THE SOLICITORS (SCOTLAND) ACT 1980
THE SCOTTISH SOLICITORS' DISCIPLINE TRIBUNAL
(PROCEDURE RULES 2008)

F I N D I N G S

in Complaint

by

THE COUNCIL OF THE LAW SOCIETY of SCOTLAND, Atria One, 144 Morrison Street, Edinburgh

Complainers

against

ALASTAIR McBEAN BLACKWOOD, HMP Castle Huntly, Longforgan, Nr Dundee

Respondent

1. A Complaint dated 14 August 2024 was lodged with the Scottish Solicitors' Discipline Tribunal by the Council of the Law Society of Scotland, Atria One, 144 Morrison Street, Edinburgh (hereinafter referred to as "the Complainers") averring that Alastair McBean Blackwood, HMP Castle Huntly, Longforgan, Nr. Dundee (hereinafter referred to as "the Respondent") was a practitioner who may have been guilty of professional misconduct.

2. There was no Secondary Complainer.

3. The Tribunal caused a copy of the Complaint as lodged to be served upon the Respondent. No Answers or productions were initially lodged for the Respondent but were subsequently lodged on his behalf on 14 July 2025 (see paragraph 10 below).

4. In terms of its Rules, the Tribunal appointed the Complaint to be heard at a virtual Procedural Hearing on 10 December 2024 and notice thereof was duly served on the Respondent.

5. At the virtual Procedural Hearing on 10 December 2024, the Complainers were represented by their Fiscal, Breck Stewart, Solicitor Advocate, Edinburgh. The Respondent was not present or represented. Attempts had been made for the Respondent to participate in the hearing by telephone but this had not been possible due to technical difficulties. The Fiscal moved for the

address in the instance of the Complaint to be amended to show the Respondent's location at HMP Castle Huntly. The Tribunal granted the motion. In the circumstances, *ex proprio motu*, the Tribunal fixed a virtual Procedural Hearing on 20 January 2025 at 2pm and notice thereof was duly served on the Respondent.

6. At the virtual Procedural Hearing on 20 January 2025, the Complainers were represented by their Fiscal, Breck Stewart, Solicitor Advocate, Edinburgh. The Respondent was present and represented himself. The Respondent stated that he had tried to instruct a solicitor to represent him in these proceedings but had been unable to do so. He added that, given the age of the transactions in the Complaint, he was unable to comment on them. The Tribunal noted that this was the first procedural hearing attended by the Respondent. As the Respondent was not practising, there was no risk to the public. Considering all the circumstances and in the interests of fairness, the Tribunal allowed the Respondent a further opportunity to instruct a solicitor. However, the Tribunal emphasised that it expected progress to be made when the case next called. The Tribunal fixed a further virtual procedural hearing on 25 March 2025 at 12pm. The Respondent confirmed that he would be on home leave on that date. The Tribunal undertook to send joining information for the Zoom hearing to the Respondent by email.

7. At the virtual Procedural Hearing on 25 March 2025, the Complainers were represented by their Fiscal, Breck Stewart, Solicitor Advocate, Edinburgh. The Respondent was present and represented himself. He stated that he had been unable to secure legal representation. The Tribunal had before it, amongst other documents, two letters from the Respondent potentially raising preliminary issues. The Respondent explained that he had been receiving treatment for mental health issues for a number of years and he considered that he did not have the mental capacity to deal with these matters. The Fiscal invited the Tribunal to repel the Respondent's preliminary points, arguing that the Respondent had not produced any medical evidence nor any evidence of prejudice on the basis of which the Tribunal could hold that there had been a prejudicial delay in raising these proceedings. There was an adjournment to allow the Fiscal to take instructions regarding obtaining a medical report. Following this, the Fiscal declined to instruct a medical report on the basis of the lack of any medical evidence produced by the Respondent to date. The Tribunal carefully considered all of the information before it and concluded that the fair and just determination was to allow the Respondent an opportunity to produce a medical report outlining the treatment he had been receiving and whether his mental health affected his capacity to participate in these proceedings. The Tribunal fixed a further virtual Procedural Hearing on 15 May 2025 at 11am. The Respondent stated that he would confirm to the Tribunal Office whether

he would be at home or in Castle Huntly on that date. He requested that correspondence be directed to HMP Castle Huntly in the meantime.

8. At the virtual Procedural Hearing on 15 May 2025, the Complainers were represented by their Fiscal, Breck Stewart, Solicitor Advocate, Edinburgh. The Respondent was present and unrepresented. The Respondent was not visible on screen and parties confirmed that they were content to proceed on the basis that he could participate using the audio function on his device. The Respondent referred to correspondence he had sent to the Tribunal Office but which had not been received. He had been unable to appoint a representative. The Fiscal referred to informal correspondence from the Respondent which was before the Tribunal and observed that it suggested a preliminary plea in bar of trial. The Fiscal invited the Tribunal to repel the preliminary plea and to fix a substantive Hearing to take place in person. As no Answers had been lodged at this point in proceedings, the Fiscal stated that the Complainers would require to prove the facts in each single averment of the Complaint, including the Respondent's name and career history. Evidence from 5 witnesses would be necessary and this would mean that at least 3 days would be required for the Hearing. The Respondent was asked to confirm his position in relation to a plea in bar of trial and replied that he would require time to consider that. The Respondent said that his consistent position was that he should be removed from the Roll of Solicitors. The Fiscal invited the Tribunal to refuse a motion for a further continuation. The Tribunal refused the Respondent's motion for a further continuation of the Procedural Hearing. It repelled the Respondent's Preliminary Plea in bar of trial and granted the Fiscal's motion to fix a substantive hearing. The Tribunal fixed a four day substantive Hearing to take place on 27, 28, 29 and 31 October 2025 (formal notice of these dates was subsequently sent to parties) and directed parties to lodge a List of Witnesses and core bundle of Productions no later than 28 days before the Hearing. The Tribunal directed parties to lodge a written Note of any admitted or agreed evidence no later than 14 days before the Hearing.

9. After sundry procedure, the Tribunal convened a virtual Preliminary Hearing for 28 August 2025 to consider a number of matters which had been raised in correspondence by both parties. Notice of this was duly sent to both parties.

10. At the virtual Preliminary Hearing on 28 August 2025, the Complainers were represented by their Fiscal, Breck Stewart, Solicitor Advocate, Edinburgh. The Respondent was present and accompanied by a lay representative, Iain Robertson. The Fiscal raised an objection about the appointment of that lay representative, submitting that he was not a 'fit and proper person' to act

in this capacity and that a potential conflict may arise. The Tribunal recognised that the Respondent was entitled to present his case as he saw fit and could appoint a representative of his choosing. It would be hesitant to interfere with this practice. The Tribunal considered that it would not be in the interests of justice to interfere with the Respondent's choice of representative in this case and rejected the Fiscal's objections. In terms of substantive matters, the Tribunal heard a number of motions lodged by the Respondent. The Tribunal allowed the second set of Answers (dated 14 July 2025) lodged by the Respondent to be received late but refused to allow the Respondent's preliminary pleas to be received on the basis that those had already been repelled at the virtual procedural Hearing on 15 May 2025. The Tribunal accepted the Fiscal's submission that the interlocutor dated 15 May 2025 did not record that decision and, therefore, granted his motion to amend this clerical error (to reflect that the preliminary pleas had been repelled on that date) in terms of Rule 49 of the 2008 Rules. The Respondent's preliminary pleas included a motion to dismiss the Complaint and the Tribunal refused that. Thereafter, the Tribunal allowed the Respondent a further period for adjustment and directed the Complainers to lodge a Record by 2 October 2025. The Tribunal decided that it did not have enough information to consider the Respondent's request to hold that hearing in private and refused that motion *in hoc statu*. The Respondent no longer insisted on some of the points in his motions. The Tribunal fixed a virtual Procedural Hearing for 16 October 2025 to ensure that parties were fully prepared for the substantive Hearing already fixed. It was keen to ensure that proceedings continued to progress fairly and efficiently and invited parties to enter discussions with a view to reaching agreement where possible to narrow the matters in dispute.

11. At the virtual Procedural Hearing on 16 October 2025, the Complainers were represented by their Fiscal, Breck Stewart, Solicitor Advocate, Edinburgh. The Respondent was neither present nor represented. The Respondent had submitted an email to the Tribunal Office on the evening of 15 October 2025 confirming that neither he nor his representative would be attending the Procedural Hearing and inviting the Tribunal to deal with matters on the basis of his written submissions. In all the circumstances, the Tribunal considered it appropriate to proceed in the absence of the Respondent in terms of Rule 14 of the SSDT Rules 2008. The Fiscal moved the Tribunal to allow the Record and Appendices to be received late. The Tribunal granted the motion and directed the Fiscal to lodge same by 5pm and to intimate same to the Respondent. The Fiscal confirmed that he was sending his communications with the Respondent both by post to HMP Castle Huntly and to the Respondent's own email address. He confirmed that he was prepared to proceed to the substantive Hearing previously fixed. There were two witnesses for the Complainers and a List of Witnesses had been lodged. The Fiscal said he had intimated his List of Productions to the

Respondent and had made it clear that copies of the productions could be collected by the Respondent from the Complainers' offices. The Fiscal explained that a draft Joint Minute had been sent to the Respondent who had suggested some changes. If agreed by the Complainers, this would reduce the amount of evidence to be led at the Hearing. The Respondent had stated by email to the Tribunal Office dated 19 September 2025 that he was content for the matter to be continued to the full Hearing. The Tribunal continued the case to the substantive in-person Hearing on 27, 28, 29 and 31 October 2025.

12. At the Hearing on 27 October 2025, the Complainers were represented by their Fiscal, Breck Stewart, Solicitor Advocate, Edinburgh. The Respondent was neither present nor represented. In all the circumstances, the Tribunal considered it was appropriate to proceed in the absence of the Respondent. The Tribunal had before it a Record and Appendices, Joint Minute, Lists of Productions and Witnesses for the Complainers and correspondence from the Respondent. No evidence was led. The Fiscal made submissions.

13. Having given careful consideration to the terms of the Complaint, The Tribunal found the following facts established:-

13.1 The Respondent is Mr Alastair McBean Blackwood, a prisoner at HMP Castle Huntly at the time of these proceedings. He was born on 19 September 1954. He was admitted as a solicitor on 23 November 1978. His Practice history was listed in Appendix 1 to the Complaint. He is currently suspended from practice.

13.2 On 13 June 2017 Edwin McLaren and Lorraine McLaren were sentenced to periods of imprisonment of 11 years and 2 ½ years respectively in respect of an indictment containing 25 charges of common law fraud and money laundering. Generally, Edwin McLaren was the controlling mind in a scheme where home owners were induced to sell to Mr McLaren or, his nominee, their property at a reduced price on the promise that they could remain in the property indefinitely, without making any rent like payment and they would receive a one off lump sum payment on the conclusion of the transaction. In effect the sellers were induced to relinquish their real right to their property for a small proportion of its value. The trial was Scotland's longest running fraud trial.

13.3 Edwin McLaren was convicted of property fraud involving the properties narrated in appendices 2- 15 to the Complaint and 12 others which were not narrated in these proceedings.

13.4 In the period of 2010 through to 2013 the Respondent facilitated Edwin McLaren's fraud. He received instructions from Mr McLaren, or an employee of McLaren/a company controlled by him. Thereafter the Respondent acted in the conveyancing transaction either for the seller or purchaser. The Respondent was the sole principal in his firm and was the file holder in each transaction in the appendices. The Respondent retained full responsibility for all actions of his staff.

13.5 The Respondent gave evidence in Mr McLaren's criminal trial. During that evidence he accepted he understood that Mr McLaren was the driving and controlling force of all instructions he received, that Mr McLaren was creating a "property portfolio" for his benefit and for the benefit of his family despite the properties being held in various nominees' names. The Respondent was aware the properties were in effect being purchased for the benefit of Mr McLaren or his family.

The Respondent's actings

13.6 The Complaint had 15 appendices attached to it. In each of the transactions appendices 2-15 the Respondent accepted instructions not from the named conveyancing client but from McLaren or McLaren's staff. The details of the transactions are contained in the appendices copied below. Appendix 1 sets out the records of the Respondent's employment history held by the Complainers.

13.7 On each file the Respondent printed and placed an undated online verification report (headed up as CallML report) for his clients. These searches do not meet the requirements of the 2007 Money Laundering Regulation for identification purposes the Respondent having not met his client.

13.8 The Respondent acted for the purchasers in each separate transaction detailed in appendices 2- 8. The Respondent did not meet with purchasers. The various appendices explain the identification documents held on each file. The Respondent did not produce a central file with identification documents. Each purchaser was known to the Respondent as being an associate of McLaren.

13.9 The Respondent has, in each transaction in appendices 2-8, failed to meet his obligations under the Money Laundering Regulations 2007. He did not meet with purchaser, obtain valid identification documents or secure valid (ie dated within 3 months) proof of address verification.

13.10 The risk assessment on each transaction detailed in appendices 2-8 was carried out erroneously. The Respondent assessed each transaction at a lower score than the combined elements. He did not assess the transactions as high risk, but he should have done so as he did not meet the purchaser. Each transaction included a loan. The Respondent did not carry out ongoing risk monitoring.

13.11 The Respondent did not carry out enhanced due diligence in any of the transactions in appendices 2-8.

13.12 In transactions narrated in appendices 3-7 inclusive the Respondent submitted the offer to, and concluded missives with, the firm of Craxton & Grant. John Craxton was the sole principal of that firm. Mr Craxton was found guilty of professional misconduct in respect of his conduct in facilitating the fraud of McLaren in those transactions.

13.13 In the transactions where the Respondent acted for the seller (detailed in appendices 9-15), the Respondent received initial instruction from McLaren or a member of his staff. He did not receive initial instructions from the seller.

13.14 The Respondent did not receive the identification documents held on his files from the seller. In each transaction the identification came via McLaren or his agent. The Respondent did not see the original documents. The Respondent did not see the original proof of address documents.

13.15 The Respondent did not meet face-to-face with the sellers (possibly with one exception). The Respondent completed risk assessment forms. He erroneously assessed the risk. He should have assessed each as 'high' but he did not. As a high-risk transaction, the Respondent should have carried out enhanced due diligence, but he did not.

13.16 The Respondent did not monitor the risk in each transaction. The Respondent's files hold no documents recording ongoing assessment.

