NEW ZEALAND LAWYERS AND CONVEYANCERS DISCIPLINARY TRIBUNAL

[2022] NZLCDT 28

LCDT 022/21

IN THE MATTER	of the Lawyers and Conveyancers Act 2006
BETWEEN	**AUCKLAND STANDARDS COMMITTEE 2** Applicant
AND	**RONALD BRUCE JOHNSON** Respondent

CHAIR

Ms D Clarkson

MEMBERS OF TRIBUNAL

Mr G McKenzie

Ms S Sage

Ms S Stuart

Ms P Walker

HEARING 5 August 2022

HELD AT Specialist Courts and Tribunals Centre, Auckland

DATE OF DECISION 19 August 2022

COUNSEL

Mr M Mortimer-Wang for the Standards Committee

Mr A Gilchrist appearing by AVL for the Respondent Practitioner

REASONS FOR DECISION OF TRIBUNAL ON LIABILITY

Introduction

[1] Mr Johnson is a practitioner who was appearing before the Tribunal for the third time in five years. He accepts the factual basis for the two charges of misconduct he faces but argues that they should be assessed at the lower liability level of unsatisfactory conduct.

[2] The first charge covers two lending transactions in respect of which Mr Johnson had a conflict of interest and duties.

[3] The second charge relates to a number of contraventions of trust accounting regulations.

[4] At the conclusion of the hearing, we found misconduct on the first charge and unsatisfactory conduct in relation to the second charge. We reserved our reasons for these findings. This decision provides those reasons.

Issues which required determination

1. Has the Standards Committee established that Mr Johnson's admitted conduct in relation to the two loans represented wilful or reckless disregard of the rules against acting in conflict of interest or duties?[1]

2. Has the Standards Committee similarly established a wilful or reckless disregard of the trust account rules as pleaded?[2]

3. If the answer is "no", then has the level of negligence been established – has negligence or incompetence "been of such a degree or so frequent as to reflect on [his] … fitness to practise or as to bring [his] … profession

[1] Rules 5, 5.4, 5.4.3 and 6.1 of the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008.
[2] The various breaches alleged are set out in the charging document which is annexed to this decision as Schedule A.

into disrepute"?[3] If the answer is "no" then the practitioner has accepted a finding of unsatisfactory conduct.

Background

[5] Mr Johnson is a practitioner of over 30 years' experience and was a principal in the firm, Central Park Legal, which we understand has now been wound up.

[6] Mr Johnson was a trust account supervisor from 29 August 2011 to 30 April 2019. He was suspended from practice between 1 May 2019 and 31 July 2019.

[7] In July 2019, during the period of his suspension, the New Zealand Law Society Inspectorate undertook a review of the firm's trust account. Another partner, who had not previously been a trust account supervisor, was responsible for the trust account at that time.

[8] There was some dispute about whether certain documents had been requested by the inspectors, that is dealt with below.

[9] It would seem that the inspectors, possibly because of Mr Johnson's previous disciplinary history, did a meticulous inspection, and no matter was left unmentioned in the lengthy report. Despite that, as can be observed from the particulars in the charges, many of the transgressions might be seen as very minor.

[10] The two lending transactions in question occurred on 5 December 2016 and 17 August 2017 respectively. Each loan was to a company of which Mr B was the sole director and shareholder. The first loan was for $55,000 and Mr Johnson and Mr B, in their capacities as trustee of a trust, were the guarantors.

[11] In this transaction, Mr Johnson wore multiple hats as set out at [2.2] of the Standards Committee's submissions:[4]

> 2.2 In that transaction Mr Johnson was:
>
> (a) Lawyer to B M for matters other than the transaction in question.

[3] Section 241(c) of the Lawyers and Conveyancers Act 2006.
[4] Standards Committee's submissions on liability (22 July 2022).

(b) Lawyer to B M in respect of the transaction (where he was the other party).

(c) A party to the transaction in his personal capacity and acting for himself in that respect.

(d) One of the guarantors of the loan in his capacity as trustee of the S Trust.

