

Shamikh Mustasum

Solicitor

505336

[Fined Date: 3 May 2023](#)

Decision - Fined

Outcome: Fine

Outcome date: 3 May 2023

Published date: 13 June 2023

Firm details

Firm or organisation at date of publication and at time of matters giving rise to outcome

Name: Forseti Law Ltd

Address(es): 175 Dickenson Road, Manchester, M13 0YN.

Firm ID: 658661

Outcome details

This outcome was reached by SRA decision.

Decision details

Who does this disciplinary decision relate to?

Shamikh Mustasum, who is a solicitor, and is owner and manager of Forseti Law Limited (the firm), a recognised body, which is located at Suite 1, Signature House, 63-79 Blackburn Road, Bolton, BL1 8HF.

Summary of decision

The SRA imposed a financial penalty on Mr Mustasum for failing, between August 2019 and September 2022, to keep accurate, contemporaneous and chronological accounting records.

He caused or allowed two cash shortages to arise on the firm's client account which were not promptly replaced. He failed to accurately show the firm's dealings with client money and office money relating to client matters. He also failed to deal with unreconciled payments and



unpresented cheques causing his firm's books of accounts and client ledgers to be unreliable.

Facts of the misconduct

It was found that:

1. on 31 October 2021, there was a minimum cash shortage of £3,971 on the firm's client account caused by 11 debit balances. Due to the unreliability of the firm's books of accounts, it was not possible to calculate an accurate position in respect of client cash available compared to the firm's liabilities to clients. The client cash shortage was replaced by 28 February 2022.
2. On 28 February 2022 there was a further cash shortage of £450 on the firm's client account. This was caused by an overpayment to a third party which was refunded. The shortage was replaced on 25 March 2022.
3. By causing or allowing cash shortages to arise on the firm's client account which were not promptly replaced, Mr Mustasum breached Rules 2.4 and 6.1 of the SRA Accounts Rules 2019 and Principle 2 of the SRA Principles 2019.
4. Mr Mustasum failed to keep proper accounting records in that on the firm's October 2021 client account reconciliation there was an amount of £192,566.29 in unreconciled cheques and £23,429.12 in unpresented receipts. The transactions dated from August 2019 to October 2021.
5. For his conduct in respect of the unreconciled cheques and unpresented receipts which took place before 25 November 2019 Mr Mustasum breached Rules 1.2(e) and (f) and 29 of the SRA Accounts Rules 2011 and Principles 6 and 10 of the SRA Principles 2011. For his conduct on or after 25 November 2019 he breached Rules 6.1 and 8.1 of the SRA Accounts Rules 2019 and Principle 2 of the SRA Principles 2019.
6. Client ledgers maintained by the firm were not properly written up to accurately show the firm's dealings with client money or with office money relating to clients' matters.
7. By virtue of the above, Mr Mustasum failed to establish and maintain proper accounting systems and proper internal controls over those systems at the firm. He also failed to keep and maintain accurate, contemporaneous and chronological accounting records at the firm.
8. For his conduct in failing to maintain proper accounting systems and controls at the firm and accurate accounting records which took place before 25 November 2019 Mr Mustasum breached Rules 1.2(e) and (f) and 29.1 of the SRA Accounts Rules 2011 and Principles 6 and 10 of the SRA Principles 2011. For his conduct on or after 25 November 2019 he breached Rule 8.1 of the SRA Accounts Rules 2019 and Principle 2 of the SRA Principles 2019.



SRA Accounts Rules 2011

Rule 1.2(e) required Mr Mustasum to establish and maintain proper accounting systems, and proper internal controls over those systems, to ensure compliance with the accounts rules.

Rule 1.2(f) required Mr Mustasum to keep proper accounting records to show accurately the position with regard to the money held for each client and trust.

Rule 29.1 required Mr Mustasum at all times to keep accounting records properly written up to show his dealings with:

- a. client money received, held or paid by him; including client money held outside a client account under rule 15.1(a) or rule 16.1(d); and
- b. any office money relating to any client or trust matter.

SRA Principles 2011

Principle 6 required Mr Mustasum to act in a way that that maintains the trust the public places in him and in the provision of legal services.

Principle 10 required Mr Mustasum to protect client money and assets.

SRA Accounts Rules 2019

Rule 2.4 required Mr Mustasum to ensure that client money is available on demand unless he agreed an alternative arrangement in writing with the client, or the third party for whom the money is held.

Rule 6.1 required Mr Mustasum to correct any breaches of the accounts rules promptly upon discovery. Any money improperly withheld or withdrawn from a client account must be immediately paid into the account or replaced as appropriate.

Rule 8.1 required Mr Mustasum to keep and maintain accurate, contemporaneous, and chronological records to:

- a. record in client ledgers identified by the client's name and an appropriate description of the matter to which they relate:
 - i. all receipts and payments which are client money on the client side of the client ledger account;
 - ii. all receipts and payments which are not client money and bills of costs including transactions through the authorised body's accounts on the business side of the client ledger account;
- b. maintain a list of all the balances shown by the client ledger accounts of the liabilities to clients (and third parties), with a running total of the balances; and
- c. provide a cash book showing a running total of all transactions through client accounts held or operated by him.

SRA Principles 2019

Principle 2 required Mr Mustasum to act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.

Decision on sanction and costs

It was decided that a financial penalty was an appropriate and proportionate sanction.

In determining the financial penalty, regard was had to the following factors set out in the SRA's guidance on the approach to financial penalties published on 7 February 2019 and updated on 20 July 2022:

- a. Mr Mustasum was an experienced solicitor and a manager and owner of the firm. He showed a reckless disregard of his regulatory obligations to comply with the accounts rules and of the risk of harm caused by his conduct.
- b. He had direct responsibility for the conduct and full control over his behaviour which persisted for a substantial period of time.
- c. His conduct had the potential to cause significant harm.
- d. It was such an amount as to deter future misconduct by Mr Mustasum and by others who may be engaged in similar conduct.

In view of the above, Mr Mustasum's conduct was placed in conduct band B which has a financial penalty bracket of between £1,001 and £5,000.

His conduct was placed at the mid part of this bracket because of the risk of harm caused by his conduct. He failed to establish and maintain proper accounting systems and controls at the firm which are necessary to protect client money.

His breaches of the Accounts Rules and his failure to keep and maintain accurate, contemporaneous and chronological accounting records at the firm for a substantial period of time undermined the public trust and confidence in the services he provided and in the solicitor's profession.

The following mitigating factors were considered:

- Mr Mustasum cooperated with the SRA
- He corrected the breaches and put in place systems and controls at the firm to prevent similar breaches.

Financial penalty and costs

Mr Mustasum was fined £2,975 and ordered to pay costs of £1,350.

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