13.17 In transactions narrated in Appendices 14 & 15 the Respondent signed the dispositions as witness to his clients' signatures. The Respondent did not observe the client sign the disposition. He did not, in person, obtain from these clients that the signatures were their own.

APPENDICES

Appendix 1 attached to the Complaint narrated the Complainers records in respect of the Respondent. Appendices 2-14 to the Complaint are copied below in the format in which they were provided to the Tribunal:-

APPENDIX 2 – Purchase by JBH of Property 1

1. The firm's ledger card for this transaction records that the matter was opened on 7 January 2011 and that the solicitor was both partner and fee earner in the matter.

   The client is narrated as Mr J H.

   There are two credit entries recorded on same:

18/01/2011	Mortgage Works loan funds by TT	£95,935
19/01/2011	funds from you by TT	£25,105

   A sum of £120,000 was paid by the firm by TT to C&G on 19th January 2011 representing the purchase price.

   The remainder of the funds covered the fees and outlays for the transaction.

   The firm charged a fee of £600 plus VAT for their services in this transaction.
2. The solicitor submitted an offer on behalf of JBH to C&G on 7th January 2011. There are no file notes of any meeting or discussion with JBH prior to the offer being sent. There is no evidence of ID being provided in advance of the offer being made. Nor are there any notes explaining why JBH who lived in [East Lothian] would instruct a solicitor in Dunlop, Ayrshire to act for them.
3. A letter incorporating terms of engagement was sent to JBH on 12th January 2011 which referred to the Money Laundering Regulations and sought photographic ID, home address ID and a document showing JBH's NI number. The letter gave some information about source of funds but did not at any point say that the source of all funds to be paid to the firm had to be explained.
4. The file holds and undated/certified poor photocopy of JNH's passport and a letter addressed to him at his address [Haddington] dated 17th December 2010.

5. On 13 January 2011 an email was sent from a secretary at the firm to edwin@onemove4u.co.uk which had as the subject heading "[JH]" and read:

   "Hi Edwin,

   Please find attached statement for Mr [H] as discussed.

   Can you please make sure he brings photo identification and proof of residency dated within the last three months.

6. The Respondent concluded missives for the transaction on 19th January 2011 and the transaction settled that day, the conveyancing formalities having been completed in the period between the offer being submitted and settlement taking place. There are no file notes recording any meeting/discussions with JBH.

7. After settlement the disposition in favour of JBH and the standard security granted by him were presented by the solicitor for registration to Registers of Scotland who received them on 21st January 2011. The file does not contain a copy of the standard security therefore it is not known where same was signed nor who witnesses JBH's signature.

8. The Respondent's file does not contain a Risk Assessment form for JNH nor any information as to the source of the £25,105 that he sent to the firm on 19th January 2011 for the transaction.

9. In evidence before the High Court in the case HMA v McLaren & others the Respondent gave the following evidence

   a. On 30th January 2011 (the offer having been submitted on 7th January 2011) that he did not have proof of JBH's identity or home address to which the solicitor replied:

      "That would appear so, yes. Well, in this case if we needed, er, [JBH's] ID and proof of residency.... we could make the request through Mr McLaren, yes."

   b. On 29th August 2016 the following evidence was given by the Respondent under cross examination "If you were purchasing a property for Mr [H], would you always have to meet the person directly?

      "Wouldn't, wouldn't always, no. No always, no."

   c. So, if one of your duties is to know your client and to know the source of funds, how can you do that without meeting the person? Are there methods that you would employ to be able to do that without meeting a person?

      "Well, it's possible to do an extra verification check based on the information provided. Each case is really taken on its own merits."

   d. We saw the email which seems to suggest that Mr McLaren had been contacted directly by Blackwood and Company with a view to ensuring that [JBH] brings in his identification documents, do you remember that?

[paragraph 5 above]

Yes

e. The fact that Mr McLaren introduced you to perhaps one of his extended family, that would be nothing unusual for you at all, am I understanding that correctly?

That's correct."

APPENDIX 3 – Purchase by JBH of Property 2

1. The firm's ledger card for this transaction records that the matter was opened on 30th March 2011 and that the Respondent was both partner and fee earner in the matter.

   The client is narrated as Mr JBH.

   There are two credit entries recorded on same:

18/05/2011	Mortgage Works loan funds by TT	£57,535
18/05/2011	funds from you by TT	£18,325

   A sum of £75,000 was paid by the firm to C&G on 19th May 2011 representing the purchase price. The remainder of the credit funds covered fees and outlays incurred by the transaction.

   The firm charged two fees in this matter - £500 plus VAT for the transaction and a separate fee of £50 plus VAT for the completion of the stamp duty land tax formalities.

2. The Respondent submitted an offer on behalf of JBH on 29th March 2011 55to C&G. There is an undated handwritten note with JBH's name, the price of £75,000, that the date of entry was to be mutually agreed, the extras were as "agreed" and C&G's name noted. It also noted "surv ok no alters".
3. The file holds a copy letter sending the offer to JBH on 30th March 2011 no terms of engagement were sent. No ID or source of funds information was requested.
4. On 12th May 2011 there is a letter addressed to JBH enclosing the standard security and associated matrimonial homes declaration to be signed by him together with a cash statement detailing the balance of the funds he was to provide i.e. £18,325. The letter does not ask JBH to provide evidence of the source of the funds.
5. Further chasing email were exchanged by the Respondent's employee, JBH, Edwin McLaren and the JBH's wife, MH.
6. Loan funds were drawn down and the transactions on the 19 May 2011.
7. The file does not contain
   a. copies of the standard security or matrimonial homes declaration, there is no information as to where or when those were signed or the details of the witness to same
   b. ID documents for JBH

c. any risk assessment form nor

d. any evidence of the source of the £18,325 by JBH.

APPENDIX 4 – Purchase by MCH of Property 3

1. The firm's ledger card for the transaction records that the matter was opened on 24th August 2011 and that the Respondent was both partner and fee earner in the matter.

   The client is narrated as Mrs MH – the wife of JBH.

   There are two credit entries recorded on same:

02/09/2011	Nat West loan funds	£59,970
06/09/2011	From you – deposit	£20,890

   A sum of £80,000 was paid by the firm to C&G on 6th September 2011 representing the purchase price.

   The balance of the funds represented the fees and outlays incurred in the transaction.

   The firm charged two fees in this matter - £500 plus VAT for the transaction and a separate fee of £50 plus VAT for the completion of the stamp duty land tax formalities.

2. The Respondent's file contains a "Buying Property Sheet" on which is recorded MH's name (but no other personal details), the address of the property for which the offer was to be made, the price, that the extras are "agreed" and the date of entry "mutually", that C&G were the selling agents, Nat West were the lender, that there were no alterations and that "Edwin" was the introducing agent. There are also rough figures noted down including fees and outlays and a calculation of the balance due by MH to be £20,890

3. The Respondent submitted an offer on behalf of MH for the property to C&G on 24th August 2011.

4. The Respondent's draft cash statement has various notes regarding how funds could be paid to the firm but also included a note that read:

   "It is an essential condition that you provide us with your update to Bank Statements showing the funds in your Account and this will also confirm the Account from which your payment will be made."

5. By letter dated 31st August 2011 the Respondent sent the standard security and matrimonial homes declaration for signature by Mrs H together with the case statement. The letter also said:

   "We look forward to receiving your remittance in respect of the balance... [we] should also be pleased to have sight of a recent copy of the Bank statement from which the funds will be taken to comply with the money laundering regulations."

6. The Respondent's file does not contain a copy of the signed standard security or matrimonial homes declaration. There is a signing schedule. It suggests MH signed both at Haddington, they were witnessed by DJG – Edwin McLaren's driver. The Schedule narrates the document was singed on the 31 August 2011 – the date of letter sending them.
7. The Respondent drew down on the loan funds, the balance of purchase price was received from MH and the transaction settled on 6th September 2011.
8. The Respondent's file does not contain
   a. Identification for MH
   b. Completed risk assessment form
   c. Evidence as to the source of the £20,890 that MH provided for this transaction
9. The Respondent in evidence before the High Court confirmed Edwin McLaren referred MH to him. The Respondent understood MH was relative of Edwin McLaren.

APPENDIX 5 – Purchase by GM of Property 4

1. The firm's ledger card for the transaction records that the matter was opened on 20th October 2011 and that the Respondent was both partner and fee earner for the matter. The client was narrated as GM.

   There are three credit entries recorded on same:

20/10/2011	Birmingham Midshires loan funds by TT	£59,965
20/10/2011	Birmingham Midshires cashback by TT	500
21/10/2011	funds from you by TT	20,395

   A sum of £80,000 was paid by the firm by TT to C&G on 21 October 2011 representing the purchase price,

   The balance of funds related to fees and outlays pertaining to the transaction.

   The firm charged two fees in this matter -£500 plus VAT for the transaction and a separate fee of £50 plus VAT for the completion of the stamp duty land tax formalities,
2. Loan instructions from Birmingham Midshires were issued to the firm on 14 October 2011, the offer was submitted on behalf of GM to C&G on 18 October 2011 with a qualified acceptance being issued to same by C&G on 19 October 2011.
3. A letter of engagement was issued to GM on 19 October 2011 in which reference was made to the firm's requirements to comply with the money laundering regulations and what ID would be required.
4. There is a signed (but undated instruction) letter from GM which authorises the firm to submit the offer and acknowledges a copy of the qualified acceptance so the earliest this could have been signed was on 19th October 2011.

5. The file has a handwritten note of a calculation of the balance due by GM and noted on same is *"Email st – Edwin & require ID"*. On 19 October 2011 (i.e. after submission of the offer) the Respondent sent an email to EM which read:

   "Please find attached copy statement showing the balance due. Could you please also arrange to let us have I.D. and proof of residence for [GM]"

6. The Respondent's file has a copy of the signed disposition which purports to have been signed on 20 October 2011. The witness to the seller's signature is DJG of Bridge of Weir (McLaren's driver & the same party who witnessed the standard security in the transaction involving MCH's purchase of [property 3 as detailed in appendix 4].

7. This file also has copies of the standard security and matrimonial homes declaration granted by GM dated 20 October 2011. In each of these the witness is EM whose address is given as [an address in Bridge of Weir]

8. This file contains copies of GM's passport, driving licence and a BT bill dated 20 September 2011 but with no information as to how the Respondent obtained same. They are not certified by him.

9. This file does contain a risk assessment form ("RAF") for GM on which it refers to 1Move (EM's business) as the source of the referral.

10. GM was a new client to the firm Section A of the RAF applied which clearly stated in bold type: *"By signing this Certificate you are CERTIFYING THAT"* and then has the certifier of the RAF confirming

    "I have personally verified the Name ID and Address ID of the client and:

    (a) Met the client personally and confirm that the photograph on the Name ID bore a good likeness to the client and the Name ID is still valid.

    (b) Seen the original documents (not photocopies).

    (c) Checked that the address on the Name ID (if there was one) corresponded with the Address ID or if not there is a reasonable explanation (explanation to be noted).

    (d) Verified Address ID (paperwork or knowledge within the last 3 months) and the client confirmed it is still their current address alternatively has provided a reasonable explanation (explanation to be noted.

    (e) Confirmed with the client that they have lived at their current address for at least the last 6 months alternatively has provided a reasonable explanation (explanation to be noted).

    (f) Where the client is not a UK national and/or the passport is in a foreign language I have given consideration as the possibility of these being forged."

    Handwritten on Section A is *"per meeting for instrs"* but the file has no note of any meeting between the solicitor and GM.

11. Section C of the RAF relates to source of funds and on same is handwritten "Personal savings with family."

12. Section D of the RAF deals with the nature of the transaction. It should be noted that it clearly says in Section D in bold type

    "IMPORTANT: (1) All sales, purchases, mortgage, re-mortgage or other transfers of interests in heritable property should be considered as High Risk and (2) <u>If the Nature of the Transaction changes after you have signed off on the RAF you should report the matter to the MLRO</u>."

13. Despite the clarity of same the Respondent marked the transaction as low risk and then signed same in which he certified he had verified the relevant sections of same and dated it 19 October 2011.

14. In terms of the Respondent's Money Laundering Matrix – the transaction should have been High risk accordingly the transaction required Enhanced Due Diligence. The Respondent did not carry out enhanced due diligence. Enhanced due diligence was also required if client is not seen face to face. The Respondent did not see the client face to face.

15. Per para 7 above the standard security granted by GM in favour of Birmingham Midshires and its associated matrimonial homes declaration were both signed at Glasgow. There is nothing with the papers which explains how the security documents were provided to GM for signature.

16. There is no evidence that the solicitor met GM and there is not evidence of the source of the £20,395 provided by GM for the transaction. As is demonstrated in the solicitor's evidence noted below EM was closely involved in all aspects of the transaction.

17. Under examination in the Trial HMA v Edwin McLaren & others on 29th September 2016 Respondent gave the following evidence:

    "It would appear that its Mr McLaren who has introduced this and you've asked….he's asked basically to get ID and proof of residence from Mr M sorted out? Is that correct?

    Yes.

    So, it's the same type of introduction that we talked about in the past and in this case Mr McLaren is making arrangement for identification from the person. Is that correct?

    Yes."

APPENDIX 6 – Purchase by JBH of Property 5

1. The firm's ledger card for the transaction records that the matter was opened on 3rd November 2011 and that the Respondent was both partner and fee earner for the matter. The client was narrated as Mr JH.

There are three credit entries recorded on same:

24/10/2011	The Mortgage Works loan funds by TT	£47,935**
03/11/2011	The Mortgage Works loan funds by TT	£47,835
04/11/2011	funds from you by TT	£18,080

**These funds were returned to the lender on 28th October 2011 as the transaction could not settle at that stage.

A sum of £65,000 was paid by the firm to M&S on 4th November 2011 representing the purchase price.

The balance of funds related to fees and outlays pertaining to the transaction.

The firm charged two fees in this matter -£500 plus VAT for the transaction and a separate fee of £50 plus VAT for the completion of the stamp duty land tax formalities.

