SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 Case No. 12806-2025

BETWEEN:

SOLICITORS REGULATION AUTHORITY LTD Applicant

and

ROBERT MANNERING SEDGWICK Respondent

Before:

Ms T Cullen (in the chair)
Ms V Kaye
Mr A Lyon

Date of Hearing: 22 April 2026

Appearances

Andrew Tabachnik KC, counsel of 39 Essex Chambers, 81 Chancery Lane, London WC2A 1DD, instructed by Blake Morgan LLP, for the Applicant.

The Respondent did not attend and was not represented.

JUDGMENT

Allegations

1. The allegations made against Mr Sedgwick by the Solicitors Regulation Authority Limited ("SRA") were that while a consultant employed at Buss Murton Law LLP ("the Firm") and subsequently as an independent consultant:

1.1 In March 2016, while acting as a consultant employed by the Firm, he facilitated the preparation and execution of a back-dated document, being a facility agreement between Leisure and Tourism Developments PLC ("L&TD") and London Capital & Finance PLC ("LCF"), and in so doing he breached any or all of Principles 2 and 6 of the SRA Principles 2011 ("the Principles").

1.2 In August 2017, while acting as an independent consultant, he facilitated the preparation, execution and circulation of a back-dated document purporting to be an assignment of loan between London Oil & Gas Limited ("LOG") and Atlantic Petroleum Support Limited ("APS"), and in so doing he breached any or all of Principles 2 and 6 of the Principles.

1.3 In the period January - March 2019, while acting as an independent consultant, he facilitated the preparation, execution, and circulation of back-dated documents, being a call option agreement between LOG and TW Private LLP ("TWP") and a facility agreement between LOG and LPE Enterprises Limited ("LPE"), and in so doing he breached any or all of Principles 2 and 6 of the Principles.

1.4 In the period 30 December 2015 to 31 March 2018, he owned, controlled and was sole director of Global Security Trustees Limited ("GST"), whose role was to act as security trustee protecting the interests of bondholders, notwithstanding an obvious conflict in doing so (or significant risk thereof) given his previous and ongoing instructions (as consultant employed by the firm and thereafter as an independent consultant) for borrowers and/or persons with an interest in these borrowers (namely Mr Simon Hume-Kendall ("SHK") and/or Mr Elten Barker ("EB")). In so doing, the Respondent breached any or all of Outcome 3.4 of the Code of Conduct 2011 and Principles 2 and 6 of the Principles.

Executive Summary

2. The Tribunal found all the allegations proved. The Tribunal's Findings can be accessed here:

- Allegation 1.1
- Allegation 1.2
- Allegation 1.3
- Allegation 1.4

3. The Tribunal determined that given the serious nature of the misconduct, the only appropriate and proportionate sanction was to strike Mr Sedgwick off the Roll. The Tribunal's reasoning can be accessed here:

- Sanction

Documents

4. The Tribunal reviewed all the documents submitted by the parties, which included (but was not limited to):

- Rule 12 Statement [here]
- Exhibit JW1 dated 23 July 2025
- The Respondent's Answer dated 30 September 2025
- Applicant's Schedule of Costs dated 15 April 2026

Preliminary Matters

5. Application to proceed in the Respondent's absence

5.1 Mr Tabachnik KC applied to proceed in the absence of Mr Sedgwick. In an email dated 21 April 2026, Mr Sedgwick stated that that he would not be attending the hearing, and that he left it to the Tribunal to reach a fair and just decision. Mr Sedgwick asked the Tribunal to take the following matters into account:

(i) The SRA had confirmed in its response to his application for an adjournment that Mr Sedgwick was not facing an allegation of dishonesty.

(ii) As a result of the judgment against him, Mr Sedgwick had been made bankrupt and remained so. In the bankruptcy proceedings, the Official Receiver had decided that Mr Sedgwick was unable to make any contribution to the bankruptcy out of income.

(iii) He had not practised as a solicitor since the end of 2017 and had no intention of doing so in the future; and

(iv) He was now aged 77 with little opportunity to restore his financial position.

5.2 Mr Tabachnik KC referred the Tribunal to *GMC v Adeogba [2016] EWCA Civ 162*, as to the factors the Tribunal should consider. It was noted that in his correspondence of 21 April 2026, Mr Sedgwick had not sought to renew his application to adjourn the proceedings, nor had he made any new application. Mr Tabachnik KC submitted that the Tribunal should, in its determination of whether to proceed in Mr Sedgwick's absence, treat it as a reconsideration of the merits of his application to stay the proceedings.

5.3 In his application, Mr Sedgwick explained that he had been informed by the Serious Fraud Office ("SFO") that he was regarded as a suspect in relation to an investigation into alleged fraud and that he was required to attend an interview under caution. The matters being investigated by the SFO arose out of the same factual circumstances relied upon by the SRA in the instant proceedings. Mr Sedgwick submitted that if he gave evidence before the Tribunal, he might prejudice his position in any criminal trial. If he did not give evidence at the Tribunal, he risked the Tribunal making adverse findings. In the circumstances, Mr Sedgwick applied for the Tribunal proceedings to be adjourned until the criminal proceedings were concluded.