(e) The lawyer to the guarantors in respect of other matters.

(f) The lawyer to the guarantors in respect of the transaction.

(g) A self-described "friend/business associate" of the director of B M, [Mr B].

[12] Mr B was a friend and client of some 20 years and Mr Johnson points to the fact that it was Mr B who approached him in respect of the loans, to cover short term cashflow problems.

[13] The second lending transaction, to a different company operated by Mr B, was for $43,267.17, and was personally guaranteed by Mr B. Once again, the practitioner wore multiple hats and the funds were loaned from his own resources, having borrowed money from his parents.

[14] There is no criticism of the terms of the loan agreements and Mr Johnson is also at pains to point out that Mr B himself has a law degree (although has never been in practice) and is an experienced and capable businessman. The loans were repaid in due course.

[15] With the exception that he was not involved as a trustee guarantor in respect of the second loan, Mr Johnson had the same multiple roles as set out above in relation to the first loan.

[16] The Rules are set out as follows:

Independence

5 A lawyer must be independent and free from compromising influences or loyalties when providing services to his or her clients.

...

Conflicting interests

5.4 A lawyer must not act or continue to act if there is a conflict or a risk of a conflict between the interests of the lawyer and the interests of a client for whom the lawyer is acting or proposing to act.

...

5.4.3 A lawyer must not enter into any financial, business, or property transaction or relationship with a client if there is a possibility of the relationship of confidence and trust between lawyer and client being compromised.

…

Conflicting duties

6.1 A lawyer must not act for more than 1 client on a matter in any circumstances where there is a more than negligible risk that the lawyer may be unable to discharge the obligations owed to 1 or more of the clients.

…

Discussion of the Issues

Issue 1: Was there a wilful or reckless breach? Charge 1.

[17] We accept Mr Mortimer-Wang's submission[5] as to the nature of the breaches:

2.10 By participating in and acting on the transactions Mr Johnson:

(a) Breached r 5 because at the time he acted for B M and B W on the transactions his own interests in the loans meant he was not free from compromising influences or loyalties.

(b) Breached r 5.4 because there were conflicts (or, at least, a very real risk of a conflict) between Mr Johnson's interests and B M's and B W's interests. Rule 5.4 forbade Mr Johnson from acting.

(c) Breached r 5.4.3 because the loans between Mr Johnson and B M and B W were financial transactions that carried with them the possibility of the relationship of confidence and trust between Mr Johnson and B M being compromised. Rule 5.4.3 forbade Mr Johnson from entering into the transaction.

[5] At [2.10].

(d) Breached r 6.1 because there was a more than negligible risk Mr Johnson may have been unable to discharge the obligations he owed to B M and B W when he acted for both himself and B M and B W. Rule 6.1 forbade Mr Johnson from acting.

[18] The issue is, does this demonstrate either a wilful or reckless disregard of the respective rules, as opposed to a breach *simpliciter* which is what Mr Johnson urged upon us? In his evidence Mr Johnson accepted the conflict. He also said that in respect of these two "relatively small" loans, "whilst it is correct that Mr B did not receive independent legal advice, he did not wish to obtain such advice, him being fully knowledgeable about such matters. Mr B was fully aware of the potential conflict of interest, and waived that".

[19] That evidence was not able to be corroborated by Mr B because subsequent to these transactions he and Mr Johnson have fallen out. However, that is of little moment because the transactions were in fact prohibited by the rules (so waiver does not assist in these circumstances).

[20] It is to be noted that rr 5.4 and 5.4.3 are mandatory—

(a) In r 5.4: "A lawyer **must not** act or continue to act …"

(b) In r 5.4.3: "A lawyer **must not** enter into …".

(emphasis added)

[21] By acknowledging the above-described discussion with the client prior to making the advances, Mr Johnson has demonstrated that he turned his mind to the rules surrounding conflict at the time.

[22] In his evidence before the Tribunal he confirmed that, as a very experienced lawyer, he was aware of the rules around conflict of interests.

