through subsequent communications with Ms Palmer the FIO was advised that the Firm would enter into administration and effect an orderly closure.

19. On 28 April 2024, the FIO held an urgent meeting with Ms Palmer, the Respondent and Ms Powell. They were asked why the FIO had not been informed of the winding up petition. The Respondent stated that she thought Mr Hardwick had informed Ms Palmer about the winding up petition.
20. On 2 May 2023, an adjournment of the hearing was granted until 23 May 2023 and a further adjournment was granted for 14 days. On 5 June 2023, Ms Palmer informed the SRA that the Firm had entered into administration and Angelus Law Limited became the successor practice to the Firm.
21. On 27 September 2023 the FIO conducted an interview with the Respondent and Ms Powell. They discussed the FIO's attendance at the Firm on 26 April 2023. When asked why the FIO was not informed of the winding up petition being served on the Firm, the Respondent stated there was '*definitely nothing intentional*' in her not disclosing it and '*it was just probably a lot going on at the time*'.
22. The Respondent was asked if she had been open and transparent during the investigation to which she replied: "*I would say yes, yes, I, I think I have been to the best of my ability, I would never, you know, intentionally hide anything, all I've ever done is tried to, you know, improve on, on affirming what I was doing. Obviously having conversations with you now, looking back, it does probably, at the time I didn't think I would need to explain those things, but now I've spoken with you then I probably would have, should have yes.*"

Non-Agreed Mitigation

23. The following mitigation, which is not agreed by the SRA, is put forward by the Respondent:
 - 23.1 The Respondent was admitted as a solicitor on 1 May 2012, and other than the matters which are the subject of this AO, has a prior exemplary regulatory and disciplinary history.
 - 23.2 The Respondent values greatly her qualification and standing within the profession and, in respect of which, she remains tremendously proud.
 - 23.3 No advantage was sought, or gained, by the Respondent in acting as she did.
 - 23.4 Importantly, no allegation of dishonesty is raised, in any respect.

- 23.5 The Respondent has an unconditional Practising Certificate, with no interim conditions being thought appropriate, or required, by the SRA, throughout the course of the investigation.
- 23.6 The Respondent accepts, to her credit, informed with the benefit of hindsight and reflection, and based upon the matters set out within this document, responsibility for the breaches and that she acted as alleged.
- 23.7 The Respondent has co-operated with the SRA during the course of the SDT proceedings.
- 23.8 The Respondent offers her sincere, and genuine, apology for the identified and admitted breaches.
- 23.9 The factors mitigating the seriousness of the identified and admitted breaches include, but are not limited to:
- The absence of any allegation of dishonesty.
 - Genuine insight into her failings, to include open and frank admissions within this document.
 - Full co-operation with the SRA investigation and full co-operation following the issue of SDT proceedings.

Penalty proposed & Costs

24. The SRA contends and the Respondent accepts, that the proper penalty in this case is for the Respondent to be suspended from practice for a period of 3 months.
25. 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 £12,842.66.

Explanation why such an order would be in accordance with the Tribunal's Guidance Note on Sanction (11th edition)

26. In respect of the level of culpability, the Respondent:
- 26.1 was an experienced solicitor of more than 10 years post qualification experience at the time of the misconduct.

- 26.2 was the Manager and HOLP at the Firm and was therefore responsible for compliance at the Firm and had direct control of or responsibility for the circumstances giving rise to the misconduct.
- 26.3 was presented with several opportunities over a four-month period to disclose material details relating to the Firm's business and financial management to the SRA. However, she chose not to do so, repeatedly failing to provide full and accurate information in response to requests and instead concealed the reality from her regulator, preventing the SRA from carrying out its regulatory function in the public interest.
- 26.4 The Respondent's culpability for her actions was accordingly high.
27. In terms of harm the Respondent's conduct departed from the integrity, probity and trustworthiness expected of a solicitor, thus harming the reputation of the legal profession. In the words of Sir Thomas Bingham MR in *Bolton v Law Society* [1993] EWCA Civ 32 a solicitor must be capable of being "*trusted to the ends of the earth.*" The public would not expect a solicitor, who is an officer of the court, to conceal material facts from their regulator. The Respondent's actions have served to undermine the trust that the public places in the profession. The extent of the harm caused by the Respondent's misconduct could reasonably have been foreseen.
28. The Respondent's conduct is aggravated by the following:
- 28.1 She knew or ought reasonably to have known that her conduct was in material breach of her obligations to protect the public and reputation of the profession.
- 28.2 As a manager, she was under a duty to report to the SRA as soon as practicably that the Firm was in financial difficulties, aware of the risks this posed for the interests of the Firm's clients.
- 28.3 As the HOLP she also had an additional responsibility to report to the SRA any facts or matters that she reasonably believed were capable of amounting to a serious breach.
- 28.4 The misconduct was repeated, committed for a prolonged period, for over four months.
29. The proposed sanction also reflects the comments of Sir Thomas Bingham MR at paragraph 14 of his judgement in *Bolton v Law Society* [1994 WLR 512]: "*If a solicitor is not shown to have acted dishonestly, but is shown to have fallen below the required standards of integrity, probity and trustworthiness, his lapse...remains very serious indeed...only in a very unusual and venial case of this kind would the tribunal be likely to regard as appropriate any order less severe than one of suspension.*"

30. In all the circumstances, it is therefore proportionate and necessary for the protection of the public and the reputation of the legal profession that the Respondent should be suspended from practice for a period of 3 months.

.....
Ms Rebecca Neale
Head of Legal and Enforcement, on behalf of the SRA

.....
Ms Sarah Louise Kearney, Respondent

Dated: