

IN THE MATTER OF JEANETTE MARGARET BELL PERRIGO, and
MICHAEL REILLY, solicitors

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

Mr. L. N. Gilford (in the chair)
Mrs J. Martineau
Mr. S. Marquez

Date of Hearing: 10th July 2007

FINDINGS
(Relating to Michael Reilly only)

of the Solicitors Disciplinary Tribunal
Constituted under the Solicitors Act 1974

An application was duly made on behalf of The Law Society by Gerald Malcolm Lynch solicitor and consultant with Drysdales of Cumberland House, 24-28 Baxter Avenue, Southend on Sea, Essex, SS2 6HZ on 5th October 2006 that Jeanette Margaret Bell Perrigo of Bennington, 16 Albert Road, Cheltenham, Gloucestershire and Michael Reilly of 7 Frobisher House, Dolphin Square, London, SW1 might be required to answer the allegations contained in the statement which accompanied the application and that such Order might be made as the Tribunal should think fit.

The Applicant made five supplemental statements such statements having been made respectively on 24th November 2006, 25th January 2007, 1st February 2007, 13 February 2007 and 29th May 2007.

At a hearing before the Tribunal on 3rd July 2007 to consider an application on behalf of Miss Perrigo that the substantive hearing listed for 10th July 2007 be adjourned and for an application by Mr Reilly that the proceedings in respect of Miss Perrigo be severed from proceedings against himself.

On that occasion the Applicant accepted that Miss Perrigo was in no condition to give instructions.

Mr Lynch and Mr Schaffer, representing Miss Perrigo, had sought to reach an agreement. Subject to Mr Schaffer receiving final instructions it had been proposed that:-

- (1) Miss Perrigo give an irrevocable undertaking to remove her name from the Roll of Solicitors within a fixed period.
- (2) Miss Perrigo undertakes at no time to seek readmission to the Roll or to work in the law in any capacity.
- (3) Miss Perrigo pay such costs of the investigation by The Law Society as the Tribunal should think reasonable.
- (4) On Miss Perrigo's agreement to the above The Law Society would be prepared to come to the Tribunal to ask for a stay of the proceedings against her.

The hearing on 10th July 2007 took place at the Court Room, 3rd Floor, Gate House, 1 Farringdon Street, London, EC4M 7NS when Gerald Malcolm Lynch appeared as the Applicant, Danny M Schaffer solicitor of Isadore Goldman Solicitors appeared for Miss Perrigo and Mr Reilly appeared in person.

The Tribunal was told that Miss Perrigo had given an undertaking to The Law Society in the following form:-

- “(1) Within 14 days of 10th July 2007 or the date upon which the Tribunal formally stay the proceedings whichever is the earlier I will apply for my name to be removed from the Roll of Solicitors.
- (2) I will not at any time in the future apply to be restored to the Roll of Solicitors for any reason.
- (3) I will not seek to work as a Clerk to a Solicitor or any un-admitted member of staff. I will notify the Solicitors Regulation Authority of any intention to work elsewhere in the law to include but not restricted to a Wills Draftsman and a Costs Draftsman, keeping the Solicitors Regulation Authority informed of precisely when and where I will be so employed.
- (4) I will undertake to pay such costs to the Solicitors Regulation Authority as the Disciplinary Tribunal may direct.

Signed J. M. B. Perrigo
Dated 07.07.2007”

The Tribunal had before it an up-to-date Medical Report on the health of Miss Perrigo.

The Tribunal was invited by Miss Perrigo's representative with the support of Mr Reilly and the agreement of Mr Lynch in the circumstances not to proceed with the allegations against Miss Perrigo but that they should lie on the file.

In the circumstances the Tribunal agreed to adopt that course of action. It ruled that the allegations made against Miss Perrigo should lie on the file and would at the conclusion of the hearing of the allegations against Mr Reilly consider what Order should be made against Miss Perrigo in respect of The Law Society's costs.

The Tribunal noted that of the supplemental statements listed above those dated 25th January 2007 and 13th February 2007 did not relate to The Law Society's case against Mr Reilly. The supplementary statement dated 1st February 2007 related to Mr Reilly only in part.

The allegations set out below are those contained in the original statement and further examples of the conduct in respect of which complaint had been made was set out in the remaining three supplementary statements.

The allegations were that the Respondent, Mr Reilly had:-

1. Acted in breach of the Solicitors Accounts Rules 1998 in the following particulars:-
 - (a) In breach of Rule 32 failed to arrange for the preparation of reconciliations of client account as by the Rule required.
 - (b) Contrary to Rule 34 failed or alternatively delayed in production of accounting records to The Law Society's Investigating Officer.
2. Failed contrary to the provisions of Section 34 of the Solicitors Act 1974 and Rule 35 of the Solicitors Accounts Rules 1998 to deliver appropriate Accountant's Reports to The Law Society.
3. Breach of provision of Rule 1 of the Solicitors Practice Rules 1990 in that in failing to pay Counsel's fees he compromised or impaired his good repute and that of the solicitors profession.
4. Contrary to the provisions of Rule 13 of the Solicitors Practice Rules 1990 and Principle 30/7 in the Guide to Professional Conduct of Solicitors 1999 failed to exercise proper supervision over staff.
5. In breach of Principle 18/02 of the said Guide failed to fulfil and discharge undertakings given in accordance with practice as a solicitor and failed to comply with The Law Society's Formula B requirement in submitting a conveyancing contract.
6. In breach of Principle 30/04 of the said Guide failed to respond promptly or satisfactorily to The Law Society's enquiry.
7. By virtue of each and all of the aforementioned had been guilty of conduct unbecoming a solicitor.

The application was heard at the Court Room 3rd Floor, Gate House, 1 Farringdon Street, London, EC4M 7NS when Gerald Malcolm Lynch appeared as the Applicant and Mr Reilly appeared in person. Mr Schaffer, representing Miss Perrigo remained at the hearing.

The evidence before the Tribunal included the admissions of Mr Reilly.

At the conclusion of the hearing the Tribunal made the following Order:-

The Tribunal ORDERS that the respondent, MICHAEL REILLY of 7 Frobisher House, Dolphin Square, London, SW1V 3LL, solicitor, do pay a fine of £5,000.00, such penalty to be forfeit to Her Majesty the Queen, and it further Orders that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £8,700.00.

The facts are set out in paragraphs 1 to 29 hereunder:-

1. Mr Reilly was 57 years of age and had been admitted as a solicitor in 1975. He was the holder of a current Practising Certificate subject to a condition that he might practice only in employment approved by The Law Society.
2. At the material time Mr Reilly and Miss Perrigo were members of Bentons Solicitors LLP. Mr Reilly had been the Senior Partner in Breeze Benton & Co Solicitors, the predecessor practice to Bentons Solicitors LLP. He had been adjudicated bankrupt on 27th October 2004 and ceased to be a principal in the firm at that date. Bentons Solicitors LLP was put into administration in June 2005. Thereafter Miss Perrigo was sole principal of the firm of Portman Law LLP. The Law Society had intervened into Portman Law LLP in August 2006. On 15th August 2006 The Law Society resolved to intervene into the practice of Bentons Solicitors LLP and the intervention was effective on 24th August 2006.
3. Following notice duly given a Law Society Forensic Investigation Officer (the FIO) undertook an inspection of the books of account of Bentons LLP. The FIO produced a Report dated 11th July 2006 which was before the Tribunal.
4. The FIO's Report revealed that the books of account were not in compliance with the Solicitors Accounts Rules. There had been failure or delay in producing to the FIO relevant accounts for inspection. No evidence of client bank account reconciliations were produced so that the FIO was unable to be satisfied as to the firm's liabilities to clients. The firm had not delivered Accountant's Reports for the periods ending 30th April 2004 and 30th April 2005. A "cease to hold" Report to 18th August 2003 for Breeze Benton & Co had not been delivered.
5. Request had been made for an extension of time to file the Accountant's Reports which on 23rd May 2005 was granted by a Law Society Adjudicator. The extension was to 31st December 2004 in respect of the Breeze Benton Report for the period 20th September 2003 to 30th April 2004; to 28th February 2005 for the Breeze Benton Report for the period 1st May 2003 to April 2004; to 31st May 2005 for the Breeze Benton Report for the period May 2003 to April 2004. Both Respondents had been advised of the Adjudicator's decision by letter of 30th June 2005. On 12th July Miss Perrigo wrote saying that Mr Reilly bore particular responsibility.
6. The Adjudicator's decision was reconsidered by The Law Society Adjudication Panel on 20th October 2005. The Panel expected both Respondents to file the undelivered Accountant's Reports by 31st December 2005, failing which their conduct would be referred to the Tribunal. Both Respondents were advised of this decision by letter of 26th October 2005.

7. On 23rd December 2005 a firm of accountants wrote to The Law Society to say that they had been “indirectly” approached by Mr Reilly with a view to completion of the relevant Accountant’s Reports. They could do this only if they were paid. On 20th December Miss Perrigo wrote to say that preliminary work had been carried out but more time was needed. A further extension of time was sought and further correspondence ensued.
8. On 24th July 2006 the matter was further considered by the relevant Law Society Committee and which decided to refuse a request for a waiver of the requirement to file Accountants’ Reports. The Respondents were expected to file the outstanding Accountant’s Reports by 4th September 2006. No Reports were filed by that date.
9. On 17th May 2005 the Bar Counsel wrote to the Law Society complaining of the failures by Bentons Solicitors and Bentons Solicitors LLP to discharge Counsel’s fees. The failure had been referred to a joint Tribunal of the Bar Council and The Law Society which on 15th March 2004 had directed payment. A further letter from the Bar Council of 2nd June complained about a dishonoured cheque. Letters from Mr Reilly about this complaint were received on 12th December and 6th March 2006.
10. A Law Society Adjudicator on 14th March 2006 ruled that the Respondents were in breach of Practice Rule 1. All outstanding fees were to be paid within fourteen days of the date of that direction. A supplemental costs decision was also made. The Law Society wrote to both Respondents on 24th March 2006 advising of the Adjudicator’s direction. Payment had not been made in accordance therewith.
11. On 24th May 2005 Messrs Ikie Solicitors of Lewisham complained to The Law Society that the Respondent’s firm had been guilty of breach of undertakings. An unequivocal undertaking that all existing charges secured on a property would be discharged on completion had been given by a member of the Respondents’ staff at a time when both Respondents were principals in the firm. Completion of the matter took place on 15th January 2004 when an equitable charge created by Order of the High Court had been registered. The Law Society wrote to Miss Perrigo on 7th November 2005 seeking her explanation with a reminder on 23rd November in the absence of a response. Miss Perrigo had explained that the matter had been dealt with by Mr Reilly to whom she had forwarded relevant correspondence. A conveyancing manager had been instructed by Mr Reilly to act in the matter, Mr Reilly being the proprietor of the property in question.
12. The Law Society requested further response by letter of 30th November, on which date Miss Perrigo confirmed that the breach of undertaking had been because of her ignorance of it. The Law Society replied on 5th December drawing the facts of the matter to Miss Perrigo’s attention.
13. On 6th December The Law Society wrote to Mr Reilly, seeking his explanation with regard to this matter. At this date Mr Reilly was not a principal in the firm, but he had at all relevant times occupied that position. A reminder was sent on 20th December.
14. On 23rd December Mr Reilly said that he understood the matter was being dealt with by his former partner, that he had been the sole proprietor of the property and as a litigator

he had entrusted the matter to the conveyancing manager. Mr Reilly had become aware of the breach of undertaking after completion. The Law Society wrote on 3rd January to both Respondents raising the question of supervision. On 11th January Miss Perrigo said that she was passing the matter to Mr Reilly.

15. In a letter from Mr Reilly to The Law Society dated 13th April 2006 he repeated that the undertaking had been given by the manager and Mr Reilly did not accept that the manager was unqualified and subject to supervision. He accepted that the undertaking had been unfulfilled. On 9th May he wrote to suggest that the matter was one to be dealt with as a claim in negligence.
16. The Law Society had pursued the question of supervision with Mr Reilly and had obtained a "Section 44B" Order to secure the production of the relevant file.
17. On 29th June 2006 Mr G wrote to The Law Society in complaint against the Respondents. On 30th December 2005 he had obtained judgment against both Respondents in the Nottingham County Court in the sum of £3,776.22. The judgment had not been satisfied despite oral promises to pay.
18. On 14th September 2006 The Law Society wrote to both Respondents in regard to this complaint seeking explanation. There having been no response a further letter was sent to each Respondent on 28th September 2006 drawing to the attention of the Respondents that failure to respond would be viewed as a matter of professional misconduct. No reply was received.
19. On 25th October 2005, Messrs Goodman Derrick, Solicitors of London wrote to The Law Society in complaint against the Respondents. The complaint related to a conveyancing transaction where the complainant firm was acting on behalf of the purchasers of premises. The completion of the purchase took place on 30th January 2004. The Respondents acted on behalf of the vendor. The vendor had bought the property on the same day as completion of his sale from a housing association apparently surrendering the shared ownership Lease at the same time
20. On 29th January 2004 the Respondents' conveyancing department confirmed that completion would take place on the following day and stated, "once funds received then these will in part pass to freeholders' solicitors to send the documents to register the freehold; we will send these on when received plus the necessary documents/Land Registry papers and fee to cover our registration".
21. There then followed correspondence between the parties and H M Land Registry regarding completion formalities. There were problems and delays in relation to the preparation and revision of the land transaction return and also the consent of the housing association. Eventually the two registrations, first of the vendor's title and secondly of the purchaser's title, were completed.
22. At entry 2 of the Charges Register an entry remained recording the existence of a leasehold title. The purchaser's solicitors raised the matter with H M Land Registry on 13th April 2004 and requested removal of the references to the leasehold title. The Land Registry said that the leasehold and freehold titles could not be merged without

evidence that the lease no longer existed. The matter was referred by the complainants to the Respondents' firm on 20th April 2004.

23. There was then correspondence between the solicitors acting for the housing association and the Respondents. On 10th May 2004 the housing association stated that due to an oversight on their clients' part, the Respondents' clients had underpaid by 10% of the valuation and further payment was required. The effect of this was that the leasehold interest could not be merged with the freehold.
24. The matter was raised by the complainants with the Respondents' firm on 29th September 2004. The Respondents' firm replied on 12th October saying that it no longer acted as "the solicitor who dealt with the transaction has left the firm". They said they could no longer assist in the matter. Then between 20th October 2004 and 27th January 2005 the complainant firm wrote seven separate letters to the firm requesting the outstanding documents achieve the merger of the leasehold with the freehold title. On 16th February the Respondents' firm apologised for the delay saying it had written to the housing association's solicitors requesting evidence to enable the titles to be merged. The complainant firm between 9th March and 15th September 2005 sent a further nine letters to the Respondents' firm. On 6th October 2005 a letter was sent from Portmans Solicitors saying that the file might have been removed by a Mrs P, who had been an admitted employee of the Respondents and taken to another firm in Herefordshire.
25. The Law Society took the matter up with the Respondents who did not respond. In due course allegations were raised formally with both Respondents. Mr Reilly had been in partnership with Miss Perrigo at the time the undertaking had been given. Miss Perrigo had not replied. Mr Reilly said that he was unable to assist and had apologised for the delay.
26. On 5th October 2005, Ms J wrote to The Law Society to complain about the conveyancing services of the Respondents' firm. An Adjudicator of The Law Society on 28th July 2006 found that the services rendered by the Respondents were inadequate. The Adjudicator directed the Respondents to pay compensation to the complainant of £3,617.30.
27. The Adjudicator's decision was notified to both Respondents by letter of 11th August 2006. The date for compliance with the decision was later amended and confirmed by letter of 14th August.
28. The Law Society made enquiry of the Respondents when they did not comply with the direction. The Respondents did not respond until on 11th October 2006, Mr Reilly wrote to the Society apologising for the delay in response and saying that in the light of his financial circumstances the matter was being referred to The Law Society's Compensation Fund.
29. Miss Perrigo did not reply to letters addressed to her by The Law Society about her failure to file an Accountant's Report for Portman Law. On 29th April 2007, Mr Reilly wrote to say that The Law Society's letters had been passed to him due to Miss Perrigo's ill health.

The Submissions of the Applicant

30. Mr Reilly had admitted the allegations made against him.
31. The Applicant acknowledged that Miss Perrigo and Mr Reilly had not only been professional partners but also had a social relationship. Miss Perrigo had been ill and suffered debilitating, physical and mental symptoms. The difficulty in which Mr Reilly found himself in those circumstances was recognised.
32. Mr Reilly was responsible for the breaches of the Solicitors Accounts Rules for the period when he was a principal in the firm of Bentons Solicitors LLP. He was also responsible for the failure to file Accountants Reports at Breeze Benton and at Benton Solicitors LLP for the accounting periods during which he remained the principal. Mr Reilly had accepted that he had been senior to Miss Perrigo.
33. The failures to pay counsel's fees were put as matters of conduct unbecoming a solicitor. The Applicant did not seek any enforcement of unpaid counsel's fees. The Respondent had failed to make payment despite a ruling by a Law Society Adjudicator in this connection.
34. The undertaking to discharge all existing charges secured on Mr Reilly's property had been given. Where the undertaking had been given by a member of staff and it had not been discharged it raised questions about the level of supervision given to that member of staff.
35. A County Court Judgment against both Respondents had not been satisfied.
36. The problem that arose where the Respondents' firm had acted in a transaction where a leasehold interest should have been merged with the freehold interest on completion was a further indication of a lack of proper supervision as the matter had been dealt with by a member of staff. The Respondents remained responsible for undertakings given by members of staff.
37. A direction had been made by a Law Society Adjudicator that both Respondents should pay compensation to a client in respect of whom inadequate professional services had been provided. The compensation had not been paid.