5.4 The Applicant had opposed the application to adjourn. The Tribunal was referred to the comments of Herrington J in *Bittar & Others v FCA [2016] UKUT 0265 (TCC)*:

> *"16. I was taken to a number of authorities by both Mr Hunter and Mr Waddington as to the principles to be applied in deciding whether or not to stay regulatory proceedings until parallel criminal proceedings have been concluded. There was no difference in substance between the parties on the relevant principles to be applied and there is no need for me to analyse them here. I observe that in all the cases that were cited was not a single case where the issue of potential serious risk of injustice if the civil proceedings were not stayed was not capable of being addressed through the exercise of case management powers in the civil proceedings or, in the case of the criminal proceedings, by the Judge during the course of the trial. There is a strong presumption against a stay, and it is a power which has to be exercised with great care and only where there is a real risk of serious prejudice which may lead to injustice".*

5.5 Mr Tabachnik KC submitted that the matters being investigated by the SFO did not form part of the matters to be determined by the Tribunal. Further, the matters for the Tribunal to determine arose from the judgment of Miles J, which had been in the public domain since November 2024. Nor could it be said that any criminal proceedings were imminent, the SFO being at an early stage in its investigation. For those reasons, there was no real risk of serious prejudice which might lead to injustice. Additionally, and in any event, even if there was a criminal prosecution, the criminal trial Judge would have the discretion to exclude any evidence considered prejudicial to Mr Sedgwick

5.6 In the circumstances, it was submitted, Mr Sedgwick had no reasonable explanation for his voluntary non-attendance, such that the Tribunal should proceed in his absence.

<u>The Tribunal' Decision</u>

5.7 The Tribunal accepted Mr Tabachnik KC's invitation to consider the matters raised by Mr Sedgwick in his application to adjourn the proceedings in its determination of whether the matter should proceed in his absence.

5.8 It was plain that Mr Sedgwick was aware of the proceedings and the hearing date, given his Answer and correspondence. Accordingly, the Tribunal found that Mr Sedgwick had been properly served in accordance with its Rules and that Rule 36 of the Solicitors (Disciplinary Proceedings) Rules 2019 was engaged.

Rule 36 states:

> *"If a party fails to attend and is not represented at the hearing and the Tribunal is satisfied that notice of the hearing was served on the party in accordance with these Rules, the Tribunal may hear and determine any application and make findings, hand down sanctions, order the payment of costs and make orders as it considers appropriate notwithstanding that the party failed to attend and is not represented at the hearing."*

5.9 Mr Sedgwick's reason for his non-attendance was his belief that findings in these proceedings could materially impact any criminal case and therefore cause him prejudice. The Tribunal noted that there were no actual criminal proceedings in process. The SFO was still in its investigative stage, with no indication of if, or when, any charging decision would be made.

5.10 Whilst the SFO was looking at the same factual matrix as the Applicant, the matters being investigated did not overlap. There was no allegation of dishonesty, fraud, or money laundering before the Tribunal (those being the matters under consideration by the SFO). The Tribunal noted that the allegations brought by the Applicant were as a result (in the main) of the findings of Miles J in *LCF & others v Michael Thomson & others [2024] EWHC 2894 (Ch)* ("the Miles Judgment"), in which Mr Sedgwick was a defendant. That Judgment had been in the public domain since November 2024.

5.11 In the circumstances, the Tribunal was not satisfied that there would be any prejudice, let alone a real risk of serious prejudice which may lead to injustice if the matter was to proceed. Further, and in any event, there were mechanisms that could be deployed in any criminal proceedings to safeguard Mr Sedgwick in the event it was considered that the Tribunal's findings did cause a real risk of serious prejudice which might lead to injustice.

5.12 The Tribunal was satisfied that Mr Sedgwick was aware of these factors, having been pointed out to him by the Applicant in its opposition to his adjournment application and by the Tribunal in its refusal of that application. The Tribunal also noted that in his Answer, Mr Sedgwick stated that he did not propose to take an active part in the proceedings. The Tribunal was thus satisfied that Mr Sedgwick had chosen voluntarily to absent himself from the hearing. It was in the public interest and in the interests of justice that this case should be heard and determined as promptly as possible. In the light of these circumstances, it was just to proceed with the case, notwithstanding Mr Sedgwick's absence.

Professional History

6. Mr Sedgwick was a solicitor, having been admitted to the Roll in June 1973. From the date of his qualification in 1973 to January 2017, Mr Sedgwick worked as a solicitor at the Firm (which was originally called Buss Stone & Co). He was an assistant solicitor to June 1974, then a partner to June 2009, and thereafter, to January 2017, a consultant employed by the Firm. Mr Sedgwick had not held a practising certificate since the end of September 2017.

Witnesses

7. None

Findings of Fact and Law

8. 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 Mr Sedgwick'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.