2. The Mortgage Works issued loan instructions to the firm on 13 October 2011. On 21 October 2011 the firm emailed the lender to confirm that all occupants of the property would be vacating on or prior to completion. There is no note of any discussion with JBH regarding this or with the seller's agents to clarify this, so it is unknown how the Respondent knew this was the case.
3. A Risk Assessment Form was completed by the Respondent. In this one the client was marked as being *"Existing."* Under Section C regarding the source of funds there is a handwritten note *"Personal savings/family savings as previous."* Under Section D as regards the level of risk the word *"low"* is circled (with the word "existing" handwritten beneath it) and the word *"high"* is circled with a circle also around the word *"purchases"* in the note. The RAF was initialled by the solicitor and dated 18 October 2011.
4. There is no identification of JBH on this file. There is no valid confirmation of his current home address on the file.
5. The firm issued an offer to C&G on behalf of JBH on 18 October 2011 and a qualified acceptance was issued to same by C&G on 19 October 2011. Initially a date of entry of 25 October 2011 was proposed and the conveyancing formalities were entered into i.e observations were raised with C&G and a draft disposition prepared. The loan funds were drawn down and then returned as C&G were not in a position to settle at that time. It is not clear why the transaction could not settle at that time.
6. M&S took over acting for the seller but on 1 November 2011 the firm sent the disposition by email to M&S and the loan funds were requested by them again. The firm sent a formal letter on 4th November 2011 to amend the date of entry, M&S concluded the bargain by return and the transaction settled that day.

7. Correspondence with JBH consists of two letters. One sent on 7 November 2011 advising him the transaction had settled and one on 22 December 2011 refunding a small credit held on the ledger. There are no file notes of telephone calls or meetings.
8. The file does have a signed "pro forma" instruction from JBH authorising the firm to submit the offer and confirming receipt of the qualified acceptance. This is signed and dated 3rd November 2011. There is no letter enclosing same to JBH or any other evidence as to how he received this or how it was returned to the firm.
9. There is no copy of the signed standard security granted by JBH or its associated matrimonial homes declaration on the file. There is a completed schedule of signing particulars for JBH which most likely relates to the signing of the security documents. This narrates that the deed to which the schedule related was signed at Haddington (JBH probable home address) on 3 November 2011.
10. The file does not hold updated ID nor any evidence of the source of the £18,080 provided by JBH. There is no risk assessment form.

APPENDIX 7 – Purchase by MCH of Property 6

1. The firm's ledger card for the transaction records that the matter was opened on 30th June 2011 and that the Respondent was both partner and fee earner for the matter.

   The client was narrated as MCH.

   There are two credit entries recorded on same:

05/07/2011	Birmingham Midshires – Loan Funds	£48715
08/07/2011	funds from you by TT	£17145

   A sum of £65,000 was paid by the firm to C&G on 8th July 2011 representing the purchase price.

   The balance of funds related to fees and outlays pertaining to the transaction.

   The firm charged two fees in this matter - £500 plus VAT for the transaction and a separate fee of £50 plus VAT for the completion of the stamp duty land tax formalities.
2. Loan instructions were issued by Birmingham Midshires to the firm on 25 June 2011 which seems to be before the solicitor was instructed. The offer for the property was submitted on behalf of MCH to CG on 30th June 2011.
3. There is an undated "Buying Property sheet" with the bones of information for an offer and handwritten on it is "source of funds" and "ID etc Deposit Instr Sign paper NI no." A letter of engagement was sent to MCH on 4 July 2011 after the offer had been submitted.

4. The file has a copy of MCH's passport, a Scottish Gas bill addressed to her dated 2 April 2011. There is nothing with the file to record the Respondent obtained he ID, if he met with MCH or saw the originals.

5. There is an RAF with the papers which notes the source of the referral as 1Move (i.e. EM's business). IN same the Respondent certified that MCH was a new client and on Section A which was ticked in pen it was noted "per meeting". Section C of the RAF re source of funds has the note "Personal savings/re family as advised by Est Agent."

   There is nothing on file to record any meeting with MCH or details of any information provided by the estate agents. Despite Section D of the RAF clearly narrating that all property transactions should be considered high risk the risk is circled in pen as low.

6. By letter dated 4th July 2011 the Respondent sent a copy of the qualified acceptance to MCH with their terms of engagement and *"other paperwork which requires your urgent attention to be back with us for tomorrow 5th July 2011 if we are to aim for settlement for Wednesday."* The letter does not specify what the "other paperwork" is and bearing in mind MCH lived in East Lothian and the firm were in Ayrshire it seems unlikely same could be returned the following day unless papers were uplifted and returned by hand.

7. The file includes a draft cash statement showing a balance due by MCH of £17,145.

   There is no record this was sent to MCH. The statement contains a note that reads *"It is an essential condition that you provide us with your update to date Bank Statements showing the funds in your Account and this will also confirm the Account from which your payment will be made."*

8. MCH faxed the Respondent on 7 July 2011. She wrote "Please find attached a bank statement showing where the deposit funds for the above property are coming from."

9. Attached to the fax were two statement pages from an online Bank of Scotland account showing a credit balance of £17,175. These did not show the name of the person whose account this was nor the account number. It also showed that two large deposits had recently been made into same, namely £11.025 which had been made on 15 June 2011 and then paid out on the 16 and then a deposit of £17,175 on 7 July 2011. A Fax copy of a statement without the name of the account holder does not meet the source of funds requirements.

10. The transaction settled on 8th July 2011.

11. In the case of HMA v McLaren and others the Respondent gave the following evidence on the 10 August 2016.

    Is there a note to tell us when your meeting with her was, on the file?

    Not really. I mean that's when I filled in the sheet, so it would have been around that time,

    Now the file was opened on 1st July, I think you said, is that right?

Well, I'm going by that note, yes.

And do you know who it would be that instructed you to submit this offer?

Um, it's not clear from the file whether it would be [MCH]. That would be the normal assumption but it's not, it's not clear.

And what, what's … if the normal assumption is [MCH] what's the alternative in this case?

Well , the only alternative would be if Edwin McLaren had asked us to submit something on behalf of [MCH].

And someone on or before 25th June 2011 must have given Birmingham Midshires the name of Blackwood & Co as the solicitors, is that right?

Yes, yes.

Is there any indication in the file of your firm being contacted or involved before…on or before 25th June for this transaction?

Not that I can see.

APPENDIX 8 – Purchase by PMB of Property 7

1. 1.The firm's ledger card for the transaction records that the matter was opened on 20 December 2011 and that the Respondent was both partner and fee earner for the matter. The client was narrated as Mr P B.
2. There are two credit entries recorded on same:
3. 19/12/2011 From You Deposit/Expenses £23,395
4. 20/12/2011 Birmingham Midshires Loan Funds £67,465
5. A sum of £90,000 was paid by the firm to M&S on 20th December 2011 representing the purchase price.
6. The balance of funds related to fees and outlays pertaining to the transaction.
7. The firm charged two separate fees in this matter - £500 plus VAT for the transaction and a separate fee of £50 plus VAT for the completion of the stamp duty land tax formalities.
8. 2. Loan instructions from Birmingham Midshires were issued to the firm on 8 December 2011 which appears to be before the firm was in fact instructed to act for PMB.
9. The Respondent sent an offer on behalf of PMB to M&S on 12 December 2011. There is no evidence as to who gave the instructions to submit same, there is no note of a call or meeting with PMB. A qualified acceptance was issued by M&S on 20 December amending the date of entry to 20 December 2011 which the firm accepted thus concluding the missives and then settled the same day.
10. There is no entry on the file of the Respondent meeting PMB. There are two letters sent to PMB, one on 15 December 2011 enclosing a copy of the offer and one on 21 February 2012

confirming that the registration of his title had completed and that the lender, Birmingham Midshires no longer held title deeds and suggesting that the firm retain them for him.

11. There is an undated, signed instruction from PMB confirming he had instructed the firm to submit the offer and had received a copy of the qualified acceptance. There is no correspondence sending him a copy of the qualified acceptance., it is unknown how he would have received this pro forma instruction prepared by the firm.
12. The Respondent recorded on the cover sheet of the file Mr B was an existing client and *"Individual checked/known"* and under the heading "contact" it has circled *"Occasional face-to-face"* but no other information is noted about PMB.
13. There is a Risk Assessment Form on which it is marked that PMB is an existing client. There are no details linking this to any previous work. Under Section C for source of funds there are no notes. In Section D of the RAF the solicitor has in this case correctly marked this as a high risk transaction. The form has been certified by the solicitor who added his initials and dated this 14th December 2011 i.e., two had after the offer had been submitted.
14. There is no ID or proof of address documentation for PMB.
15. The Respondent drafted a cash statement detailing the intromissions of the transaction and showing a balance due by PMB of £23,395. There is no documentation sending this to PMB. The statement contains a note that reads *"It is an essential condition that you provide us with your update to date Bank Statement showing the funds in your Account and this will also confirm the Account from which your payment will be made."*
16. There is no evidence of source of funds on the file. The sum of £23,395 was paid into the firm's client account on 19 December 2011, the credit advice received from the firm's bank notes the sum was paid on the order of Mrs EB. The firm's credit entry incorrectly narrates this payment as *"By from you deposit/expenses [address of property 7]."*
17. In evidence before the High Court in HMA v McLaren & others, the Respondent gave the following evidence on 10 August 2016.

    "What was Edwin McLaren's interest in this property, is this purchase?

    Well, again I understood that it was part of this portfolio.

    In general terms then what did you understand Edwin McLaren's role then was in relation to this portfolio?

    Well, I think as I'd previously said that he was sourcing properties to build up the portfolio.

    And I think you told us on Wednesday that you didn't know how he sourced them, is that right?

    That's right.

    Did he never tell you how he was finding these properties?

No I think I had said that my assumption was as he was an estate agent he would have the ways and means of sourcing properties.

Offer from Blackwood and Co dated 12 December 2011 addressed to M&S, Solicitor in [place]?

Yes.

The purchaser is [PMB] residing at [address in Paisley]. The property is [address of property 7]. Ini this instance did you understand that the source of funds was purely from [PB] or to be from any other source?

Eh, I understood it would be [PB].

Is that simply an assumption, or is it based on some particular information? So it's an assumption?

Yes.

There isn't a record of who actually have you the instructions to submit the offer in the first place, is that right?

There doesn't appear to be, no.

And in the case of these particular transactions that come within this umbrella of Mr McLaren's portfolio, who could the instructions have come from?

Well, there's nothing on the file to give a definitive answer to that.

This account is an account in the name of someone called AH. Do you know an AH?

Yes, I think we acted previously, yes.

And do you know of any connection between AH and Edwin McLaren?

Part of the family as I understood it.

If the transfer of £xxxxx from AH to Mr and Mrs [B] is the source of the deposit from which your firm received, were you aware that this was coming from this account in the name of AH?

No.

22 December 2011 there's a CHAPS payment coming from someone with the name of Mrs PS paying £xxxxx into this account for AH, the account in which it would appear the deposit has come, do you see that?

Yes.

Do you remember the name of the seller of this particular property [address of property 7]?

PS

Were you aware of any agreement whereby the seller of this property would be paying the sum of £xxxxx back to the source of the deposit?

No

Someone connected with Mr McLaren?

No

If you had known that there was some arrangement whereby, for instance, the deposit is coming from AH and the seller was apparently reimbursing AH on the face of it and paying additional sum totalling £xxxxx is that something that would have caused you to pause at all in the transaction?

Well, yes, I think it would be classified as a revolving deposit. I am not sure how I would have become aware of something like that.

If you had been aware would you have reported it?

Yes."

APPENDIX 9 –Sale by BM and SM of Property 8

1. The firm's ledger card for the transaction records that the matter was opened on 29 March 2012 and that the solicitor was both partner and fee earner for the matter The client was narrated as Mr and Mrs SM.

   There is one credit entry recorded on same:

   25/04/2012 NC&M Settlement £250,000

   From the sale proceeds the mortgage was repaid and the fees and outlays paid from same, the net sale proceeds totalling £194,746.62 are recorded as being paid "To You – Proceeds" on 25 April 2012.

   The firm charged a fee of £750 plus VAT for the transaction.

2. There is an explanation as to why the firm (based in Ayrshire) would be instructed to act in the sale of a property in [location of property 8]. This is disclosed on the RAF with the papers. (There is only one RAF for "Mr Mrs S M" where in fact there should have been one done for each spouse). The source of the referral is marked as "1 Move Est Ag" i.e EM's business.

3. The RAF narrated Mr and Mrs M as "NEW CLIENT" and on Section A there are two notes: "being certified by Est Ag" and "spoke with clients re offer etc at outset"

   In Section D in the consideration of risk both "medium" and "high" are circled. The solicitor initialled the RAF and dated it 7th March 2012.

4. The file also contains a money laundering matrix it shows the client and transaction as low risk which in all the circumstances of the case is skewed. From the notes on the RAF, it is clear the Respondent was not meeting the clients face to face and as a consequence the Respondent should have carried out enhanced due diligence. He did not carry out enhanced diligence.

5. The file has copies of Mr and Mrs M's passports and various pieces of correspondence address to them at their [property 8] address. From bank correspondence on the file, it can be seen that the M's had financial difficulties in that they had a demand to repay a substantial loan and could therefore be described as in some financial distress.
6. The identification was provided to the respondence by Edwin McLaren. The Respondent did not see the principal passport. An estate agent cannot be relied upon to certify identification documents of a solicitor's client. The residence of the M's and a non face-to-face relationship require enhanced due diligence. The Respondent did not carry this out.
7. The Respondent wrote to the M's only 3 times during the transaction.
   a. 07.03/201 letter of engagement sent to them at the [property 8] address
   b. 16/04/2012 letter to them at the [property 8] address advising *"per your instructions proceeding to conclude missives for your sale and thereafter complete the transaction on your behalf. We attach our draft statement showing the expected balance due to you……we await an updated redemption statement from RBS which will be incorporated in the final statement. You are of course providing us with the details of the Bank Account into which the proceeds have to be remitted once the transaction settles and we also look forward to receiving a note of your forwarding address"*
   c. 25/04/2012 letter to them care of an address at [address in a different location] advising that completion had taken place that day, enclosing a final statement and advising that the proceeds had been paid by CHAPS to their account with RBS
8. The Respondent received an offer from NC&M on behalf of LMM for £250,000 on 28th March 2012 to which the Respondent issued a qualified acceptance on 24th April 2012 (making the date of entry 25th April 2012). NC&M accepted same on 25th April 2012 thus concluding the missive. There are no notes of discussions with Mr and Mrs M regarding the terms of the offer.
9. The file does not contain a copy of the disposition and nothing to evidence how same was sent to or signed by the M's but same was enclosed with the settlement items sent to NC&M on 25th April 2012.
10. The Respondent received instructions to remit the full net sale proceeds to an RBS account the details of which are completed in handwriting on the form. This has two signatures but no date on same. The Respondent added a handwritten note on this which reads: *"Final correp via Est Ag until permanent address"*. There is no evidence as to how that was obtained,
11. The Respondent did not advise Mr & Mrs M of the mortgage redemption figure or instruction that it was accepted as curate by the M's.