[23] One might also have expected Mr Johnson to have been diligent about checking any ethical and professional obligations at the relevant times (if not in late 2016 then certainly by the time of the second loan in 2017), by which time he was embroiled in disciplinary proceedings in relation to an unrelated matter, for which he was subsequently suspended.

[24] It is without question that, as submitted by counsel for the Standards Committee, "the number of hats that Mr Johnson wore in these transactions ought to have been enough for any lawyer to pause and recognise that conflicts existed".

[25] Mr Johnson's counsel submitted that the only person who was likely to lose out if these transactions had gone awry (and they did not) by failure to repay, was the practitioner himself. We do not accept that narrow view of the nature of conflicts and consider account must be taken of the wider ramifications. The obvious consequence for the client, had the parties struck difficulties in relation to these transactions, was that he would lose legal counsel of some 20 years and need to instruct further solicitors, with the additional costs that would carry.

[26] The broader implications and risks associated with conflict, and the lack of independence which arises from them, are the very reason for these rules.

[27] We have no difficulty whatsoever in finding that Mr Johnson's breach of the relevant rules, while not wilful, was most certainly a "reckless contravention". He was aware of these important rules, but did not consult them specifically, or he would have realised that the transactions were prohibited without the involvement of another lawyer to provide independent advice.

[28] For this reason, we find that the Standards Committee has made out misconduct on the balance of probabilities as required.

Issues 2 and 3: Trust account errors. Charge 2.

[29] Although there are a large number of breaches recorded by the meticulous examination undertaken by the Inspectorate, we accept the submission put forward on the part of the practitioner that these are largely *de minimis*.

[30] All have been addressed and/or explained by the practitioner and, where necessary, rectified. In relation to the writing off of client balances, although this is often a matter of some concern, in this case of the 17 matters where small balances were written off, we note that 12 were for less than $1 and the largest was $37.66. All errors have been corrected. The practitioner says the authorities, which he accepts were not available for inspection, do exist and there was no specific query by

the auditors or request for a copy of the invoices, which he was able to provide. That evidence has not been rebutted by the Standards Committee.

[31] The overdraw was occasioned by a bank error and quickly corrected. The net difference of $250 was returned to the client. That appears to have been an error which was corrected promptly. There was another error which only involved 11c which had been written off and inadvertently credited to the wrong account.

[32] We consider that these breaches do not rise to the standard of reckless breaches and certainly not wilful breaches. We regard them as trust account breaches *simpliciter*.

[33] Nor do we consider that, as posed by issue 3, the level of negligence required for s 241(c) to be applicable has been reached in respect of these breaches. We also note that during the period in question, Mr Johnson was not the only practitioner responsible for the trust account.

[34] For these reasons, we recorded a finding of unsatisfactory conduct against the practitioner.

Presentation of the practitioner

[35] It is clear that the impact of the disciplinary process upon this practitioner, who has been involved in it over the last five years, has had a significant personal and financial effect on him. Indeed, both he and his counsel refer to the particular impact upon his health and wellbeing.

[36] All practitioners find the disciplinary process stressful and at times deeply troubling to them.

[37] Possibly, as a result of the length of time that Mr Johnson has been involved in proceedings, and his obvious frustrations about that, his answers to the Tribunal were somewhat rude and intemperate. Unfortunately, his clear disrespect for the Tribunal would seem to fit with his lack of regard for adherence to the ethical rules of his profession.

[38] If he wishes to remain positively and productively engaged in the profession, he will need to rethink his approach.