Integrity

9. The test for integrity was that set out in Wingate and Evans v SRA and SRA v Malins [2018] EWCA Civ 366, as per Jackson LJ:

> *"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 ... [Professionals] are required to live up to their own professional standards ... Integrity connotes adherence to the ethical standards of one's own profession".*

10. **Allegation 1.1 - In March 2016, while acting as a consultant employed by the Firm, he facilitated the preparation and execution of a back-dated document, being a facility agreement between L&TD and LCF, and in so doing he breached any or all of Principles 2 and 6 of the Principles.**

The Applicant's Case

10.1 Between 2013 and December 2018, LCF raised over £237,000,000 from retail investors by selling "mini bonds". There were about 11,600 bondholders. LCF presented itself to investors as a commercial lender to the small and medium-sized ("SME") sector in the UK, but in fact advanced the money it raised to a small number of connected companies associated with four individuals, two of whom were SHK and EB. Much of the monies lent proved irrecoverable. As at 22 May 2024, the net deficit in LCF's administration estate stood at over £379,000,000.

10.2 LCF went into administration in January 2019. Its administrators brought proceedings against a number of individuals, including Mr Sedgwick. In the Miles Judgment, Miles J upheld allegations that (inter alia) LCF's business amounted to fraudulent trading and was in effect a Ponzi scheme. Mr Sedgwick was the Eighth Defendant in those proceedings. He represented himself at trial but declined to give evidence.

10.3 In March 2016, Mr Sedgwick was acting for L&TD and/or SHK and/or EB. He facilitated the preparation and execution of a back-dated facility agreement between L&TD and LCF.

10.4 On 4 March 2016, Mr Lee (who acted for LCF) emailed Mr Sedgwick attaching a draft facility agreement between L&TD and LCF. Mr Lee noted: *"I gather some drawdown has already taken place and they should be treated as being so drawn down pursuant to the terms of the documents attached"*. Mr Lee suggested Clause 2.4 addressed the fact that monies had already been drawn down.

Clause 2.4 of the draft stated:

> *"It is agreed and acknowledged that the sum of £ [ ] has already been drawn down by the Borrower. For such purpose it is agreed that the Loan comprising such drawdown shall be deemed £ [ ] (so as to [sic] include the Cost of*

Borrowing thereof). Such prior sums so Drawn down shall be subject to the conditions of this Facility and to the Finance Documents".

10.5 The draft indicated on the front and first main pages that the facility would be dated on a date in 2016. The draft also provided that it was *"AGREED by the Parties on the date set out at the head of this Agreement"*.

10.6 On 24 March 2016, Mr Sedgwick emailed Mr Lee, indicating that the directors of L&TD had undertaken to execute the facility agreement *"in substantially its current form subject to you and I filling in the blanks in the draft"*.

10.7 The facility agreement that was executed had removed *"2016"* from the front and first main page. It had also deleted Clause 2.4 but retained the text: *"AGREED by the Parties on the date set out at the head of this Agreement"*. The executed agreement had 27 August 2015 handwritten on the front and first operative pages.

10.8 Mr Tabachnik KC submitted that the Applicant's primary case was that Mr Sedgwick knew that the document would or might well be backdated. There was no other explanation for (i) the changes made from the original draft (including Clause 2.4), and (ii) the lack of inclusion within the final version of any language or text acknowledging that monies had been advanced from LCF to L&TD prior to execution. The purpose and effect of the foregoing, was, as Mr Sedgwick appreciated at the time, was that a backdated facility agreement would give a misleading impression to third parties (including auditors and regulators) as to whether it had been executed prior to advances from LCF to L&TD. Mr Tabachnik KC commended the finding of Miles J:

> *"... I am satisfied that the document was backdated to give the false impression to auditors that the facilities were already in place before any of the drawdowns had been made.*
>
> *Mr Sedgwick knew of this backdating. He also knew from the drafting process that L&TD had drawn sums from LCF without any facility agreement in place".*

10.9 The Applicant's secondary case was that if Mr Sedgwick did not know, he ought to have appreciated that the amendments allowed for the document to be backdated.

10.10 Mr Tabachnik KC submitted that the conduct complained of was plainly unethical and in breach of Mr Sedgwick's obligation to act with integrity. A solicitor acting with integrity would not knowingly facilitate the execution of documents which were misleading.

10.11 Facilitating the execution of a misleading document where the solicitor knew (alternatively should have known) that the document was misleading fundamentally undermined public trust in the profession. The solicitor inevitably loses control over the document, and how it is used or presented to third parties (i.e., auditors, regulators etc) thereafter. The Respondent therefore breached Principle 6 of the SRA Principles 2011.

The Respondent's Case

10.12 Mr Sedgwick denied allegation 1.1. In his Answer he stated that his only involvement in the preparation and execution of the Facility Agreement was asking the directors of the Borrowing Company to sign the Facility Agreement and that then either he or one of the directors returned it undated to the director of LCF.

10.13 Mr Sedgwick submitted that he had very little involvement with regard to the preparation of the document and that the handwritten date on the document was not in his handwriting. Mr Sedgwick stated that he had no idea that the document would be backdated and did not do anything to facilitate that.