The Submissions of Mr Reilly

38. Mr Reilly had found it very difficult to deal with the matters alleged against him. He found himself very embarrassed to be before his professional disciplinary body. The physical and mental ill health of Miss Perrigo made it difficult for him to deal with matters the more so because they had enjoyed a relationship outside their professional relationship.
39. Up to 2004 Mr Reilly had been in practice for 29 years as an assistant solicitor and later as a partner. He had become senior partner in 1991 at Breeze Benton and had always held an unconditional Practising Certificate with no complaint having been made to the Tribunal. Mr Reilly undertook litigation and was an advocate with higher rights.

40. Mr Reilly recognised that something had gone badly wrong. He did not wish to minimise what had happened, he admitted the allegations and apologised.
41. Mr Reilly accepted that he was responsible as principal in Bentons and Bentons LLP in relation to the delivery of Accountant's Reports and in connection with dealing with complaints relating to non-payment of Counsel's fees and in relation to the failure to discharge undertakings but invited the Tribunal to find that he was less responsible with regard to the failure to reply to correspondence particularly as his being adjudicated bankrupt on 7th October 2004 meant that for a short period of time he had been excluded from the firm.
42. That had led to the affairs of the firm being handled by Miss Perrigo at a time when she had no experience of dealing with such matters.
43. Miss Perrigo had engaged a non-qualified practice manager and an unqualified practice accountant. Unwisely she allowed these employees to run the firm and that led to a number of consequences and, crucially, Mr Reilly had been excluded from the firm completely. That in turn had led to difficulties with the firm's accounts, dealing with Counsel's fees and the breaches of undertakings. Indeed Miss Perrigo had run the practice in such a manner that it led to intervention by The Law Society and a total breakdown of her health.
44. After leaving the firm Mr Reilly had attempted to take steps to deal with the firm's accounts but he had had no control over the books.
45. Mr Reilly had encountered a number of problems when his partnership at Breeze Benton had split up. There had been litigation and the costs outweighed the funds in the practice. Mr Reilly had formerly had two equity partners and Miss Perrigo had been a salaried partner. Following the litigation Mr Reilly was advised to enter into voluntary bankruptcy which he did. Mr Reilly firm's Accountant's Reports had been delivered timeously until the point was reached when the firm did not have sufficient money to instruct an accountant to make the appropriate Reports.
46. Mr Reilly had made himself available to attend the office when the accountants attended and he had paid the accountants' to deal with the outstanding Accountant's Reports. The Reports for the accounting periods ending in 2003, 2004 and 2005 had now been delivered to The Law Society. In his unfortunate circumstances The Law Society had in fact given Mr Reilly dispensation with regard to the delivery of Accountant's Reports, but nevertheless he had delivered them.
47. Mr Reilly remained a member of the Children and Serious Fraud Panels and those dealing with higher rights of audience. He had been granted special dispensation by The Law Society to enable him to remain on the Panels and he had been issued with an unconditional Practising Certificate since 2006. He had worked for and remained with the same firm of solicitors throughout.
48. Mr Reilly was convinced that Miss Perrigo had not been physically or mentally able to deal with the outstanding matters. It had been a very sad state of affairs which had caused Mr Reilly considerable concern. He believed that matters had been handled by

Miss Perrigo's practice manager who eventually had swindled Miss Perrigo out of money.