Directions

1. As agreed at the hearing, the Standards Committee is to file its submissions on penalty by 17 August 2022.

2. Counsel for the respondent is to file submissions on penalty by 24 August 2022.

3. The matter is to be allocated a half day hearing for 29 August 2022, pending confirmation of venue.

DATED at AUCKLAND this 19th day of August 2022

DF Clarkson
Chairperson

Schedule A

Charges (9 August 2021)

Auckland Standards Committee 2 (**Committee**) charges Ronald Bruce Johnson (**Practitioner**) with:

Charge 1: Misconduct within the meaning of s 7(1)(a)(ii) of the Lawyers and Conveyancers Act 2006 (**Act**), in that the Practitioner wilfully or recklessly contravened any or all of rr 5, 5.1, 5.2, 5.3, 5.4 (and its subrules), 5.5, 5.11 6 and/or 6.1 (and its subrules) of the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008 (**Rules**); and/or regulation 7 of the Lawyers and Conveyancers Act (Trust Account) Regulations 2008 (**Trust Account Regulations**);

Or alternatively, negligence or incompetence in his professional capacity, in that the negligence or incompetence has been of such a degree or so frequent as to reflect on his fitness to practise or as to bring the profession into disrepute, as per s 241(c) of the Act;

Or alternatively, unsatisfactory conduct within the meaning of ss 12(a) and/or (c) of the Act.

The particulars of the charge are as follows:

Background

1 At all material times, the Practitioner was enrolled as a barrister and solicitor of the High Court of New Zealand.

2 The Practitioner is the director of an incorporated law firm, Central Park Legal (**CPL**).

3 At all material times, CPL operated a trust account. The Practitioner was the trust account supervisor for CPL from 29 August 2011 to 30 April 2019, and was responsible for the administration of the trust accounting of the practice, and for ensuring his practice complied with the applicable trust accounting requirements.

4 The New Zealand Lawyers and Conveyancers Disciplinary Tribunal suspended the Practitioner from practice from 1 May 2019 to 7 October 2019. The Practitioner was granted a new practising certificate from after 7 October 2019, following the end of his suspension.

5 The Practitioner resumed his role as CPL's trust account supervisor after his suspension had ended, and remains CPL's trust account supervisor.

Inspectorate's review of CPL's trust account

6 In July 2019, the New Zealand Law Society (**NZLS**) Inspectorate undertook a review of CPL's trust account. The review included a review of the periods when the Practitioner was the trust account supervisor for CPL's trust account.

7 The NZLS Inspector produced a report in July 2019 which identified a number of deficiencies in CPL's trust accounting records and practices. A further report was prepared in January 2020 detailing instances of CPL's non-compliance with applicable trust accounting requirements, including in respect of lending transactions undertaken by CPL as detailed below.

…

Second lending transaction: B M Limited

17 On 5 December 2016, the Practitioner entered into a term loan agreement with B M Limited, a client of CPL. Under the term loan agreement, the Practitioner agreed to lend $55,000 to B M Limited (**B M**).

18 The Practitioner and M B, who were trustees of S Trust, were the co-guarantors of the loan in this transaction. S Trust was also a client of CPL, as was Mr B personally. B M is a related company to B W P H Limited (**B W**).

19 CPL acted for both the Practitioner (the lender) and B M (the borrower) in this lending transaction.

20 The terms of the term loan were as follows. The term loan expired on 5 July 2017. The lower interest rate was 10% per annum. The higher interest rate was 18% per annum. Interest was payable at the higher interest rate unless the full principal sum was repaid within seven days of the expiry of the loan term. The loan could be paid back in multiples of $1,000 at any time. B M also paid a $5,000 loan establishment fee.

21 The Practitioner and CPL had a conflict of interest in respect of the transaction.

22 The Practitioner did not disclose any conflict of interest in respect of the transaction to the parties involved in the transaction.

23 The Practitioner's conduct as set out from paragraphs 17 to 22 above amounts to a wilful or reckless contravention of rules 5, 5.4, and 5.4.3 of the Rules, in that:

(a) For the purposes of the Rules (r 5.4.5), the Practitioner was a party to the transaction as the lender.

(b) In accordance with r 5.4 of the Rules, neither CPL nor the Practitioner was able to act for B M in the transaction.

(c) For the purposes of r 5.4.3 of the Rules, there was a possibility of confidence and trust between lawyer and client being compromised as a result of the transaction.

(d) Despite these matters, the Practitioner failed to ensure that:

(i) B M was aware of the conflict between its interests and the interests of the Practitioner, and the professional and ethical consequences of that conflict;

(ii) B M's informed consent to CPL and/or the Practitioner acting for both parties in the transaction was obtained.