The Tribunal's Findings – Allegation 1.1

10.14 The Tribunal did not accept Mr Sedgwick's explanation. Whilst he may not have authored the Facility Agreement, he was aware of the changes made. In particular, Mr Lee had referred to Clause 2.4 in the original draft, which addressed that the monies drawn down prior to the execution of the Facility Agreement were subject to the terms of the Facility Agreement. Mr Sedgwick knew, the Tribunal found, that the deletion of Clause 2.4 would mean that third parties would not know that any monies had been drawn down prior to the execution of the Facility Agreement, and thus would not know the true position as regards the dispersal of those monies.

10.15 The Tribunal found that the only plausible explanation for the deletion of Clause 2.4 and *"2016"* from the front and first main page was to backdate the Facility Agreement. A solicitor with Mr Sedgwick's experience would have known or (at the very least) assumed that this was the purpose.

10.16 The Tribunal agreed with the findings of Miles J in this regard, namely that Mr Sedgwick knew that the Facility Agreement was backdated and that monies had been drawn prior to the execution of the Facility Agreement.

10.17 That such conduct was in breach of Principles 2 and 6 was plain. A solicitor acting with integrity would not facilitate the backdating of agreements, especially when aware that the Facility Agreement would create a misleading impression. Public trust and confidence in Mr Sedwick and the profession would be diminished by such conduct.

10.18 Accordingly, the Tribunal found allegation 1.1 proved.

11. **Allegation 1.2 - In August 2017, while acting as an independent consultant, he facilitated the preparation, execution and circulation of a back-dated document purporting to be an assignment of loan between LOG and APS, and in so doing he breached any or all of Principles 2 and 6 of the Principles.**

The Applicant's Case

11.1 In summary, the Applicant's case was that whilst acting for the borrowers, Mr Sedgwick executed an assignment of loan document dated 28 April 2017. The executed document (i) recorded on its front page the date *"28th April 2017";* (ii) on page 1 recorded *"This Deed is dated 28th April 2017"*; and on page 8 the notice of assignment recorded that

the assignment was *"On and with effect from 28th April 2017"*. Mr Sedgwick witnessed the signatures of EB for LOG and SHK for APS.

11.2 The document was in fact executed in August 2017, when it was sent by Mr Sedgwick to the signatories. Mr Sedgwick then sent the executed document to Mr Lee, who had been chasing him for a copy of the executed assignment.

11.3 Mr Tabachnik KC submitted that Mr Sedgwick knew that the document had been backdated, with the actual execution of the document taking place in August 2017 and not on 28 April 2017. Facilitating the execution and circulation of documents which included misleading information on their face was, it was submitted, a demonstrable failure to live up to the higher standards expected of the solicitors' profession in breach of Principle 2. That such conduct undermined public trust in the profession in breach of Principle 6 was plain.

The Respondent's Case

11.4 Mr Sedgwick admitted that he backdated the assignment of a loan. In his Answer, Mr Sedgwick explained that the document ought to have been signed and dated in April 2017 when all the other documents in the transaction were signed but for some reason it was omitted. Mr Sedgwick arranged for it to be signed at a later date but dated it on the date when it should have been signed.

11.5 Mr Sedgwick stated that he appreciated that he should have dated it with the date on which it was actually signed but nothing turned on the actual date as long as it was in place if and when the lender sought to enforce its security.

The Tribunal's Findings – Allegation 1.2

11.6 The Tribunal noted that Mr Sedgwick admitted that he backdated the assignment of loan document. Miles J had found that the document was backdated in order to deceive Mr Lee. The Tribunal agreed with that finding.

11.7 The explanations provided by Mr Sedgwick did not negate his obligation to conduct himself properly. The Tribunal found that it was plainly unethical to backdate the assignment of loan document, such conduct falling well below acceptable standards for a solicitor. Members of the public would not expect a solicitor to deliberately backdate documents. Accordingly, the Tribunal found that Mr Sedgwick had breached Principles 2 and 6 and thus found allegation 1.2 proved.

12. **Allegation 1.3 - In the period January - March 2019, while acting as an independent consultant, he facilitated the preparation, execution, and circulation of back-dated documents, being a call option agreement between LOG and TWP and a facility agreement between LOG and LPE, and in so doing he breached any or all of Principles 2 and 6 of the Principles.**

The Applicant's Case

12.1 In summary, the Applicant's case was that whilst acting for the borrowers, in about January 2019, Mr Sedgwick facilitated the preparation and execution of back-dated

documents, being a call option agreement between LOG and TWP, and a facility agreement between LOG and LPE. The call option agreement was dated 21 June 2018 on its front page and first operative page, and it provided that *"This agreement has been entered into on the date stated at the beginning of it"*.

12.2 The facility agreement was similarly dated 21 June 2018 on its front page and first operative page and similarly provided that *"This agreement has been entered into on the date stated at the beginning of it"*. Further, the facility agreement included a definition of *"Availability Period"*, defined as *"the period from and including the date of this agreement to and including 31 August 2018",* with clause 5 providing that loan drawdown was only available during the *"Availability Period"*.