12. The Respondent gave the following evidence before the High Court in the case of HMA v McLaren & others on the 12 August and 26 September 2016.

"did you ever meet Mr and Mrs [M]?

No.

And so what's the reference then, 'Being certified by estate agent', what does that mean?

Well, that would mean that the ID and address information would be provided to us by the estate agent.

Should we understand that strictly speaking an estate agent wouldn't be in a position to certify someone's identification>

I think that's the way the rules are, yes.

You won't see any certification by anyone of these people's identification?

Would it appear that the transactions proceeded then without the identification of the sellers being established?

Yes

Can you say how these documents, copies of the passports came to be on your file?

Well, they would have been provided to us either by the clients or possibly by the introducer, Edwin.

What were you certifying at the time you signed the certificate?

I wasn't certifying anything. There was a note to say that that was being done by the estate agent.

And whatever may or may not have happened, there is no certificate in the file by anyone else?

No I don't see one, no.

But you have certified the information, haven't you?

Yes

So what were you certifying if you didn't have the ID documents by that stage?

Well, normally what would happen is, I would just sign that when that went on the file but the note to me reads that that is something that still has to be done as far as the ID.

So, basically you are certifying what has to be done, not what has been done?

Well, a combination of what has been done. For example, it says, spoke with clients, or in this case something has still to be done, so it could be a combination.

(Re the disposition in favour of LMM)

It indicates the document is signed at [location] on 20 April with the witness being Edwin McLaren of [address in different location], is that right?

Yes

Occupation, Estate Agent, is that right?

Yes.

So, are you able to say whether or not at the time you were aware of any connection between LMM and Edwin McLaren?

I don't know if I considered that point or not.

Did you consider how it came about that you were getting a referral of a property in [location of property 8] from an estate agent in Bridge of Weir?

No.

Did you know whether the property had been marketed by 1Move Estate Agents?

I didn't know. I didn't know whether it had been marketed, no.

'final correspondence via estate agent until permanent address' Is that a note of your handwritten?

Yes.

From where did you get the information to write that note?

I assume from speaking to the clients at the time of settlement.

None of the notes we've seen so far say attending on the phone with Mrs [M], attending on phone with Mr [M] or anything like that, is that correct?

Yes.

During this transaction did you have any dealings with Mr McLaren?

I'm sure I must have spoken to him at various points.

And what would have been his interest to cause you to speak to him at various points?

I presume he would be asking progress as to the transaction.

And what would be his interest in the progress of the transaction?

On the basis that it was presumably LMM was one of the family members.

So why would you ... did you give him information?

I can't remember.

Why would you speak to someone who is not your client, then about a transaction between Mr & Mrs [M] and LMM?

If he referred the [M's] to us he would potentially ask how the sale was going, as you would expect any estate agent really.

But this property doesn't appear to be marketed by an estate agent, does it?

No.

So what's Mr McLaren's role in this?

Well, he introduced the clients to our firm.

Well, supposing that he introduces not the estate agent who is selling the property, but you understand him to be an estate agent, and he has introduced these people to your firm, so what is the involvement of Mr McLaren after that?

I don't know, curiosity, or just interest in how the transaction was going.

The question maybe, did Mr McLaren have an interest in the outcome?

I am only surmising. I certainly can't remember conversations going back which may have just been in passing. Ehm, if LMM is one of his family members then I presume he would have a interest but I couldn't really say any more than that.

(Re sale proceeds)

We have a statement starts off 'Sale price of £250,000 and gives a net figure due to you £194,746.62, is that right?

Yes.

Now, why was this letter written to [address] Bridge of Weir?

Well because we didn't have a permanent address for them at that point.

And where did you get the address at [address], Bridge of Weir from?

It would either have been the clients I would assume.

So, just to be clear, no fee to an estate agent, is that right?

Yes.

£194,746.62, to be clear on this, who was due that money?

Mr & Mrs [M].

Now, if we heard from Mr & Mrs [M] that neither of them ever spoke to anyone from Blackwood & Co could you explain that?

I don't know why they would say that because glancing through this I know I had to speak to them regarding copy confirmation as part of the conveyancing and also to do with copy certifications for alterations which had been carried out.

And in particular they say, they didn't instruct, they weren't aware of the offer on behalf of LMM and didn't instruct you to accept it.

I don't know why they would say that.

You can't tell me which one of them have you those instructions, can you?

Not from this length of time, no.

And if you spoke to anyone on the telephone, how would you know that it was in fact Mr or Mrs [M]?

I don't know.

You had never met either of them, had you?

No.

So, if you spoke to someone about this transaction from what you know yourself personally, are you in a position not say it was definitely [Mrs BM], whose passport I've got or [Mr SM] whose passport I've got that was on the other end of the phone?

The only way I felt that was correct was because of the information she gave me regarding the executry. I think it was perhaps her father from memory. So she had to give me information on that.

And if Mr McLaren was the person to certify the identity of Mr and Mrs [M] why didn't you get some form of certification of their identification?

I don't know.

So, on what basis did you believe that you had instructions from Mr & Mrs [M]?

Well, a combination of correspondence and telephone calls.

Just to be clear, correspondence, that's correspondence you sent to them?

Yes.

Is that telephone calls you made to them or they made to you?

Well, I don't know for sure whether it was one way or both ways, I couldn't honestly remember ... there must have been because in this particular case I had to get information regarding, I think it was her father so we could get copy certifications regarding his estate as part of the conveyancing, so, ehm, I do remember that because it's not something that happened in a run of the mill transaction, if I can use that term.

So, did the same person speak to you about her father's estate, speak to you about moving out and not having a forwarding address to contact them by the estate agent?

I can only assume that. I can't remember.

You were acting obviously as [BM's] solicitor, her solicitor and that of [SM] as well in this transaction for the sale of [property 8]... the sum of money we're looking at there, £xxxxxx has come from the free proceeds of the sale of [property 8], do you know why it would have been paid the next day to DS Limited?

No.

And we've heard evidence that this account that we're looking at just now is an account that Edwin McLaren could operate, do you know why this sum of money was paid into an account that could be operated by Edwin McLaren?

No.

Now just to be clear, Mr and Mrs [M] didn't instruct your firm in the subsequent purchase of a new property, did they?

No.

Simply a sale; is that right?

Yes.

Did Mr McLaren, in the contact you had with him, say anything to you about his having an interest in the free proceeds from this sale?

Don't remember anything. No.

Two letters that were sent, it would appear were sent to Mr and Mrs [M] at [property 8 address]... If both those letters have been lodged in court on behalf of Edwin McLaren, do you know how those letters came to be in Edwin McLaren's possession?

No.

We see simply the note, final correspondence by estate agent until permanent address; is that right?

Yes.

If I suggest to you that [address], Bridge of Weir, was not an address of One Move Estate Agents, could you explain why you would write to Mr and Mrs [M] at [address]?

No. No.

And if Mr and Mrs [M] have told us in evidence that they weren't selling the house at [property 8]. They thought they were getting a loan to pay off their mortgage, did you know anything about that?

No."

The solicitor's evidence at EM's trial on 29th September 2016 contained the following (again the solicitor's responses are in bold type):

"So, do you need to actually meet the person who's selling their house?

No.

So if you don't meet a person who's selling their house, how would you obtain their instructions?

Well, different ways. So, there'd be usually a combination of correspondence and usually telephone conversations.

Did you make any enquiries with Mr McLaren as to how he had sourced the property in [location of property 8]?

Not that I can recollect, no.

So, when we see 'being certified by estate agents', is this something that you had asked Mr McLaren to confirm that he had seen the original documentation?

Well, that is the meaning I would take from that, yes.

So, we, can take from that then that you would accept if Mr McLaren said, 'I've seen the original passport. Here's a copy of it, 'you would accept that as being a valid check of the person's identity?

Yes.

Whose responsibility is it to ensure that the proper establishment of the person's identity is carried out?

Well, the firm strictly acting for the clients in that transaction.

So yourself, basically?

That's right, yes.

Now, is there any legal requirement as to the kinds of people or the categories of occupation who can certify copies for these purposes?

There are. I'm sorry to say that I can't, off the top of my head, remember the exact wording. But I remember at the time that 1Move was party of a solicitor's firm in Glasgow and was satisfied as being part of that entity.

I'm going to suggest to you that Mr McLaren made it quite clear to you that the sellers in these properties were staying in their property. Okay? They weren't moving on. It was part of a deal that he'd done with them and that that would be the case in, not all of the transactions, but the majority of the transactions that Mr McLaren introduced sellers to you, the person would be staying on in their house. Okay? Now, do you remember a conversation with Mr McLaren advising you of that fact?

No.

And you indicated to Mr McLaren that you would need to have some sort of forwarding address in order to comply with the Law Society? Do you remember that....

Well, I don't know whether I would have said to him specifically for Law Society, but I would have said to him we need forwarding addresses in any transaction.

Even if a person wasn't leaving their house?

Well, if they weren't leaving their house, I would write to them there. But if I wasn't advised of that, then I wouldn't know that.

Why didn't you just phone up Mrs [M] and say 'Mrs [M], where are you going?'?

Well, we were happy enough to trust that Edwin was a, a conduit between us and the buyers at that stage because it had settled.

Did you ever think to say to Mrs [M], or indeed any of the other people who were selling here, 'This is a business opportunity for me, I could maybe make another few hundred pounds in the purchase of their other property.'? Did you ever think to say to them, 'I'm available if you want me to act in the purchase of any house that you're moving to' Or even be curious

as to who their solicitors were that were acting for them in the purchase of their next property?

I don't, I don't remember any conversations, no.

And would it not be the sort of thing that you might say, 'Here's an ideal opportunity. We've got...we've seen about half a dozen or something like that people who are selling their houses, I wonder who's acting for them on the other side. I'll ask Edwin'? Did you ever think to do that?

I don't think I did, no.

No, I'm going to suggest to you why you never asked Edwin and you never contacted the people to say who was going to be, or who they were getting to act for them in the purchase of their properties, because you knew that they weren't going anywhere. You knew they were staying in their house because Mr McLaren had told you that.

No."

APPENDIX 10 –Sale by EJ & LS of Property 9

1. The firm's ledger card for the transaction records that the matter was opened on 18 January 2012 and that the Respondent was both partner and fee earner for the matter. The client was narrated as Mr LS and Miss EJ.

   The ledger card has one credit entry:

   08/08/2012 from NC&M Settlement £180,000

   After repayment of the mortgage and all fees and outlays incurred in the sale the net sale proceeds of £104,864.90 are narrated as being paid to EJ as *"Proceeds per mandate"*.

   The firm charged a fee of £750 plus VAT for transaction.

2. The background in this case is that Miss J and Mr S had fallen into arrears with their mortgage with GE Money Home Lending Limited ("the lender") who had raised an action of repossession against them late in 2011.

3. The Respondent received an email from 1Move (EM's business) on 11 January 2012 which read *"Can you please do searches on the attached for Edwin please."* There is no subject heading on this email but the following page is a copy of the calling up notice relating to [property 9] which has the details of Miss J and Mr S on it.

4. The Respondent's file holds (uncertified) copies of Miss J and Mr S's passports but no evidence of any contact between the solicitor and Miss J and/or Mr S.

5. On 18th January 2012 the solicitor emailed EM at 1Move, the email read:

   "As discussed, I attach our standard sales questionnaire which requires to be completed and returned to us so we can deal with some of the standard points in the sale. We would require

GE Money's account number and in due course would require to request the Titles from their Solicitors as and when a suitable offer is received.

In the meantime, could you please let me have your remittance for £40 to cover the initial Search done."

6. The Respondent arranged appearance for Miss J & Mr S at a court hearing on the 20 January 2012, the repossession was delayed in order that the property could be sold. The Respondent advised agents that the property was being marketed by an estate agency in Glasgow and was also being advertised on Rightmove. He further advised that he understood there was some interest in the property and one note of interest,
7. The Respondent corresponded with the lender's agents and recovered their title deeds for the property from them.
8. On 16th February 2012 a member of the Respondent's staff emailed the lender's agents to advise that an offer had been received and that they had concluded missives (which were apparently subject to the purchaser getting a mortgage). This missive had been entered into with M&S who were instructed on behalf of SW. SW's offer was made to the Respondent on 16th February 2012 and the firm issued a de plano acceptance to same on the same day with the date of entry of 28 February 2012. The Respondent had not communicated with LS or EJ regarding the missives.
9. The transaction did not settle on the 28 February. The Respondent did not write to LS and EK advising this. On the 15 March the Respondent's employee wrote to the mortgage broker of the buyer. The Respondent's employee communicated with the sellers' lender advising them of the buyers mortgage.
10. The Respondent did not advise on enforcing or resiling from the missives and re-advertising.
11. The Respondent first wrote to EJ and LS on the 4 May 2012 enclosing an offer and they were asked to contact the firm with their instructions and were told that the date of entry was proposed for 12 May subject to the purchaser getting his loan instructions.

    The letter also referred to enclosing the firm's standard sales questionnaire (previously provided to EM) and their terms of engagement (there is also the letter of engagement dated 4th May). On one copy of the covering letter there is written *"ID forwarding address"*. NB the missive had previously been concluded without any input from EJ or LS.
12. The purchaser changed in late May. The original concluded missives were not resiled form. The same purchasing solicitors acted, now LMM not SW. EJ and LS were not advised on the change of purchaser or the legal status of the concluded missives.