(e) At no time after being instructed by B M Limited and prior to settlement of the transaction did the Practitioner provide B M Limited with objective, independent advice regarding the transaction.

24 The Practitioner's conduct, as set out at paragraphs 17 to 22 above, also amounts to a wilful or reckless contravention of r 6.1 of the Rules, in that:

(a) CPL acted for B M Limited and the Practitioner in this transaction. This occurred in circumstances where there was a more than negligible risk that CPL/the Practitioner might be unable to discharge the obligations owed to the client.

(b) The Practitioner failed to obtain B M Limited's prior informed consent to CPL acting for both parties to the transaction.

(c) At no time after CPL was instructed by B M Limited did the Practitioner explain to B M Limited the risk of CPL being unable to discharge the obligations CPL owed to B M Limited in acting for both parties, and the professional and ethical consequences of that risk (or ensure any other lawyer did so).

(d) The Practitioner did not ensure that CPL ceased to act, or take any steps to comply with his professional obligations, in circumstances where it should have been apparent that he was not able to discharge the obligations owed to both clients.

Third lending transaction: B W Limited

25 On 17 August 2017, the Practitioner entered into a term loan agreement with B W, a client of CPL. Under the term loan agreement, the Practitioner agreed to lend $43,267.17 to B W. The guarantor of the loan was Mr B, also a client of CPL.

26 The Practitioner acted for himself and B W in the transaction.

27 The terms of the term loan were as follows. The term loan expired on 18 November 2017. The lower interest rate was 9.95% per annum. The higher interest rate was 19.95% per annum. Interest

compounded on a monthly basis and the full amount was payable when the term loan expired. If the loan was not repaid on the loan's expiry date then interest at the higher rate was payable on the amount in default for the period that was in default.

28 The Practitioner had a conflict of interest in respect of the transaction.

29 The Practitioner did not disclose any conflict of interest in respect of the transaction to the parties involved in the transaction.

30 The Practitioner's conduct as set out from paragraphs 25 to 29 above amounts to a wilful or reckless contravention of rules 5, 5.4 and 5.4.3 of the Rules, in that:

(a) For the purposes of the Rules (r 5.4.5) the Practitioner was a party to the transaction as the lender.

(b) In accordance with r 5.4 of the Rules, neither the Practitioner nor CPL was able to act for B W or Mr B in the transaction.

(c) For the purposes of r 5.4.3 of the Rules, there was a possibility of confidence and trust between lawyer and client being compromised as a result of the transaction.

(d) Despite these matters, the Practitioner failed to ensure that:

(i) B W was aware of the conflict between its interests and the interests of the Practitioner, and the profession and ethical consequences of that conflict;

(ii) B W's informed consent to CPL and/or the Practitioner acting for both parties in the transaction was obtained (notwithstanding that such informed consent may not have been sufficient to enable the Practitioner to be a party to the transaction and to act for B W Limited in this transaction).

(e) At no time after being instructed by B W and prior to settlement of the transaction did the Practitioner provide B W with objective, independent advice regarding the transaction.

31 The Practitioner's conduct, as set out at paragraphs 25 to 29 above, also amounts to a wilful or reckless contravention of r 6.1 of the Rules, in that:

(a) The Practitioner acted for himself and B W in the transaction. This occurred in circumstances where there was a more than negligible risk that the Practitioner might be unable to discharge the obligations owed to B W.

(b) The Practitioner failed to obtain B W's prior informed consent to act for both parties to the transaction (notwithstanding that such informed consent may not have been sufficient to enable the Practitioner to be a party to the transaction and to act for B W Limited in this transaction).

(c) At no time after the Practitioner was instructed by B W did the Practitioner explain to B W the risk of the Practitioner being unable to discharge his obligations to B W and the professional and ethical consequences of that risk (or ensure that any other lawyer did so).

(d) The Practitioner did not cease to act, or take any steps to comply with his professional obligations, in circumstances where it should have been apparent that he was not able to discharge the obligations owed to B W.