12.3 Both documents were actually executed in around January 2019, following Mr Sedgwick circulating drafts of the same by email dated 8 January 2019.

12.4 In his Defence to the proceedings brought against him by LCF's administrators, Mr Sedgwick admitted that both documents were backdated *"to reflect the date when the loans were made"*.

12.5 In a witness statement dated 31 January 2020, Mr Sedgwick stated:

> *"…On reflection, it would have been better to date the facility agreements when they were signed and to have included a provision that the effective date was the date of each of the transactions, but this did not occur to me at the time"*.

12.6 In his response to the Notice, Mr Sedgwick stated that the documents *"were ratified by the members of the board of LOG in February 2019"*. Mr Tabachnik KC submitted that whilst that was strictly correct, the ratifications were set aside as void by ICC Judge Mullen on 25 August 2020, in part because the board of LOG was found to have been misled as to the date of the facility agreement due to the backdating.

12.7 Mr Tabachnik KC repeated the submissions made in relation to allegation 1.2 with regard to breaches of the Principles.

<u>The Tribunal's Findings – Allegation 1.3</u>

12.8 The Tribunal noted that Mr Sedgwick admitted that he backdated the documents. Miles J found that the documents had been backdated in order to mislead the LOG board into believing that the documents were in place at the time. Miles J also found that *"Mr Sedgwick's backdating of documents was endemic"*.

12.9 For the reasons detailed in relation to allegation 1.2 above, the Tribunal found that Mr Sedgwick's conduct lacked integrity in breach of Principle 2 and failed to maintain the trust the public placed in him and in the provision of legal services in breach of Principle 6. Accordingly, the Tribunal found allegation 1.3 proved.

13. **Allegation 1.4 - In the period 30 December 2015 to 31 March 2018, he owned, controlled and was sole director of GST, whose role was to act as security trustee protecting the interests of bondholders, notwithstanding an obvious conflict in doing so (or significant risk thereof) given his previous and ongoing instructions**

(as consultant employed by the firm and thereafter as an independent consultant) for borrowers and/or persons with an interest in these borrowers (namely SHK and/or EB). In so doing, the Respondent breached any or all of Outcome 3.4 of the Code of Conduct 2011 and Principles 2 and 6 of the Principles.

The Applicant's Case

13.1 GST was incorporated on 28 October 2015. Mr Sedgwick was its sole director and shareholder between 28 October 2015 and 31 March 2018. Mr Sedgwick controlled GST between its incorporation and 31 March 2018.

13.2 GST was created to operate as the security trustee of LCF, for the benefit of bondholders who had lent money to LCF. The information memorandum explained the role of GST:

> *"The Bonds will be secured by debenture over the assets of [LCF]. The security granted by [LCF] in respect of the Bonds will be granted to the Trustee and the trustee will hold the benefit of the security on trust, and enforce it, for Bond Holders. …[L]oans made by [LCF] will have a maximum value of 75% of the value of the assets over which security is granted in respect of the relevant loan (a 75% loan to value, or LTV). As an example, if [LCF] makes a loan of £750,000, the Borrowing Company will have to grant security over £1,000,000 of assets in respect of the loan"*.

13.3 GST was granted a Debenture over the assets of LCF by deed dated 30 December 2015, incorporating first legal mortgages, fixed and floating charges. Clause 6.13 of the Debenture provided that LCF would give GST *"such information concerning the location, condition, use and operation of the Secured Assets as [GST] may require"*. Such a provision, it was submitted, reflected, and confirmed the overriding obligation of a trustee, namely, to preserve and safeguard trust assets properly, and to take *"all those precautions which an ordinary prudent man of business would take in managing similar affairs of his own"* – Lewin on Trusts [20th Ed] at §§34-001 – 34-002. Discharge of these fundamental trustee responsibilities required relevant, up to date information. The Debenture was filed at Companies House on 13 January 2016. In addition, on 29 and 30 December 2015, LCF and GST entered into Security Trust Deeds (relating to different bond issues) whereby GST agreed to hold the Trust Property (which included all security interests embraced by the Debenture) *"on trust for the Beneficiaries"* (i.e., the bondholders).

13.4 Whilst he was the sole director and shareholder of GST, Mr Sedgwick acted for many companies (in which SHK and/or EB had interests) which borrowed money from LCF (including LOG, L&TD, APS, LPE and other entities owned or controlled by London Group LLP), and indeed was company secretary for some of them. In his response to the Notice Mr Sedgwick stated: *"I accept that once those companies [i.e. the ones "for whom I provided consultancy services"] commenced borrowing from LCF I should have considered my position"*.

13.5 Mr Tabachnik KC submitted that Mr Sedgwick should have *"considered [his] position"* from 30 December 2015 (when the Debenture was executed), because there was at all material times thereafter (at the very least) a significant risk that his interests

and responsibilities as security trustee would conflict with his duties to his relevant clients who borrowed or sought to borrow money from LCF.