13. A letter in identical terms to the letter of 4th May 2012 was issued to Miss [J] and Mr [S] on 29th May enclosing a copy offer and seeking instructions on this. The Reporter assumes this to be the offer made by LMM.
14. On 6th June 2012 an employee of the Respondent emailed NC"M to say the disposition was being signed that day although there is nothing on the file to explain how that was being done. There is no copy of the signed disposition with the file.
15. The transaction settled on 11 June 2012 and the firm wrote to EJ and LS an address in [location] confirming same and enclosing a statement showing the balance due to them of £104,864.90 which they advised had been paid out to EJ in terms of a joint mandate granted by them. The file has an undated handwritten note headed up "FORWARDING ADDRESS" which notes the [location] address but does not note who provided this information.
16. The mandate referred to in paragraph 15 is granted by both LS and EJ, it authorised the firm to remit the funds to "out account" at RBS (with account details written in). The mandate is dated 9th June 2012. There is nothing on the file to indicate when that was provided to the clients or how it was returned to the firm. The firm's debit note however indicates the funds were (despite the terms of the mandate) paid out to EJ alone.
17. There are no RAFs for EJ or LS in this transaction and no evidence of how the ID was provided. There is barely any contact with the clients and no evidence that the solicitor ever met them or took instructions from the,. The file shows that instructions were being given by EM.
18. In evidence before the High Court in HMA v Edwin McLaren & others the Respondent gave the following evidence

    So, is that an email from you to Edwin McLaren enclosing details of the amount outstanding on the mortgage to GE Money?

    Yes.

    And why would you have been giving that information the day before or two days before settlement to Edwin McLaren?
    I don't remember whether I'd been asked to pass it to Edwin so he could pass it on to the clients. I really don't remember.

    And when you say you'd been asked, who do you mean been asked by?

    Well, I'm surmising that I'd possibly been asked by …well, I don't know whether it would have been Edwin or the clients, I don't know.

    Do you know whey Edwin McLaren would need or require that information?

    I can't really remember.

    *(referring to the disposition and the signing information on it – [*Reporter's note: there is no copy of the disposition with the file so all information about the disposition is from the court

transcript] – *which says same was signed by EJ and LS at Edinburgh on 8th June 2012 in the presence of Edwin McLaren, sales director [address])*

On the face of it, the deed has not been signed in your office, is that correct?

Yes.

And do you know how the deed would have got to Edinburgh to be signed?

I don't remember at all now."

(Reference was then made to the statement the solicitor gave to the police on 3rd June 2013. The solicitor confirmed that he said the following to the police and that what he says is the truth)

"Again the initial instruction for this came from Edwin McLaren"

"In this transaction I was asked by Edwin to give him any documentation that I needed [EJ and LS] to sign, like the terms of business and property questionnaire."

"I would have given Edwin the letter of offer."

"Edwin has then returned these documents signed and provided passports and proof of address that I have copied for the file."

"I did not meet [EJ or LS]."

"I do not think that I spoke with them at any point."

"Any correspondence that I needed to go to them I have to Edwin."

"Edwin took the disposition to [EJ and LS] and had them sign this and returned to me."

"Contained within the file is a handwritten note given to me by Edwin, I think with a forwarding address for [EJ and LS], the address is [different address]."

APPENDIX 11 –Sale by JDS of Property 10

1. The firm's ledger card for the transaction records that the matter was opened on 2nd August 2012 and that the Respondent was both partner and fee earner for the matter.

   The client was narrated as Mrs JDS however the Respondent's file referred to both [redacted].

   The ledged has one credit entry:

   02/08/2012 NC&M – Settlement £135,000

   The net proceeds of sale (after taking into account the mortgage redemption and all fees and outlay incurred) totalled £95,413.67 and were paid out to JDS on 2nd June 2012. The firm charged a fee of £600 plus VAT for the transaction.

2. NC&M submitted an offer to the firm on behalf of LMM (the same purchaser as per Appendices 10,13,14 & 15. The firm issued a qualified acceptance on 30 July 2012, NC&M

concluded the bargain on 31 July 2012. No date of entry was narrated in the missive it was simply narrated as *"such date as may be mutually agreed between the parties in writing"*.

3. The file has a letter addressed to JDS dated 30 July which refers to enclosing a copy of the offer which then says:

   "You have confirmed to us that you have carried out no alternations or specialist works to the property nor are you aware of any outstanding Notices, Orders or Proposals which may affect it. You have also confirmed your instructions for us to issue a formal Acceptance which we have done and enclose a copy thereof for retention by you."

   There is no file note recording any discussion/meeting with JDS regarding the offer.

4. NC&M provided their draft disposition on 31 July and advised their client wanted to try and settle on 1 August 2012. There is a handwritten note on an email going to NC&M dated 1 August 2012, the note reads "Seeing client 1/8/ for instrs etc."

5. The file has an RAF for JDS which notes she is a new client and that she was referred by 1Move (EM's business). In Section A where the certifier of the RAF verifies both the name and address ID, there is a handwritten note which reads "at meeting". Section D marked the transaction as low risk. The form was initialled by the Respondent and dated 30 July 2012.

6. This file (like the other ones noted) has the money laundering matrix which scores the matter as low risk which contains the note "ENHANCED DUE DILIGENCE IS ALSO REQUIRED IF CLIENT IS NOT BEING SEEN FACE TO FACE."

7. The Respondent did not meet face to face with the JDS. He did not carry out enhanced due diligence.

8. The file has copies of an RBS bank statement for JDS for July 2012 (dated after the missives were concluded) and various other pieces of correspondence addressed to her, i.e. a letter from The Pension Service dated 4th February 2012, a PAYE Tax Coding letter from HMRC dated 29th January 2012, a Scottish Hydro has bill dated 14th July 2011 and an annual statement from GE Money Home Lending dated 16th May 2012. Apart from the last item none of the earlier letters are acceptable as home address ID as they are all older than 3 months. In any event there is nothing to indicate how this ID was obtained nor any evidence that Respondent met JDS.

9. There are 3 items which purport to be signed by JDS being:

   - An undertaking that she has not carried out any alterations to the house and that the purchaser will be given vacant possession at settlement – this has a signature but is undated.
   - An acknowledgement of the terms of engagement with signature and dated 1 August 2012 and

- Sale questionnaire – which is signed but is undated.

10. The transaction settled on 2nd August 2012 and the deliverable items including the executed disposition were sent on to NC&M. There is no note on the file as to how the disposition was signed nor a copy of the signed deed.
11. The file has a cash statement which shows the net sale proceeds to be ££95,413.67. That sum was paid into JDS RBS account on 2 August 2012. There is no letter sending the cash statement to JDS.
12. There is a letter to JDS dated 3 August 2012, it is addressed to her at [address in Bridge of Weir] which confirmed the sale had settled. It said:

    "We have already provided you with our statement which has been acknowledged by you and in terms of your instruction have transferred the proceeds into your Account with the Royal Bank of Scotland Numbered xxxxxxxx. That concluded the financial aspect."

    There is nothing on the file to demonstrate that JDS had previously received the cash statement.
13. The Respondent have evidence in the trial of HMA v McLaren & othrs on 22 September 2016.

    Was your client on the face of the file a [JDS]?

    Yes.

    The purchaser means LMM residing at xxxxxxxxxx. The property means [property 10]. The price means £135,000 sterling. The date of entry means the day when vacant possession of the property will be given in exchange for the price and will be such date as maybe mutually agreed between the parties in writing, is that correct?

    Yes.

    So, on the face of it, is this an offer to purchase on the basis that vacant possession is going to be given to the purchaser, is that right?

    Yes, yes.

    (Refers to an information sheet for the transaction – Reporter's note: this is referring to the RAF)

    IF we go down to the box that has 'Client type branch source' at it and they've typed word of new client in the box, do we see the word '1Move', the words '1Move' written there? What does that indicate?

    Well, the referral was from 1Move Estate Agents.

    It says 'All new clients will verify that he or she is who they claim to be by completing section A' is that correct?

    Yes.

And if you go down the page to section A, 'By signing this certificate you're certifying that section A, new private clients individual', it says, 'I've personally verified the name ID and address of this client and, A, met the client personally and confirmed that the photograph on the name ID bore a good likeness to the client and the name ID is still valid. B, seen the original documents (not photocopies).' And it continues on with other elements to that. And above the typed part in handwriting it says 'At meeting' and there's a tick, is that right?

Yes.

Now, whose writing is...are those words, 'At meeting'?

That's mine.

Right. So, what should we take then just reading this form so far, particularly this part, section A?

Um, that the, the ID and address has been verified. I don't think in this particular case though I met the client, I'm correct. I'm not sure.

And who would or could that have been that you met for the purpose of verifying ID?

It would more than likely be Edwin McLaren but I couldn't say for sure.

If the letter, with the enclosures of the offer and qualified acceptance, if they'd been lodged in court by and on behalf of the first accused in this case who is Edwin McLaren, would you have any explanation as to why he would have that document? A letter to [JDS]?

No.

Is it possibly open to infer that if these documents are found in the possession of the first accused, Mr McLaren, it's' because you gave them to him?

Yes, that could be inferred.

Is, is there anything you know of which would make it unreasonable to infer that?

Can't think of anything at the moment, no.

(now refers to the statement the solicitor gave to the police on 3rd June 2013. The solicitor confirms that he said the following to the police; and that what he said is the truth):

'The next property is [property 10] in this transaction which took place in June 2012 I acted for the vendor [JDS]'

'The initial instruction for this came from Edwin McLaren.'

'Again, Edwin requested that I provide him with all paperwork in relation to this transaction and he would have it signed by [JDS].'

'Edwin has provided proof of address documents that I require and returned the signed documentation.'

'I did not meet [JDS] and I do not recall speaking with her.'

'I gave Edwin the disposition for him to have [JDS] sign which he did and he has returned this to me.'

So, can we take it from what we've seen and from what you...your own knowledge of how this transaction proceeded that the [purchasing?] *selling solicitors were not told that [JDS would be staying on in this house after settlement of this transaction?*

That's correct.

And you've told us that if that was the case, you weren't aware of it anyway, is that right? Is that what your evidence has been?

That's correct.

14. Under cross examination on 29th September 2016 the solicitor's evidence (again shown in bold type) was:

If you didn't meet her and you didn't speak to her, where would you get the information about the fact that she wanted to, to sell her house?

That normally would be by an introducer, in this case 1Move.

APPENDIX 12 – Sale by RD of Property 11

1. The firm's ledger card for the transaction records that the matter was opened on 2 August 2012 and that the Respondent was both partner and fee earner for the matter.

The client was narrated as [RS].

The ledger cards has one credit entry:

23/08/2012 NC&M – settlement £115,000

The net free proceeds of sale (after redemption of the mortgage and payment of all fees and outlays incurred in the sale) amounted to £68,432.64 which the ledger records were paid to RS on 23rd August 2012. The firm charged a fee of £600 plus VAT for the transaction.

2. NC&M submitted an offer on behalf of SJW the same party was the abortive purchaser in the transaction in Appendix 10 to the firm on 16 August 2012.

3. Correspondence from the solicitor/firm to [RS] is limited to:

(a) Letter dated 22 August 2012 enclosing *"a copy of an offer received from the Estate Agents and should be obliged if you would telephone this office on receipt of this letter to confirm your instructions."* [the offer was submitted direct to the firm i.e.it did not come to the firm via an estate agent].

(b) Letter dated 22nd August 2012 enclosing the property sale questionnaire for completion and return.

(c) Letter of engagement dated 22 August 2012 and

(d) Letter dated 24 August 2012 address to [RS] at [address in Bridge of Weir] (this is the address used by EM Noted previously) advising the sale had settled on 23 August 2012, that they had already provided him with the final statement and that funds had been sent to him by telegraphic transfer, there is no evidence that the statement had been previously provided to [RS].

4. The Respondent's file does have an RAD which is marked as NEW CLIENT and the source of same as 1Move. In Section A (which is the verification of a new client's name and address ID) there is a handwritten note *"per meeting with client"*. Section D (the nature of the transaction) is marked as low risk. The RAD is initially by the solicitor and dated 22nd August 2012.

5. The file also has the same money laundering matrix as seen on other of the files which give a low score thus apparently justifying the low risk categorisation in the RAD despite the fact that all sales are automatically deemed high risk.

6. The file has a copy of RS' passport and a copy of a Bank of Scotland statement issued on 24th April 2012 but no information as to how such ID was obtained. Neither are certified by the Respondent, nor is there a meeting note which would tie up with the note on Section A of the RAF. The Bank of Scotland statement would not suffice as home address ID as it was over 3 months old at the commencement of instruction.

7. There is a copy of the draft disposition with the file, there is no copy of the signed deed. The file has an email (undated) but responding to one from NC&M dated 22 August 2012 in which the solicitor said:

   "Thanks for your email and understand that we should get the Death Certification tomorrow when the client comes into sign the Title Deed and at the same time we are having him sign a letter confirming the survivorship destination was not evacuated."

   [The death certificate related to RS's late wife.]

8. It the email referred to in paragraph 7 was sent on 22 August 2012 the suggestion was that RS would be going to the Respondent's office the following date ie the 23 August, the date of settlement and free possession, despite the distance between [location of property 11], Midlothian and the firm's office in Ayrshire.

9. The instructions purportedly signed by RS address to the firm on the file raise questions:

   - Instruction signed and dated 22 August 2012 confirming there were no disputes with neighbours, confirming regarding alterations and that the purchaser would be provided with vacant possession at the date of entry. The Respondent only met RS on the 23 August.

- Instructions signed and dated 22nd August 2012 to concluded missives for the sale with an acknowledgement that on completion of the sale RS will have no ownership of the property not any legal right to same and providing bank details as to where the net sale proceeds are to be sent. [handwritten on this is [address] the address narrated by EM as a witness as earlier noted in this Report].
- Instruction singed and dated 23 August 2012 confirming when RS which had died and that she had not evacuated the survivorship destination in the title prior to her death.

There is nothing on the file to indicate how these singed instructions were obtained and no file note of any meeting.

10. The Respondent gave the following evidence in the case of HMA v McLAren & others

"New client, new matter, risk assessment form for individuals is that correct?

Yes

And it's got the name of the client given as [RS], date of birth is says 'See ID' beneath that it says 'Address, [property 11], matter of description, sale.' All that handwriting, whose handwriting is it?.

That's mine.

And the source of this business is said to be 1Move, is that correct?

Yes. Well, it was referred to us by 1Move Estate Agents.

If Mr [S] accepts he went to your office and he signed something at your office in Dunlop on the face of this deed would it appear to have been signed on 23rd August 2012 that that took place?

Yes.