Charge 2: Misconduct within the meaning of s 7(1)(a)(ii) of the Act, in that the Practitioner wilfully or recklessly contravened provisions of the Act and/or regulations made under the Act that apply to the Practitioner in the provision of regulated services;

Or alternatively, negligence or incompetence in his professional capacity, in that the negligence or incompetence has been of such a degree or so frequent as to reflect on his fitness to practise or as to bring the profession into disrepute, as per s 241(c) of the Act;

Or alternatively, unsatisfactory conduct within the meaning of ss 12(a) and/or (c) of the Act.

Breaches of the Act:

(i) Breach of s 110(2)(b) (failure to hold money exclusively for person and paid as person directs); and/or

(ii) Breach of s 112(1)(a) (failure to keep trust account records that clearly disclose position of money in trust account); and/or

(iii) Breach of s 112(1)(a) (keeping trust account records that disclose the position of money); and/or

(iv) Breach of s 112(1)(c) (failure to keep records in such a manner as to enable those records to be conveniently and properly inspected); and/or

Breaches of the Trust Account Regulations

(v) Breach of regulation 6 (failure to prevent trust accounts becoming overdrawn); and/or

(vi) Breach of regulation 9(1)(a) and (b) (payments from trust accounts must be made with client authority); and/or

(vii) Breach of regulation 9(2) (failure to deliver an invoice before or immediately after fees are debited); and/or

(viii) Breach of regulation 11 (requirement to keep proper, up-to-date trust account records); and/or

(ix) Breach of regulation 12(1) (failure to record every payment, transfer, and balance of trust money in a trust account ledger with a separate ledger account for each client); and/or

(x) Breach of regulation 12(3) (requirement to accurately record receipt of trust money); and/or

(xi) Breach of regulation 12(6)(a) (failure to only make payments from client accounts if there are sufficient funds available for that purpose); and/or

(xii) Regulation 12(6)(b) (requirement to ensure practice obtains and retains client authority or instruction for payment); and/or

…

The particulars of the charge are as follows:

1 In addition to the above lending transactions, the NZLS Inspectorate identified other breaches of trust accounting requirements in respect of CPL's trust account for periods when the Practitioner was the trust account supervisor for CPL's trust account. These are detailed below.

Client ledger overdraws

2 The Practitioner failed to ensure that a client's ledger was not overdrawn on two occasions. Specifically, in respect of matter 344: Prag:

(a) On 14 March 2019, the client's account was overdrawn by $3,100.60;

(b) On 13 March 2019, the client paid $15,678.99 into CPL's trust account. This payment was processed on 15 March 2019. The payment was incorrectly recorded in the ledger as $15,428.99 instead of $15,679.99 (contrary to regulation 12(3) of the Trust Account Regulations);

(c) On 21 March 2019, the client's account was overdrawn by $9,595.97.

3 By failing to ensure the client's account was not overdrawn on the above occasions, the Practitioner breached regulations 6 and/or 12(6)(a) of the Trust Accounting Regulations.

Credit balances write-offs

4 On 1 March 2019, the following client credit balances in CPL's trust account (amounting to a total sum of $73.94) were written off when the funds were transferred to CPL's practice account:

(a) Matter 324: E, L; L S. $0.20 written off.

(b) Matter 267: H, M; H, D. $0.20 written off.

(c) Matter 242: E E L. $0.50 written off.

(d) Matter 37: D, N; C, J; K, O. $5.05 written off.

(e) Matter 234: R L. $0.11 written off.

(f) Matter 213: H I L. $0.08 written off.

(g) Matter 201: H E L. $0.80 written off.

(h) Matter 258: M, J; R, R; M, N; M, L. $7.67 written off.

(i) Matter 211: W L. $37.66 written off.

(j) Matter 108: S, B. $8.07 written off.

(k) Matter 116: C, N. $0.70 written off.

(l) Matter 102: P and C R. $0.20 written off.

(m) Matter 155: F, M; F, E. $0.03 written off.