Miles J concluded in his judgment:

> *"... Mr Sedgwick was working for the London Group companies, i.e. the borrowers, and that a key function of any security trustee would be to enforce security against the borrowers. There was an obvious conflict, and GST could not independently represent the investors against the borrowers".*
>
> *"GST, which was presented as an independent security trustee for bondholders, was set up by Mr Sedgwick. Mr Sedgwick was closely connected with LCF and the borrowers. He worked for the London Group under the instructions of [SHK] and was the company secretary of several of the borrowers. He therefore had a duty and interest to promote the borrowers' interests. This created an obvious potential conflict as any security trustee would have to enforce the security against those borrowers. ... In any event, GST did nothing to monitor LCF's security".*
>
> *"... I find that Mr Sedgwick knew that LCF's representations about there being an independent security trustee were false. As explained above, Mr Sedgwick owned and controlled GST. Mr Sedgwick had set it up. Mr Sedgwick knew that GST was not independent of LCF's borrowers: (i) Mr Sedgwick knew that he was the solicitor instructed to act on behalf of many of LCF's connected borrowers, i.e. companies in the London Group; and (ii) Mr Sedgwick was also the company secretary of many connected borrowers. Mr Sedgwick was clearly not independent of the borrowers".*

In *Bristol and West Building Society v Mothew [1998] Ch 1*, Millett LJ stated:

> *"A fiduciary is someone who has undertaken to act for or on behalf of another in a particular matter in circumstances which give rise to a relationship of trust and confidence. The distinguishing obligation of a fiduciary is the obligation of loyalty. The principal is entitled to the single-minded loyalty of his fiduciary. This core liability has several facets. A fiduciary must act in good faith; he must not make a profit out of his trust; he must not place himself in a position where his duty and his interest may conflict; he may not act for his own benefit or the benefit of a third person without the informed consent of his principal".*

13.6 Mr Tabachnik KC submitted that Mr Sedgwick demonstrably and at all material times (and whether acting for borrowers on new instructions between 30 December 2015 and 31 March 2018, or not) lacked the independence from the borrower companies which was an obvious requirement for acting as security trustee representing the interests of bondholders.

In particular:

- The interests of bondholders and the borrowers were by definition in opposition. There was at all times a significant risk of disputes and disagreements as to what (if any) steps should be taken by GST as regards secured assets, should an

insolvency scenario present in relation to a particular borrower (or LCF) or in the event of a disagreement regarding the sufficiency of security or attempted renegotiation of facility amounts and/or repayment dates.

- Further, while it would be in the interests of GST and bondholders to maximise the security put forward by borrowers, it would be in the interests of borrowers to minimise the same. Notwithstanding, Mr Sedgwick continued to act for borrowing entities and/or SHK and/or EB in the material period while he controlled GST.

- In any event, Mr Sedgwick had acted for various borrowing entities since December 2012 and was closely associated with SHK and EB in consequence of that work. This alone should have been regarded by him as a disqualifying ground as at 30 December 2015, all the more so with each subsequent instruction from the borrowers and/or SHK and/or EB. Mr Sedgwick should have recognised that, in those circumstances, he would be and would be seen to be acting at the behest of those parties in the event of a relevant dispute.

- Further, Mr Sedgwick's duties to protect the confidential information (including material covered by LPP) of the borrowing entities and/or SHK and/or EB conflicted at all material times (at the very least, there was a significant risk it would do so) with his interest in disclosing the same to GST and the bondholders.

13.7 Mr Tabachnik KC submitted that being in an *"obvious"* conflict for a number of years was a demonstrable failure to live up to the higher standards expected of the solicitors' profession. Matters were aggravated further by the fact that he must have appreciated (and did appreciate) that he had an *"obvious"* conflict to deal with, but which he failed to deal with.

13.8 It was also aggravated by Mr Sedgwick's failure to take any steps to monitor the sufficiency of the bondholders' security interests pursuant to his overriding obligation to preserve and safeguard trust assets and/or clause 6.13 of the Debenture. Mr Tabachnik KC submitted that bondholders' significant losses were due in part to such lack of action and inattention by Mr Sedgwick in the relevant period, during which bondholders advanced in the region of £125,000,000 to LCF.

13.9 Such conduct breached Principle 2 of the Principles.

13.10 Mr Sedgwick was in an "obvious" conflict for a number of years. He was obviously not in a position to provide *"single-minded loyalty"* to GST / the bondholders. Any solicitor should have recognised the *"obvious"* conflict and acted accordingly. Failure to recognise the *"obvious"* conflict and act accordingly fundamentally undermined public trust in the profession in breach of Principle 6.

13.11 Outcome 3.4 provided that *"you do not act if there is an own interest conflict or a significant risk of an own interest conflict"*. An own interest conflict was defined as *"any situation where your duty to act in the best interests of any client in relation to a matter conflicts, or there is a significant risk that it may conflict, with your own interest in relation to that or a related matter"*. Mr Sedgwick had an own interest conflict (or there was a significant risk of the same) throughout the period 30 December 2015 to 31 March 2018. His duty to his borrower clients conflicted with his interests in GST,

and he was prohibited from acting for them in the relevant period. Mr Sedgwick therefore failed to achieve Outcome 3.4.