If that letter, the letter of 22nd August, Blackwood and Co letter with this enclosed copy offer had been lodged in court on behalf of the first accused, Edwin McLare, could you explain how Edwin McLaren would be in possession of that letter from Blackwood & Co?

No, no.

I think you were asked earlier in relation to one of the other transaction, would it be a reasonable inference that if it's in the possession of Edwin McLaren you may have given it to him to take to [RS], would that... be a reasonable inference in this case as well?

Yes.

Can you offer us any explanation as to why [RS] would sign a document that confirms he's giving vacant possession of this house to a purchaser when we've heard... and I understand it's not disputed, that [RS] stayed on in the house

No

Could it be that you didn't explain to him what vacant possession meant?

Well, I can't claim to remember verbatim the conversation from four years ago so I couldn't tell you the exact words I used but I would have expected that I would have explained to him fully.

And if he left your office thinking that he was going to be staying on in that property after 23rd August, could you give any explanation for that?

No.

APPENDIX 13 – Sale by MH of Property 12

1. The firms' ledger card for the transaction records that the matter was opened on 2nd October 2012 and that the Respondent was both partner and fee earner for the matter. The client was narrated as Mrs MH.

   The ledger card has one credit entry:

   02/10/2012 NC&M Settlement £85,000

   The net sale proceeds of £84,065.67 (after payment of all costs incurred in the sale) are shown as being paid *"To You – Proceeds of Sale"* on 2nd October 2012. There was no mortgage secured over this property. The firm charged a fee of £600 plus VAT for the transaction.

2. On 18th September 2012 an email was sent to the Respondent (and copied to EM) from 1Move which read:

   "Edwin has asked if you could please carry out searches on the following

   [MH]

   [Address of property 12]"

   Handwritten beside [MH's] details is a note that reads *"subm appt."*

   There is also a handwritten note on this email that reads *[H, address in Haddington]"*.

3. On 26 September 2012 an email was sent to the firm from NC&M which indicated a draft offer was attached and said:

   "I understand you have been instructed in the sale. I am only sending you a draft at this moment as I have not yet met my client to confirm the instructions though I do have loan papers so it is likely my client will wish to settle this shortly."

   Handwritten on this email is:

   "26/9- offer in princ OK for client – not yet found new prop. Proceed per cl."

   It is unclear from that note to whom the Respondent had spoken.

4. Handwritten on an exchange of emails with the partner at NC&M dated 27 September 2012 is the word *"yes"* beside a question asking *"Please confirm vacant possession will be given? This is particularly important as the conditions of our clients loan state that vacant*

possession must be given or in [sic] there is a tenant in property there must be short assured tenancy in place."

5. The Respondent advised NC&M on 27 September 2012 *"we have received initial instructions"* and *"As soon are you are in a position to submit the formal Offer please do so as we understand the price is acceptable and that both parties wish to settle for next week."* While there are some handwritten jottings on that email which are a rough checklist for the solicitor it is impossible to know if these related to any discussion with MH.
6. Written on an exchange of emails dated 1st October 2012 is:
   "1/10 Att Mrs H – corresp via Est Agents until she gets permanent address – funds being TT" and also the word "Banker"
7. Correspondence addressed to [MH] consists of:
   a. letter of engagement dated 1st October 2012 and
   b. a letter sent on 2nd October confirming the sale had settled. This letter is addressed to [MH] as "c/o I Move, Estate Agents, Main Street, Bridge of Weir PA11 3PN." The letter says that the firm had already provided her with their statement and confirmed that £84,065.67 had been transferred to her RBS account.
8. The file has three instructions purportedly signed by [MH] on 1st October 2012:
   a. A confirmation that the firm are instructed to act on her behalf in the sale of [property 12] and
   b. An instruction to the firm to conclude missives for the sale of [property 12] to [MCH] for £85,000 with a confirmation that she has received a copy of the offer and that it has been explained to her that on completion of the sale she will have no ownership of the property nor any legal right to it. In addition, it confirmed the bank details where the net sale proceeds were to be sent.
   c. A confirmation that there were no factors and that the purchase would be given vacant possession at the date of entry.
9. The missives consist of an offer from NC&M dated 1st October 2012 and a de plano acceptance from the firm dated 2nd October 2012. There is nothing on the file to show that same was discussed with or copied to Mrs MH.
10. The settlement funds were paid to the firm on 2nd October. The file shows that the firm advised NC&M that they had a signed disposition and the conveyancing formalities re searches had been dealt with.
11. The file has an RAF for Mrs MH which is marked "NEW CLIENT". Under her date of birth it says *"per ID"* and under the source of referral *"1Move"*. On Section A (being the verification of name and address of ID) there is a handwritten note *"per meeting with*

signing." On Section D of the RAF no risk is marked. It should have certified same as a high risk transaction. The RAF was initialled by the solicitor and dated 1st October 2012.

12. There are copies of [MH's] passport (undated and uncertified), an RBS bank statement dated August 2012 and a letter from Scottish Hydro dated 3rd April 2012. (The letter from Scottish Hydro would not be acceptable as home address ID as over 3 months old).

13. At the trial on 27th September 2016, the solicitor's evidence contained the following (his responses in bold type):

"Why is the, the first thing being done in the case a search such as the one you've described (a search to check the ownership of the property and whether there were any securities registered and whether the owner had any inhibitions or similar registers)?

That's obviously the standard request of Edwin McLaren.

Towards the bottom of the page…there's some more handwriting. And could you read that for us.

[MCH, address in Haddington].

And whose handwriting is that?

That, that's mine.

And are you able to tell us where you got the information from to write that on that piece of paper?

Not really, no. I can't remember from, from that time.

We'll shortly see that the offer to purchase this property was sent on behalf of a [MCH of address in Haddington]. Is there any reasons why you would have noted that on what would appear to be the very first email that started off this file?

I don't know whether I was notified that that was who was going to buy the property but I really can't remember.

Should we understand from what we've seen so far that the initial contact with your firm, the initial instructions to your firm, appears to have come first of all from [J] at 1 Move with that email we looked at the start of your evidence today? Is that right?

Yes.

And thereafter a letter to Mrs [H] with documents to be signed would appear on your evidence to have been delivered to Mrs [H] and then returned to your office; is that right?

Yes.

And do I understand your evidence to be that such a delivery, as far as you understand, would have been, been by Edwin McLaren or someone on his behalf?

Yes.

And again, so far as the disposition is concerned, that would appear to have been delivered by Edwin McLaren or someone on his behalf, and on the face of it, signed in Edwin McLaren's presence; is that right?

Yes.

So, shall we understand from your file that you've not met this lady, [MH]?

I don't think I did, no.

I'm asking just about looking at who you've dealt with, knowing that this property was to be purchased as part of Mr McLaren's family portfolio and your communication with the seller appears to have been via Mr McLaren or those connected with him. Does that method of operation, that method of carrying out business, cause any concern to you?

Again, with the benefit of hindsight, I suppose you could say yes but, at the time, it doesn't appear to have done.

Were you aware that, by the time the deed was signed, Mr McLaren was nominated as an attorney….in terms of a power of attorney granted in his favour by [MCH]?

No

And he was acting as attorney on her behalf in the purchase of this property; were you ware of that?

No, no.

If I put it quite squarely to you, Mr Blackwood, on the file, there is only one letter to [MH] at [address of property 12] and that being the letter of 1st October 2012; is that correct? And within the file, additionally would it be correct to say there is no note of any telephone number for [MH]/ ……So, if [MH] were to say it wasn't her that made any calls to your office, would you dispute that?

I couldn't dispute it, no.

APPENDIX 14 – Sale by MH of Property 13

1. The firm's ledger card for the transaction records that the matter was opened on 31 October 2012 and that the Respondent was both partner and fee earner for the matter. The client was narrated as Mr & Mrs IN.

   The ledger card has one credit entry:

   02/11/2012 NC&M Settlement £120,000

   The net sale proceeds (after repayment of the mortgage and all fees and outlays incurred in the sale) amounting to £94,086.27 is recorded as paid "To You – Proceeds."

   The firm charged a fee of £600 plus VAT for the transaction and a second fee of £150 plus VAT for dealing with the discharge of a second charge.

2. On 17 October 2012 the firm emailed professional searchers asking for a search against Mr and Mrs N and the address in Dumfries.
3. NC&M solicitors submitted an offer on behalf of LM at a price of £120,000 for the property to Direct Property of [address in Bridge of Weir] on 18th October 2012.
4. On 19 October 2012 the Respondent wrote to the agents for Barclays Bank plc the secured creditors over the property. The letter advised he had been instructed to act on behalf of the N's in the sale of the property. The Respondent acknowledged agents were instructed in repossession proceedings from which a removal had been instructed for 24 October 2012. The Respondent asked if the removal could be postponed to allow time for the transaction to settle.
5. The Respondent issued a qualified acceptance to NC&M on 23 October 2012. NC&M responded the same day with a further letter of qualification which deleted a time limit and added the following:

   "It is understand that the seller are about to be repossessed. It is an essential condition of this offer that this is not a 'Distressed Sale' to avoid repossession and/or sale and leaseback arrangement, where the Seller does not vacate the property but continues to reside under a short assured tenancy. It is essential that vacant possession is given at the date of entry."

   There is nothing on the file to indicate that this was discussed with the clients or if the solicitor made any enquiry to ascertain if the property was being sold at an undervalue thus falling into a category of a 'distressed sale'.

   The firm issued an acceptance of the formal letter on the 24th making the missive binding.
6. The Respondent wrote to Mr & Mrs N on 24 October 2012 at a care of address in Lockerbie (the file has a note of this address which says "Staying with daughter") which read:

   "We refer to the above and to your conversation with our AB wherein you confirmed your instructions for us to conclude missives on behalf for the sale of the above property at the price of £120,000 with entry scheduled for 2nd November"
7. The file has three undertakings purportedly signed by the N's on 31 October 2012 as follows:
   a. An agreement that the firm are to act on their behalf in the sale and agreeing that the terms of engagement "detailed above" would govern the transaction. [The letter of engagement was in fact dated 1st November 2012 and addressed to the N's at the [different address].
   b. Confirming there were no disputes with neighbours, that they had carried out no alterations to the house, that the purchaser would get vacant possession as at the date of entry and that the moveable were not subject to HP or credit sale agreement.

c. An instruction to the firm to conclude missives for the sale with confirmation that they had received a copy of the offer and also saying they understood that on completion of the sale they would have no ownership of the property not any legal right to same, that vacant possession would be given and providing bank details of where the net proceeds were to be remitted.

The file also has copies of the 3 instructions which have signatures appended but no dates inserted. The versions that do have dates – same are written in darker ink than the signatures.

8. The file has a copy of the disposition which bears to have been faxed to the solicitor from "Central Laundry" which has signatures but no witness signature and no details of where and when same was signed.

9. The Respondent wrote to Mr & Mrs N on 2 November 2012 advising the sale had settled. The letter said: *"We have already provided you with our statement showing the expected balance due to you and have transferred the net proceeds of your account with the Bank of Scotland."* There is no letter or file note confirming the cash statement was provided to the N's.

10. The file has 3 poor copies of Mr N's passport and a photo bus card for Mrs N. The copies are not certified nor dated. There is only one timeous proof of address documentation a Lloyds TSB statement dated 17 October 2012. There is nothing on the file to indicate how the solicitor received the passport or bank statement. It is likely he received them from EM.

11. The Respondent did not complete risk assessments forms for either Mr of Mrs N and no evidence of any telephone conversations with them.

12. The Respondent gave evidence in the case of HMA v McLaren and others on the 27 and 28 September 2016. [Answers in bold]

"If we move on, then, to the next form....is this a further form sent by fax from the Central Laundry., 2nd November 2012, to your office?

Yes.

Do we see that this is, on the face of it, a disposition by Mr and Mrs [N] of the property at [property 13]?

Yes.

And do we see that, at the bottom of the page, there are two signatures, it would appear, with no testing clauses details and no witness signature? Is that right?

Yes.

We have a situation where you appear to have written out with these forms on 1st November 2012 a letter you believe was taken to be hand-delivered and we see the forms apparently were faxed to your office on 2nd November with no date written on them and we see them

now on your file with the date 31st October that you tell us you have written on the forms, is that the position?

Yes.

Can you explain why the forms are dated 31st October 2012?

I've got no recollection of why I've got the wrong date in them, no.

In the absence of recollection, can you offer an explanation?

I just put the wrong dates in, in error.

Should we understand that the original copies of the forms which you've just told us about and which you've told us you've written the date on, should we understand that those forms have been delivered or returned to your office?

Yes

And should we understand that they've been delivered to your office sometime after the faxed copies were sent to you?

I would assume.

(referring to the Disposition) 'In witness whereof, these presents typewritten hereof are subscribed us the said IFN and DMN at Dunlop on 1st November 2012 in presence of Alastair McBean Blackwood, solicitor, of 44 Main Street, Dunlop' Is that what it says?

Yes

And there's a signature there as a witness? Whose signature is that?

That's mine.

In this case, does this disposition accurately narrate the place of signing and identity of the witness to the signature?

I think it looks as though there's possibly a mistake in the place where the client signed but it'd certainly correct as far as the witness goes.

So are you saying you witnesses this...the...Mr and Mrs [N] signing this deed?

Not personally, no, because it arrived, I would expect, from the faxed copies and it had not been witnessed.

Well, so, is the witness...identity of the witness to the signing correct in this disposition?

Yes, yes.

Can you explain that then?

Well, in most cases, the witness would see the, the person signing the document. It is acceptable, as far as I am aware, if I'm satisfied on speaking to the clients that they have signed the document, I can witness the fact that they've confirmed that to me.

And when did you meet with Mr and Mrs [N] to have them identify to you their signature on this document?

I don't think I met with them. It would have been done over the phone.

Is that a competent way for someone who's signed the deed to identify their signature to you?

In conjunction with any ID signatures on file and speaking to the clients, I took, er, the view that was.

What signatures on file did you have?

Well, I can't remember but we would normally have things like a passport or a driving licence.

Do I understand you never met ... Mr or Mrs [N] during the currency of this transaction?

Not this transaction, although we had acted for them previously.

That had been many years previously, is that correct?

A few years ago, yes.

So, when did this conversation take place, then?

We've seen the deed was sent to you on 2nd November, it was faxed to you. So, when did this conversation with [Mr and Mrs N] take place?

Erm, I would assume 1st or 2nd November, presumably, presumably the 2nd.

