

Suzanne Smith

Employee

835691

Agreement Date: 8 November 2022

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 8 November 2022

Published date: 14 November 2022

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: PMN Law

Address(es): 168/ 170 Chaddock Lane Worsley MANCHESTER M28 1DF

Firm ID: 466270

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Suzanne Smith (Mrs Smith), a former employee of PMN Law (the firm), agrees to the following outcome to the investigation of her conduct by the Solicitors Regulation Authority (SRA):

- a. to the SRA making an order under section 43 of the Solicitors Act 1974 (a section 43 order) in relation to Mrs Smith that, from the date of this agreement:
 - i. no solicitor shall employ or remunerate her in connection with his practice as a solicitor
 - ii. no employee of a solicitor shall employ or remunerate her in connection with the solicitor's practice
 - iii. no recognised body shall employ or remunerate her
 - iv. no manager or employee of a recognised body shall employ or remunerate her in connection with the business of that body



- v. no recognised body or manager or employee of such a body shall permit her to be a manager of the body
- vi. no recognised body or manager or employee of such body shall permit her to have an interest in the body except in accordance with the SRA's prior permission
- b. to the publication of this agreement
- c. she will pay the costs of the investigation of £300.

2. Summary of facts

2.1 Mrs Smith was the firm's bookkeeper and in that capacity prepared invoices and managed the payment of professional disbursements.

2.2 The SRA Accounts Rules 2011 categorise funds received for the payment of professional disbursements as 'client money'.

2.3 Ms Smith was supervised by Ms A, an unqualified fee earner at the firm, and worked at her direction in the preparation of bills and payment of disbursements.

2.4 The SRA received various reports about the firm, including its failure to settle professional disbursements from funds it was holding on behalf of its clients. An investigation was commenced and identified that between April 2018 and July 2019, Ms Smith:

- a. Repeatedly billed professional disbursements as the firm's profit costs
- b. Improperly transferred money received for the payment of professional disbursements to the firm's client account as profit costs
- c. Annotated the bills with a handwritten note of the sums owed to the professional disbursement providers
- d. Kept a ledger of the professional disbursements she had billed as profit costs

2.5 A potential cash shortage totalling £93,259.22, which included a confirmed minimum cash shortage of £8,483.74, arose from these improper transfers.

2.6 The firm was intervened by the SRA on 9 October 2019 and the SRA's investigation continues in respect of other parties.

3. Admissions

3.1 Mrs Smith makes the following admissions which the SRA accepts:



- a. That between the period April 2018 and July 2019 she prepared bills that improperly included disbursements as the firm's profit costs..
- b. Made improper transfers of money received for the payment of professional disbursements (client money) to the firm's client account.
- c. Caused or allowed a shortage to materialise in the firm's client account.
- d. That her conduct in respect of 3.1(a) and 3.1(b) was dishonest.
- e. Her conduct is of such a nature that it is undesirable for her to be involved in a legal practice.

4. Why a section 43 order is appropriate

4.1 The SRA's Enforcement Strategy and its guidance on how it regulates non-authorised persons, sets out its approach to using section 43 orders to control where a non-authorised person can work.

4.2 When considering whether a section 43 order is appropriate in this matter, the SRA has taken into account the admissions made by Mrs Smith and the following mitigation which she has put forward:

- a. Mrs Smith has fully admitted the misconduct to the SRA and cooperated with its investigation
- b. Mrs Smith acted under the instruction of a senior colleague
- c. Mrs Smith received no financial benefit from her conduct.

4.3 The SRA and Mrs Smith agree that a section 43 order is appropriate because:

- a. Mrs Smith is not a solicitor
- b. her employment or remuneration at the firm means that she was involved in a legal practice
- c. by billing professional disbursements as profit costs and making corresponding improper transfers from client to office account, Mrs Smith has occasioned or been party to an act or default in relation to a legal practice. Mrs Smith's conduct in relation to that act or default makes it undesirable for her to be involved in a legal practice.

4.4 Mrs Smith's conduct makes it undesirable for her to be involved in a legal practice because as her actions show she cannot be trusted to safeguard client money and involve dishonesty.

5. Publication

5.1 The SRA considers it appropriate that this agreement is published in the interests of transparency in the regulatory process. Mrs Smith agrees to the publication of this agreement.

6. Acting in a way which is inconsistent with this agreement

6.1 Mrs Smith agrees that she will not deny the admissions made in this agreement or act in any way which is inconsistent with it.

7. Costs

7.1 Mrs Smith agrees to pay the costs of the SRA's investigation in the sum of £300. Such costs are due within 28 days of a statement of costs due being issued by the SRA.

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