The Respondent's Case

13.12 In his Answer, Mr Sedgwick stated that at the time when GST entered into the agreement to act as security Trustee for LCF, he was not aware that any of his other clients were intending to borrow money from that company. Mr Sedgwick did not become aware until later in 2016 that they were to borrow from LCF.

13.13 Mr Sedgwick submitted that he appreciated that *"[he] should have considered [his] position then, but it did not immediately occur to [him]"*. Mr Sedgwick stated that he could not remember when it did occur to him, but he then requested that LCF replace his company as the Security Trustee. Mr Sedgwick submitted that he had had to ask several times for this to be done and eventually he was able to transfer the company to a Maltese company at the request of LCF. Mr Sedgwick submitted that if, in the meantime, there had been a default requiring the intervention of the Security Trustee, he would have immediately handed over the control of the company to an independent party.

The Tribunal's Findings – Allegation 1.4

13.14 The question for the Tribunal was whether Mr Sedgwick's role as the sole director and sole shareholder of GST, while acting as a solicitor for the borrowers, gave rise to a significant risk of an own interest conflict, contrary to Outcome 3.4. The Tribunal was satisfied that a solicitor's interest in complying with fiduciary and statutory duties undertaken personally, engaged Outcome 3.4 where it placed the solicitor in conflict (or a significant risk thereof) with his client's interests.

13.15 The Tribunal found that as the security trustee, Mr Sedgwick was under fiduciary duties owed to the bondholders. Those duties were personal to him as a director and trustee. They required him to act independently of the borrowers, to scrutinise the sufficiency and maintenance of the security, and, where necessary, to take steps adverse to the borrowers' interests.

13.16 At the same time, Mr Sedgwick was acting as a solicitor for the borrowers on lending transactions funded by bondholder monies for at least part of the period. His professional retainer required him to advance the borrowers' interests, to preserve their confidential information, and to follow their instructions, which did not include investigative or supervisory scrutiny of the underlying security for the benefit of bondholders.

13.17 The Tribunal was satisfied that these two sets of obligations were structurally and diametrically opposed. The position was not merely one of potential disagreement between two interests. Rather, Mr Sedgwick's GST role vested him personally with trustee obligations that, if properly discharged, would foreseeably require him to act in ways inconsistent with the borrowers' interests and instructions.

13.18 The Tribunal was satisfied that in acting for the borrowers whilst simultaneously holding the role of security trustee, there was an irreconcilable own interest conflict. It

was no answer to state that had there been a default requiring the intervention of the Security Trustee, he would have immediately handed over the control of the company to an independent party.

13.19 Rather, that demonstrated the significant risk of the conflict that existed materialising. Indeed, the Tribunal found that the risk was so obvious that it was staggering that Mr Sedgwick (who was an extremely experienced solicitor) did not see the significant risk of an own interest conflict from the outset.

13.20 The Tribunal agreed with the findings of Miles J that: (i) "*There was an obvious conflict, and GST could not independently represent the investors against the borrowers";* and (ii) *"[Mr Sedgwick] had a duty and interest to promote the borrowers' interests. This created an obvious potential conflict as any security trustee would have to enforce the security against those borrowers. … In any event, GST did nothing to monitor LCF's security".*

13.21 Accordingly, the Tribunal found that by acting as a solicitor for the borrowers whilst in post as director and Security Trustee of GST, Mr Sedgwick placed himself at significant risk of an own interest conflict in breach of Outcome 3.4.

13.22 The Tribunal found that being in an *"obvious"* conflict for a number of years clearly failed to live up to the higher standards expected of the solicitors' profession in breach of Principle 2. Having found that Mr Sedgwick's conduct lacked integrity, it followed that his conduct was also in breach of Principle 6. Members of the public were entitled to expect that solicitors would not place themselves in positions of obvious conflict.

13.23 Accordingly, the Tribunal found allegation 1.4 proved.

Previous Disciplinary Matters

14. Mr Sedgwick had one previous matter before the Tribunal (Case No. 11751-2017).

15. Mr Sedgwick admitted that while in practice as a solicitor and consultant at Buss Murton Law LLP ("the Firm"), and while instructed by all or any of the clients identified in Schedule 1 to the Rule 5 Statement, between approximately July 2011 and August 2015:

- He involved himself and the Firm in one or more investment schemes and/or transactions which were dubious and therefore breached: Rules 1.02 and/or 1.06 of the 2007 Code (on or before 5 October 2011); and Principles 2, 6 and 8 of the Principles and/or Outcome 11.1 of the Code (on or after 6 October 2011).