If I suggest to you that there is no note of such a telephone conversation on the file, can you check your file and tell us whether that's right or not.

LORD STEWART: You see the circumstances of the testing clause suggest that the testing clause as a whole is fabricated, on one view of matters. There are other possible views. Does it have the correct date of signing?

Looking at it now, it doesn't appear to be the correct date. It should probably have been 2nd November.

LORD STEWART: Does it have the correct place of signing? I would expect that the clients would have signed it at their home town as opposed to Dunlop.

LORD STEWART: and was it signed, as it bears to state, 'in the presence of yourself?

No, not, not physically, no.

LORD STEWART: So, what is your evidence on oath? Should we....is there any possibility of finding a note of your telephone conversation with the clients on file?

I really don't know.

Can you explain why your firm would have given the purchasing solicitors information, wrong information, about the date of signing and the place of signing?

No.

(Now refers to the statement the solicitor gave the police on 22nd October 2014. The solicitor confirmed that he said the following to the police: and that what he said is the truth):

'I have also been shown the disposition for the sale of [property 13]. The document has been signed by me. I can confirm this is my signature.'

'I'm aware that, in my previous statement, I said I did not meet the clients and I can confirm this is the case.'

'I don't know why I would have signed as the witness to the signing of the disposition when I did not witness the sellers Mr and Mrs N signing the document.'

'There is no logical explanation that I can provide for why I did this.'

'I can only think I was under pressure by Edwin to settle the transaction and I did this in order for the case to settle.'

So, do you accept there was not a discussion with Mr and Mrs [N] about you witnessing the disposition?

So it would appear, yes.

LORD STEWART: I don't like this phrase, I'm sorry Mr Blackwood, 'so it would appear', because you, you seem to be distancing yourself from the material that's been put before you. You've told the ladies and gentlemen of the jury that what's in your police statement is the truth.

Yes, yes.

LORD STEWART: So, what is your evidence about whether there was a telephone discussion with the clients about the signing of the disposition?

Well, it would be in the police statement.

This property was sold, it would appear to LM. Did you understand whether LM had any connection to Edwin McLaren?

I don't know.

I think I've asked you previously in evidence ... about a SW and did ... do you remember a SW?

Yes, I remember the name.

And did he have any connection to Edwin McLaren?

I think there was a connection.

And do you remember what that connection was?

No.

Did your firm at one point act for SW in a conveyancing transaction?

I think so.

And were you ware that LM was the partner and later wife of SW?

I don't know.

Were you aware that during the currency of the conveyancing transaction we have looked at for [property 13] that Edwin McLaren held a power of attorney in his favour from LM?

No

Was there any discussion, telephone discussion, between you and [named partner] of NC&M about whether it was appropriate for Edwin McLaren to witness documents when he held a power of attorney....witness a disposition in particular, when he held a power of attorney in his favour from the person purchasing the property?

I don't remember.

Had that anything to do with why Edwin McLaren's name did not appear on the [property 13] disposition and why your name does appear as a witness?

Again, I don't remember.

APPENDIX 15 – Sale by ESF of Property 14

1. The firm's ledger card for the transaction records that the matter was opened on 29 October 2012 and that the Respondent was both partner and fee earner for the matter. The client was narrated as Mrs EF.

   The ledger card has two credit entries:

31/10/2012	NC&M sols settlement by TT	£120,000
13/11/2012	From you Shortfall on [lender] Redemption	£ 6,689.17

   The sale proceeds amounting to £75,990.67 were paid out to Mrs EF on 31 October 2012. All fees and outlays were settled on 1 November 2012.

   The firm charged a fee of £600 plus VAT for the transaction.

   The mortgage with the lender was not repaid until 13 November 2012 once the firm had received the funds from Mrs EF to cover the shortfall as noted above.

2. The file has an undated handwritten note in the Respondent's handwriting with Mrs EF's full name, the address of the property and the lender's details on same. It is not noted on same where that information came from. On the bottom of same in different handwriting is written "Search to be done." It was instructed on 25 October 2012. The report confirmed details regarding the title.

3. An offer was submitted to the firm on 24 October 2012 from NC&M on behalf of LM for £120,000. The firm issued a qualified acceptance to same on 30 October 2012 and NC&M issued a letter in conclusion of the missive the same day.

4. There are no file notes of any discussion with Mrs EF regarding the terms of the offer. Correspondence addressed to her is limited to:

   a) A letter enclosing the sale questionnaire dated 29 October 2012.

   b) A letter of engagement dated 29 October 2012.

c) A letter dated 31 October 2012 addressed to Mrs EF at [address in Bridge of Weir] advising that the sale had completed and that they had already provided her with their statement; this included only an estimated figure for her mortgage as they awaited a finalised redemption statement due from the lender. The letter said: *"As advised there may be a balance either due to you or if necessary, by you to make up any shortfall on the figure."*

d) A letter dated 1 November 2012 again addressed to the Bridge of Weir address enclosing redemption statements from the lender and advising that meant there was a shortfall of £6,689.17 and asking her to arrange to forward that to the firm as soon as possible.

As can be seen from the ledger card, the net sale proceeds were paid out before the firm had received the final redemption statement from the lender. The Respondent should have retained the sale proceeds until he had clarity on the redemption figure which was received only the day after settlement.

5. The file has a copy of Mrs EF's passport, a letter from Scottish Gas dated 1 September 2012, a statement from her lender issued in June 2012 and a statement from Clydesdale Bank dated October 2012. There is nothing to evidence how the Respondent solicitor obtained same. They are not dated nor certified. The transaction was referred to the solicitor by EM's it reasonable to infer that the copy ID came from EM or his office.

6. This file does have an RAF for Mrs EF which is marked "NEW CLIENT" and the source of the referral shown as "1Move". Section A (for the verification of a new client) has a handwritten note *"confirmed @ meeting"* on it. (There are no file notes of any meeting with Mrs EF).

   Section D (the consideration of risk) has this marked as medium risk despite the note on the RAF that clearly says all property transactions are high risk.

   The RAF was initialled by the Respondent and dated 30th October 2012.

7. The Respondent did not carry out enhanced due diligence.

8. The file does not contain a copy of the disposition (either in draft form or the signed version) nor does it contain any signed instructions from Mrs ED though there are draft versions of same.

9. By letter to NC&M dated 30 October 2012 the Respondent advised *"We are obtaining the signed Disposition during the course of today..."* An email to NC&M on 31st October 2012 confirmed *"we do have a signed Disposition."* However, the file has no note to confirm how the signed disposition was obtained.

10. The sale settled on 31st October and the settlement items including the signed disposition sent to NC&M.

11. The Respondent gave the following evidence in the High Court in the case of HMA v McLaren on 28 September 2016 [Answers in bold]

Do we see her a form that we've seen in a number of the files we've looked at so far, the new client, new matter, risk assessment form for individuals?

Yes.

When it says, 'Source:1Move; what, what should we understand that means in relation to who referred this person to you?

From 1Move, 1Move Estate Agents.

'Section A, new private individual. This would appear to be a new client, is that correct, not an existing client to your firm? Is that right?

Yes.

And the 'new private individual section' where it says: 'I personally verified the name ID and address ID of this client and met the client personally to confirm that the photograph and the name ID were a good likeness to the client and that the name ID is still valid,' the words in handwriting have been written in that box 'Confirmed at meeting,' is that right?

Yes

Is that your handwriting?

Yes

And is it signed by you?

Yes

And is it dated 30th October '12?

Yes.

So, what would we understand that form to mean, then, that we've looked at where you've signed ...you've written, 'Confirmed at meeting' and then signed this on 30th October?

I don't know whether it means confirmed at a meeting with Edwin or someone from his office. It's not clear from the form. I don't remember meeting the client.

Do we see...an offer addressed to Blackwood and Co Solicitors from NC&M dated 24th October 2012?

Yes

It's an offer on behalf of an LM: 'residing at xxxxxxxxxxxxx to purchase [property 14] at a price of £120,000 with a date of entry of 30th October 2012, being the day when vacant possession of the property will be given in exchange for the price.' Is that correct?

Yes.

Now, we've just looked at a transaction yesterday and earlier today where LM represented by NC&M, was purchasing another house from a client you were acting for and that offer

also came in in October, some days before this offer. Do you remember if you noticed anything about that, the fact that the same person within a space of days was submitting offers... to buy a couple of houses from your client?

No, I don't remember.

We have a letter from NC&M dated 30th October 2012 addressed to Blackwood and Co effectively accepting the terms of your qualified acceptance?

Yes

So, was there a concluded contract effectively after this letter?

Yes

Do we see here that this is a disposition by Mrs [EF] in favour of LM disponing [property 14] to LM for £120,000? Is that correct?

Yes

With entry, it says, at, 'The 30th day of October 2012', is that correct?

Yes.

Do we see that it says: 'Signed by the said [EF] at Dunlop on the 30th day of October 2012. Witnessed: Alastair McBean Blackwood, 44 Main Street, Dunlop' and there's a signature for the witness. Is that your signature?

Yes.

And can you explain to us how your signature and your name appear there as the witness?

I think the situation's similar to the one which was in the, the police statement earlier, Erm, I think I have the same explanation at that time for this document.

LORD STEWART: First of all, did you witness the signature of [EF]?

I don't think, er, I ever saw her, no.

LORD STEWART: So, does...that's not an exact answer to the question? Did you witness...

No. Well, not, not, no.

Do you have any explanation, then, why you've signed the deed that you didn't witness being signed and why you passed that then to a firm of solicitors?

No, no.

If it was the case that anything that was signed by Mrs F was signed in the presence of Edwin McLaren, would it...in your professional opinion, would it have been appropriate for Edwin McLaren to have signed as a witness to a disposition in favour of LM if at the time Edwin McLaren held a power of attorney in his favour to act as attorney for LM?

To the best of my knowledge, I don't think it would have been, er, incorrect in a legal sense but probably not advisable if there's a connection, you say, with the purchaser.

Did you deal with Edwin McLaren in connection with the seller's interest in this property?

I'm sure I must have spoken to him at some point during the transaction.

LORD STEWART: I think the question was more specific than simply speaking to Mr McLaren. It was in connection with the seller's interest.

Well, I ...well, I, I can't remember any details, information going back that far. I, I don't know, then, is the answer.

If it's Mrs F's position that she didn't give you instructions to conclude missives to LM for a sale of £120,000, would you dispute that?

Well, yes.

Her position is that she dealt with Edwin McLaren and she had an arrangement with him. Would you have taken instruction just from Edwin McLaren?

No, I wouldn't no, no.

Buto on your evidence, should we understand that you would have used Edwin McLaren as a conduit or a method of transmitting documents to be signed by Mrs F from your office to Mrs F? Is that right?

Yes.

And for the return of those documents as signed documents to you; is that right?

Yes.

And should we understand that you... from what you've told us, you didn't meet Mrs [F] in person? Is that right?

That's correct, from what I can remember, yes.

And you can offer no explanation as to why you would falsely attest your signature as a witness on a disposition; is that right?

No.

Well, you say 'no', does that mean you don't have an explanation?

Correct.

LORD STEWART: There was a slip of the tongue there. Your question was 'falsely attest your signature as a witness' I think...what you meant to say was falsely attest the signature of Mrs F. Is your position the same, then?

Yes

(Transaction settles 31 October. On 1 November, Blackwood & Co send a letter to Mrs F – note – see paragraph 4(d) above)

So, we see this letter (re a shortfall on the redemption figure)'s written to, 'Mrs EF [address in Bridge of Weir].' That's the address we say in your handwriting in the form that gave Mrs F's forwarding address; is that correct?

Yes.

If we've heard evidence that Mrs [F] did not move out of [property 14] on 31st October 2012 and she was still living there as at 1st November 2012, were you aware of that?

No.

And the address of [address in Bridge of Weir], would you expect to find Mrs [F] there?

Well, that was the address that was given obviously on the file.

Is that an address that you were familiar with or had been aware of other that in your dealings with Mrs [F]?

I don't know."

14. Having considered the foregoing circumstances, the Tribunal found the Respondent guilty of professional misconduct singly and *in cumulo* as follows:

14.1 The Respondent acted dishonestly at common law and in breach of Rule B1.2 of the Law Society of Scotland Practice Rules 2011 by adhibiting his signature as a witness to the dispositions narrated in Appendices 14 and 15 which he did neither having witnessed the signatures nor obtaining from the granters, in person, confirmation that the signatures were their own.

14.2 In respect of the seven purchase transactions narrated in Appendices 2-8 the Respondent breached the Money Laundering Regulations 2007, Rule 24 of the Solicitors (Scotland) Accounts etc Rules 2001 and Rule B6.23 of the Solicitors (Scotland) Accounts, etc Rules 2011 in that he repeatedly failed to undertake, retain evidence or exhibit evidence of having undertaken customer due diligence measures in respect of the identity of a number of clients.

14.3 In respect of the seven sale transactions narrated in Appendices 9-15 the Respondent breached the Money Laundering Regulations 2007, Rule 24 of the Solicitors (Scotland) Accounts etc Rules 2001 and Rule B6.23 of the Solicitors (Scotland) Accounts, etc Rules 2011 in that he repeatedly failed to undertake, retain or exhibit evidence of having undertaken customer due diligence measures in respect of the identity of a number of clients.

14.4 In respect of the seven sale transactions narrated in Appendices 9-15 the Respondent:-

14.4.1 Was subject to the external influence of Mr McLaren and, therefore, failed to act and give advice independently in breach of Rule B1.3 of the 2011 Practice Rules.

14.4.2 Failed to act in the best interests of his clients when he did not act on suspicions about the transactions and progressed the sales to completion, ultimately to the detriment of the clients in breach of Rule B1.4 of the 2011 Practice Rules.

14.4.3 Failed to take proper instructions from his clients or communicate with them in breach of Rules B1.5 and B1.9 of the 2011 Practice Rules respectively. He failed to meet these obligations by liaising with, and taking instructions from, and communicating with Mr McLaren and his associates in respect of the progress, completion and accounting for those transactions as opposed to taking instructions from and communicating effectively with his clients. In some of the transactions, the Respondent did not communicate with his clients directly at all and communication and control of the manner in which documents were signed in respect of several transactions was solely with Mr McLaren or his associates. By doing so, the Respondent facilitated the frauds perpetuated by Mr McLaren to the detriment of his clients in breach of Rule B1.5.