(n) Matter 196: B, M. $0.54 written off.

(o) Matter 269: S, L; S, C. $11.43 written off.

(p) Matter 315: N, M; W, A. $0.60 written off.

(q) Matter 167: H E S. $0.10 written off.

5 The Practitioner failed to ensure that CPL had obtained written instructions or authorities from the relevant clients before the above balances were written off and/or failed to retain evidence of any instructions or authorities. This was contrary to the requirements of regulations 9(1)(b) and/or 12(6)(b) of the Trust Account Regulations and/or s 110(2)(b) of the Act.

6 The Practitioner also either failed to ensure that invoices were issued before or immediately after the above fees were debited, or that any such invoices were retained for inspection by the Inspectorate, as required by regulations 9(1)(a) and 9(2) of the Trust Account Regulations.

Credit balances debited as fees

7 On the following occasions, fees were debited from client balances held in CPL's trust account:

(a) On 28 February 2018, $534.26 was debited from the trust ledger for matter 27: P, S;

(b) On 1 March 2019, $229 was debited from the trust ledger for matter 59: T H;

(c) On 7 March 2019:

(i) Matter 110: S P I. $922.35 was debited from the trust ledger;

(ii) Matter 68: G T. $27.29 debited was debited from the trust ledger;

(iii) Matter 73: 108 D L. $300 was debited from the trust ledger;

(iv) Matter 75: O I. $265.59 was debited from the trust ledger;

(v) Matter 76: M S S I. $206.96 was debited from the trust ledger;

(vi) Matter 93: K F T. $922.35 was debited from the trust ledger.

8 The Practitioner failed to ensure that any client invoices issued and/or client authorities obtained in respect of the above fee debits were available for inspection by the Inspectorate, contrary to regulation 9(1) of the Trust Account Regulations.

9 In addition:

(a) The client authorities made available in respect of matters 68, 73, 75, 76 did not comply with the requirements of regulation 9(1)(b), as they were not dated by the client;

(b) The client authority made available in respect of matter 93 did not comply with the requirements of regulation 9(1)(b) in that it was not signed by the client.

Trust account recording errors

10 On 1 March 2019, $0.11 was written off in respect of the client balance for matter 234 in CPL's trust account. Rather than crediting the funds to the relevant client ledger, the funds were incorrectly credited to an unrelated matter, matter 34: Q B H L.

11 By failing to ensure that this write off was recorded correctly in CPL's trust account records, the Practitioner breached regulations 11 and/or 12(3) of the Trust Account Regulations, and/or s 112(1) of the Act.

12 On a separate occasion and as set out above at paragraph 3(b), on 13 March 2019, the client paid $15,678.99 into CPL's trust account. This payment was processed on 15 March 2019. The payment was incorrectly recorded in the ledger as $15,428.99 instead of $15,679.99. This was contrary to the requirements of regulation 12(3) of the Trust Account Regulations.

Unidentified deposit

13 On 20 March 2019, a deposit of $2,142.50 was received into CPL's trust account, and allocated to the client ledger for matter 346, E E P.

14 The Practitioner failed to ensure that the entry relating to this deposit included adequate detail to enable the source of the funds to be identified or traced. This was contrary to regulation 11(3) of the Trust Account Regulations.

Unpresented cheque

15 On 1 June 2016, CPL moved from a manual trust accounting system to Actionstep, a form of trust accounting software. Following the transition to Actionstep, the Practitioner issued a cheque to the Inland Revenue Department (**IRD**) for unclaimed monies. The cheque represented two separate client balances, namely:

(a) Matter 115: C Y, $65.

(b) Matter 94: D L, $74.03.

16 The Practitioner failed to ensure the cheque was presented to the IRD, which meant that the client funds remained in CPL's trust account. The Practitioner failed to ensure that CPL's trust account records clearly showed the position of the client funds in CPL's trust account for the period the funds remained in the account after the cheque to IRD had been issued. This breached regulation 11(2) of the Trust Account Regulations and/or s 112(1)(a) of the Act.