49. There had been no loss to any clients. Where there had been a breach of undertaking the firm's insurers had made payment.
50. Mr Reilly accepted that he had primary responsibility for matters of administration and compliance with the Rules while he was at the firm but he was unable to deal with any such matters after he left.
51. Mr Reilly did his level best to assist the FIO.
52. Mr Reilly had been horrified to discover the situation that had developed. There had always been five weekly reconciliations when Mr Reilly was a principal at the firm and he would never have allowed the situation complained of to develop.
53. With regard to the breach of undertaking, Mr Reilly was not a conveyancer. He had sold his interest in some premises to avert bankruptcy in the Spring of 2004. He asked a FILEX qualified member of staff to act for him. After completion it came to Mr Reilly's knowledge that the member of staff had not paid an outstanding charge. Mr Reilly recognised that this was a serious matter and he apologised for what had happened. Unfortunately he had no control over the files after the 27th October 2004 when he left the firm. The same position was reflected in the other matters of complaint.
54. Mr Reilly accepted liability for outstanding counsel's fees as they had arisen before he left the firm. He was embarrassed about the non-payment.
55. Mr Reilly's personal relationship with Miss Perrigo had terminated and he had lost control of his former firm. He had controlled it successfully for 20 years before that. Mr Reilly said he did not want to blame Miss Perrigo in order to avoid his own responsibility. He was mindful of the problems with Miss Perrigo's health, the effect on her had been devastating. They had two children both of whom were studying law. Mr Reilly expressed gratitude to The Law Society's representative and the Tribunal for having dealt with the situation in a sensible and compassionate way.
56. Following his bankruptcy Mr Reilly's financial situation had been significantly reduced. He had not been able to be remunerated for any Legal Services Commission contracts as such matters related to the firm and not to an individual. The same applied to his being on the Fraud Panel. Acting in fraud matters had been a not insignificant part of Mr Reilly's practice. Consequently Mr Reilly's financial embarrassment had led to his not being able to deal with matters as he would like to have done.
57. Given the passage of time and the role played by Mr Reilly he hoped that he would not incur a financial penalty. He had a modest income and significant liabilities. One child remained at university and the other had just finished a course at the College of Law. He supported his children and Miss Perrigo who had no ability to earn any income.

58. Mr Reilly had done his best to assist the intervention agents and had undertaken work to ensure that Legal Services Commission clients were not left stranded. He had undertaken such work without payment.
59. Provided Mr Reilly was able to maintain his unconditional Practising Certificate he hoped that he would have a future with the firm with which he was currently working. He had received an increase in salary from 1st June.
60. Mr Reilly had been secretary of his local law society for many years and had undertaken charitable work including that of a pro-bono adviser to the Citizens Advice Bureau and The Law Centre.
61. Mr Reilly was content to accept his liability for a proportion of The Law Society's costs.

The Tribunal's Findings

62. The Tribunal found the allegations against Mr Reilly to have been substantiated, indeed they were not contested. The Tribunal recognised the strong mitigation put forward by Mr Reilly. The Tribunal has taken note of the circumstances and the fact that all of the allegations followed on from the breakdown of Mr Reilly's partnership and the litigation with his former equity partners. The allegations related only to the period during which he was a principal at Bentons or Bentons LLP.
63. The Tribunal gave Mr Reilly credit for the fact that he had not been the subject of any earlier complaints. It noted that some losses had arisen but had been met by professional indemnity insurers.
64. The Tribunal concluded that Mr Reilly had done his best but he had been powerless to do very much to assist with the situation.
65. Although the allegations substantiated against Mr Reilly were serious the mitigating circumstances were such that the Tribunal did not consider it necessary to take any step with a view to protecting the public.
66. The Tribunal has taken into account the delicate and emotional state of Miss Perrigo and the effect that this has had on Mr Reilly.
67. The Tribunal has given Mr Reilly credit for the fact that he has held an unconditional Practising Certificate for some time and has held down a job.
68. The Tribunal has taken into account Mr Reilly's difficult financial situation but is aware that both The Law Society and Her Majesty's Treasury are reasonable when it comes to arrangements about payment of costs and fines.
69. In order to mark the seriousness with which the Tribunal viewed the allegations established against Mr Reilly it considered it both appropriate and proportionate to impose a fine of £5,000.00 upon him.

70. With regard to the question of costs it was not possible to analyse the respective culpability of the two Respondents. The Applicant had given details of the costs he sought to the Tribunal and it appeared to the Tribunal that it was in all of the circumstances proportionate to order that Mr Reilly and Miss Perrigo bear one half each of the costs.
71. Mr Reilly's responsibility for the Applicant's costs followed as a result of the substantiation of the allegations made against him. Although the Order against Miss Perrigo was somewhat unusual the Tribunal does have power to make an order for costs even if allegations have not been substantiated against a Respondent and Miss Perrigo had in any event on 7th July 2007 accepted her liability for costs, undertaking to pay such costs as the Tribunal might direct. The Tribunal therefore ordered that Mr Reilly pay a fine of £5,000.000 and costs fixed in the sum of £8,700.00. It ordered Miss Perrigo to pay costs of £8,700.00, the Tribunal having already ordered that the allegations made against Miss Perrigo lie on the file.

DATED this 14th day of September 2007
on behalf of the Tribunal

L N Gilford
Chairman