- He caused or allowed the Firm's client account to be used improperly, namely as a banking facility, in the absence of (i) an underlying legal transaction and/or (ii) a service forming part of his normal regulated activities and therefore breached: the principle in *Wood and Burdett (No. 8669/2002)* (referred to in Note (ix) to Rule 15 of the Solicitors Accounts Rules 1998) and/or Rule 1.06 of the Solicitors Code of Conduct 2007 (on or before 5 October 2011); and Rule 14.5 of the SRA Accounts Rules 2011, and Principles 6 and/or 8 of the Principles (on or after 6 October 2011).

16. In that matter, the investment schemes operated by the clients, who were represented by Mr Sedgwick, were found to be objectively dubious. Mr Sedgwick admitted that the investment schemes were objectively dubious.

17. Mr Sedgwick admitted that his conduct lacked integrity. He was suspended from the Roll for a period of 12 months and was thereafter subject to indefinite conditions on his practise.

Mitigation

18. None.

Sanction

19. The Tribunal had regard to the Guidance Note on Sanctions (11th Edition – February 2025). The Tribunal's overriding objective, when considering sanction, was the protection of the public and the need to maintain public confidence in the integrity of the profession. In determining sanction, it was the Tribunal's role to assess the seriousness of the proven misconduct and to impose a sanction that was fair and proportionate in all the circumstances.

20. The Tribunal found that Mr Sedgwick's actions resulted from his complete failure to have regard to his regulatory obligations and his obligations as the security trustee. He had acted in breach of the trust placed in him by the bondholders whom he had a fiduciary duty to protect. He was wholly and solely culpable for his conduct. He was an extremely experienced solicitor, whom, the Tribunal determined, had not learnt from his past misconduct. On that occasion, Mr Sedgwick admitted acting for clients on transactions that were objectively dubious. On this occasion, he had acted for clients in what was found to be a Ponzi scheme resulting in the loss of significant amounts of money.

21. Mr Sedgwick's conduct caused significant harm to the reputation of the profession. By acting as the security trustee, he lent the repute of the profession to GST. It was likely that bondholders would be comforted in the knowledge that the Security Trustee, who was appointed to represent their interests, was also a solicitor.

22. The Tribunal considered that the deliberate and repeated continuation of the misconduct was an aggravating feature. Even more serious, was the fact that Mr Sedgwick had acted when there was a significant risk of an own interest conflict, that risk being clear and obvious. Indeed, the Tribunal was astonished that a solicitor with Mr Sedgwick's experience did not immediately see that risk, or that his conduct was in material breach of his obligation to protect the public and the reputation of the profession.

23. The Tribunal considered that Mr Sedgwick had shown a continued pattern of unethical behaviour in complete disregard of his regulatory obligations. Mr Sedgwick was aware of the Applicant's investigation into his conduct in 2016, and the notice recommending his referral to the Tribunal for Case No. 11751-2017 in 2017. Notwithstanding that matter, and his knowledge of the dubious nature of the investments, Mr Sedgwick represented clients who were, as Miles J found, part of a Ponzi scheme. Further, he did so when there was an irreconcilable and obvious conflict. The Tribunal determined that

sanctions such as a Reprimand, Financial Penalty or Suspension did not adequately reflect the seriousness of the misconduct. The Tribunal determined that in all the circumstances, the seriousness of the misconduct was such that the protection of the public and reputation of the profession required that Mr Sedgwick be struck off the Roll.

Costs

24. Mr Tabachnik KC applied for costs in the sum of £68,514.40. It was noted that in his correspondence, Mr Sedgwick asserted that he was bankrupt as a result of the proceedings before Miles J. The Applicant did not dispute that this was correct, however, it was submitted that this did not need to drive the decision on costs. The Tribunal queried the Applicant's position on costs given the findings in *Barnes v SRA [2022] EWHC 677 (Admin)*, in which Cotter J found that where there was no reasonable prospect of financial improvement such that costs could be paid, the proper order was no order as to costs.

25. Mr Tabachnik KC submitted that in circumstances where Mr Sedgwick had not completed a statement of means in accordance with the Tribunal's directions, and notwithstanding his undisputed bankruptcy, the Tribunal was not in possession of sufficient material to make a *Barnes* decision.

26. The Tribunal did not agree. The Applicant accepted that Mr Sedgwick was bankrupt. Mr Sedgwick had explained that his only income was his state pension and whatever he could earn as a consultant. Furthermore, the Official Receiver had decided that Mr Sedgwick was unable to make any contribution to the bankruptcy out of income. The Tribunal determined that it could not ignore these matters on the basis that Mr Sedgwick had not completed his statement of means. Further, Mr Sedgwick's financial position was not disputed by the Applicant.

27. The Tribunal determined that whilst the costs claimed were reasonable and proportionate, the correct order was no order as to costs taking into account that there was no realistic prospect of Mr Sedgwick being able to pay those costs.

Statement of Full Order

28. The Tribunal ORDERED that the Respondent, ROBERT MANNERING SEDGWICK, solicitor, be STRUCK OFF the Roll of Solicitors and it further Ordered that there be No Order as to costs.

Dated this 6th day of May 2026
On behalf of the Tribunal

T Cullen

T. Cullen
Chair