14.4.4 Acted in a number of circumstances where there was a conflict of interest between the interests of his clients, himself and his practice unit by the generation of fees via fraudulent transactions in breach of Rules B1.2 and B1.7 of the 2011 Practice Rules.

15. The Tribunal pronounced an Interlocutor in the following terms:-

Edinburgh, 27 October 2025. The Tribunal having considered the Complaint dated 14 August 2024 at the instance of the Council of the Law Society of Scotland, Atria One, 144 Morrison Street, Edinburgh against Alastair McBean Blackwood, HMP Castle Huntly, Longforgan, Nr. Dundee; Finds the Respondent guilty of professional misconduct singly and *in cumulo* in respect of his breaches of Rules 1, 3, 4, 6 and 9 of the Solicitors (Scotland) (Standard of Conduct) Practice Rules 2008 and Rules B1.2, B1.3, B1.4 , B1.5, B1.7 and B1.9 of the Law Society of Scotland Practice Rules 2011, Rule 24 of the Solicitors (Scotland) Accounts etc Rules 2001 and Rule B6.23 of the Solicitors (Scotland) Accounts, etc Rules 2011; Orders that

the name of the Respondent be Struck Off the Roll of Solicitors in Scotland; Makes no order for expenses; and Directs that publicity will be given to this decision to include the name of the Respondent together with details of all interlocutors and notes issued by the Tribunal during the course of proceedings.

(signed)

Kenneth Paterson

Vice Chair

16. A copy of the foregoing together with a copy of the Findings certified by the Clerk to the Tribunal as correct were duly sent to the Respondent by recorded delivery service on 17 MARCH 2026.

IN THE NAME OF THE TRIBUNAL

[redacted]

Kenneth Paterson

Vice Chair

NOTE

At the Hearing on 27 October 2025, the Complainers were represented by their Fiscal, Breck Stewart, Solicitor Advocate, Edinburgh. The Respondent was neither present nor represented. The Respondent had sent a signed letter (attached to an email dated 21 October 2025) to the Tribunal Office. The letter stated:-

"I refer to the above and the substantive hearing commencing on 27 October [2025]. I have decided not to appear personally and have advised the staff at HMP Castle Huntly of that. I do, however, wish this letter and accompanying letters and documents to be put before the Tribunal for consideration.

The main reason for not appearing personally is, again, in connection with health issues."

The Respondent's letter stated that the health issues were: (i) anxiety and mental health and (ii) a medical appointment scheduled for 24 October 2025. The Respondent did not move for an adjournment of the Hearing. He produced a copy of an appointment letter in respect of 24 October 2025. He did not lodge any medical evidence to support his position.

The Fiscal moved for the Hearing to proceed in absence of the Respondent in terms of Rules 4 and 9 of the 2024 Rules. He argued that to proceed in the Respondent's absence would be consistent with the Tribunal's principles of acting fairly, justly and efficiently. The Fiscal submitted that the Respondent had not enrolled a motion to discharge the Hearing but had simply declared that he would not attend. The Fiscal said that the Respondent had not produced any medical evidence to support his position. Neither had been produced a "soul and conscience" certificate pertaining to his alleged unfitness to deal with the proceedings, despite being given opportunities to obtain this. The Fiscal submitted that this was not acceptable.

The Tribunal considered whether it was fair to proceed in the Respondent's absence. The Tribunal had regard to R-v-Jones [2002] UKHL 5 and the need to exercise its discretion in this matter *"with great caution and close regard to the overall fairness of the proceedings."* It was clear to the Tribunal from the Respondent's correspondence that he was aware of the Hearing. The Respondent had asked the Tribunal Office to place his correspondence before members. This was done and the Tribunal carefully considered all the information provided by the Respondent. The procedural history of the case was lengthy and there had been a number of opportunities given to the Respondent to obtain medical evidence.

The Respondent's position during proceedings and in correspondence was that he had been unable to obtain a medical report.

The Tribunal considered that if it heard the case in the Respondent's absence, there would be a disadvantage to the Respondent in being unable to give his account of events. However, the Tribunal could not be sure that the Respondent would attend on a future date if the Hearing was adjourned. Indeed, the Respondent's correspondence made reference to the proceedings taking a long time and said this this had a detrimental effect on him. The Respondent had stated in correspondence that he did not want the matter to proceed to a full Hearing. Parties had agreed and lodged a Joint Minute which narrowed the issues in dispute. However, there were still some issues in dispute and these required to be considered by the Tribunal.

It is in the public interest that regulatory proceedings take place within a reasonable time. The fair, economical, expeditious and efficient disposal of allegations against solicitors was an important consideration. In these circumstances, the balance lay in favour of proceeding in the Respondent's absence. The Tribunal noted that the Fiscal had referred to the 2024 Rules when making his motion. However, due to the date of the Complaint, the applicable Rules were the 2008 Rules. In all the circumstances, the Tribunal considered it appropriate to proceed in absence of the Respondent and granted the Fiscal's motion in terms of Rule 29 of the 2008 Rules.

The Tribunal had before it a Record and Appendices, a Joint Minute, three Inventories of Productions, a List of Witnesses and List of Authorities for the Complainers. It also had before it various correspondence from the Respondent for consideration. No evidence was led. The Fiscal made submissions.

SUBMISSIONS FOR THE COMPLAINERS

The Fiscal explained that the Respondent had signed a Joint Minute which was lodged with the Tribunal on 21 October 2025. As a result of the admissions by the Respondent in that document, the Fiscal had produced a new Record highlighting the Respondent's admissions within the Answers previously submitted by the Respondent. He referred to that and pointed out that the Respondent still denied three of the averments in the Complaint, namely:

"3.6 *In each of the transactions appendices 2-14 the Respondent accepted instructions not from the conveyancing client but from McLaren or McLaren's staff.*

3.9 *The Respondent has in each transaction appendices 1-8, failed to meet his obligations under the Money Laundering Regulations 2007. He did not meet with the purchaser. He did not obtain a valid identification document. He did not secure valid (ie dated within 3 months) proof of address verification.*

3.13 *In the transactions where the Respondent acted for the seller – Appendices 9-15, the Respondent received initial instruction from McLaren or a member of his staff. He did not receive initial instruction from the seller."*

The Fiscal submitted that, although those averments were still denied by the Respondent, he had made sufficient admissions in relation to the rest of the Complaint which would allow the Tribunal to conclude that the statement of facts in the Complaint had been proved. The Fiscal argued that it was odd that the Respondent continued to deny averment 3.9 as he had partly admitted those failures in his Answers in relation to other averments. The Fiscal said that he had provided the Respondent with an opportunity to comment further on the remaining averments but the Respondent had not done so.

The Fiscal submitted that the most striking admission from the Respondent related to the background to the "McLaren fraud". The Fiscal explained that his instructions mainly related to alleged breaches of Money Laundering Regulations and, for that reason, the fraud *per se* had not featured heavily in the pleadings. The Fiscal pointed to the admitted averment in paragraph 3.2 of the Complaint which, he said, narrated the fraudulent scheme orchestrated by McLaren. Averment 3.2 stated:

"3.2 On 13 June 2017 Edwin McLaren and Lorraine McLaren were sentenced to periods of imprisonment of 11 years and 2 ½ years respectively in respect of an indictment containing 25 charges of common law fraud and money laundering. Generally, Edwin McLaren was the controlling mind in a scheme where home owners were induced to sell to Mr McLaren or, his nominee, their property at a reduced price on the promise that they could remain in the property indefinitely, without making any rent like payment and they would receive a one off lump sum payment on the conclusion of the transaction. In effect the sellers were inducted to relinquish their real right to their property for a small proportion of its value. The trial was Scotland's longest running fraud trial."

The Fiscal observed that, although previously denied in his Answers, the Respondent had subsequently admitted that he was involved in all transactions which formed part of the indictment in the McLarens' criminal trial.

The Fiscal pointed out that, by way of the Joint Minute, the Respondent had admitted, *inter alia,* facilitating McLaren's fraudulent scheme as set out in averment 3.4. Although the Respondent's Answers had initially suggested that his employees were at fault, the Joint Minute showed that the Respondent subsequently agreed that he had full responsibility for the actions of his staff. Averment 3.4 stated:

"3.4 In the period of 2010 through to 2013 the Respondent facilitated Edwin McLaren's fraud. He received instructions from Mr McLaren, or an employee of McLaren/a company controlled by him. Thereafter he acted in the conveyancing transaction either for the seller or purchaser. The Respondent was the sole principal in his firm and was the file holder in each transaction in the appendices. The Respondent retained full responsibility for all actions of his staff."

Likewise, the Respondent now admitted averment 3.5 which stated that the Respondent had given evidence in Mr McLaren's criminal trial and that,

"3.5 ..... During that evidence he [the Respondent] accepted that Mr McLaren was the driving and controlling force of all instructions he received, that Mr McLaren was creating a "property portfolio" for his benefit and for the benefit of his family despite the properties being held in various nominees' names. The Respondent was aware the properties were in effect being purchased for the benefit of Mr McLaren or his family."

The Fiscal observed that the Respondent had previously claimed there was evidence on the firm's server which supported the position in his answers. However, the Respondent had not produced any evidence or information to support this. Although the Respondent had lodged a motion to recover the server from the Judicial Factor at an earlier point in these proceedings, it was refused. The Fiscal stated that the Judicial Factor was a separate legal entity from the Complainers. Regardless, the Fiscal submitted that the Respondent had not produced any documents in support of his position. Neither had the Respondent been able to establish whether or not the server contained the information he alluded to. The Fiscal noted that the Respondent's firm had links to another practice. It was unclear whether that firm had bought the Respondent's practice, Blackwood and Co. However, the Fiscal stated that the Blackwood and Co server was taken when the Judicial Factor was appointed in relation to that other firm.

By signing the Joint Minute and accepting averments 3.7 and 3.8 of the Complaint, the Fiscal said the Respondent had admitted that the systems employed by his firm were insufficient to comply with his

professional obligations. Those averments related to the Respondent's failure to comply with the requirements for identification of clients and his failure to meet clients who were purchasers.

Paragraph 3.7 of the Complaint referred to "online verification reports" which were on the Respondent's files. However, the Fiscal submitted that those did not comply with the requirements of the Money Laundering Regulations. In support of this position, the Fiscal cited Law, Practice & Conduct for Solicitors (2nd edition) by Alan Paterson & Bruce Ritchie ("Paterson & Ritchie") at page 74 at paragraph 3.04 which details the requirements for identifying clients in terms of the Money Laundering Regulations 2007 and Rule B6 of the Solicitors (Scotland) Practice Rules 2011. In particular, the Fiscal relied on the final paragraph of page 74 of Paterson and Ritchie which states:-

"A report from an online verification firm is not always sufficient to satisfy a solicitor's obligation under the Money Laundering Regulations 2007 and Proceeds of Crime Act 2002. These reports are tools that can be used to verify addresses but if there is no meeting with the client to check photographic ID, in order to verify that the person who is providing instructions is who they are claiming to be, firms must use the information in the report to ask the client questions to which only the subject of the report would know the answers. These questions and answers must be documented on the file. However those packages are very useful tools and could be used as an additional source in high risk transactions or to verify addresses for clients who are increasingly leading a paper free life and are unable to prove where they live."

The Fiscal argued that acceptance of averment 3.8 meant that the Respondent conceded that he knew that each purchaser in the transactions detailed in Appendices 2-8 was an associate of Mr McLaren.

The Fiscal submitted that, by admitting averment 3.10, the Respondent accepted that he had not appropriately risk assessed the transactions in appendices 2-8. Those transactions were purchases of different properties. The Respondent had assessed each transaction at a lower score than the combined elements and should have assessed the transactions as high risk. The Respondent did not meet the purchasers in each of the transactions, all of which included a loan. The Respondent did not carry out ongoing risk monitoring in relation to the transactions. The Respondent also admitted averment 3.11 which stated that he had not carried out any enhanced due diligence in relation to the transactions.

By admitting averment 3.12, the Respondent conceded that John Craxton was involved in the conveyancing process for transactions in appendices 3-7 inclusive. The Fiscal said this admission meant that the Respondent accepted that Mr Craxton was found guilty of professional misconduct in respect of

his conduct in facilitating McLaren's fraud in the transactions mentioned. The Fiscal referred to the Tribunal's decision in the case of Law Society-v- John Craxton dated 9 November 2020.

By admitting averment 3.14, the Respondent conceded that, in respect of the transactions in which he acted for sellers (appendices 9-15 inclusive), he did not receive the identification documents held on his files from the seller but from McLaren or his agent. The Respondent also accepted that he had not seen the original identification and proof of address documents.

The Respondent also admitted averment 3.15 which stated that he had not met the sellers face-to-face, with one possible exception. The Respondent admitted that he had completed the Risk Assessment Forms ("RAF") and did not assess the transactions as high risk, which he should have done as they were inherently high risk. It was also admitted that, as high risk transactions, the Respondent should have carried out enhanced due diligence but he had not done so.

The Fiscal submitted that the Respondent's admission of averments 3.16 and 3.17 was 'striking'. He said that averment 3.16 mirrored other averments that the Respondent had not carried out ongoing risk monitoring in relation to the transactions. Averment 3.17 stated that, in the transactions detailed in Appendices 14 and 15, the Respondent had signed dispositions as a witness to his clients' signatures when he had not, in fact, done so. The Respondent now admitted that he did not see the clients sign the dispositions in those transactions. Neither had the Respondent obtained, in person, confirmation from the clients that the signatures on the dispositions were theirs.

The Fiscal referred in detail to paragraph 5 of the Complaint which contained the averments of Professional Misconduct. The allegation in averment 5.2 was that, by virtue of his actions in averment 3.17, the Respondent had acted dishonestly, failing which in a manner which lacked integrity both at common law and in breach of Rule B1.2 of the Law Society of Scotland Practice Rules 2011. The Fiscal stated that the conduct had been admitted by the Respondent in terms of the Joint Minute. In addition, he referred to the transcript of the Respondent's evidence given in the High Court in Mr McLaren's trial, excerpts of which were included in Appendices 14 and 15 to the Complaint and lodged as part of the Productions for the Complainers. Parties agreed by Joint Minute that the transcripts of the evidence lodged by the Complainers in their Second List of Productions were "true and accurate record[s] of the Respondent's questioning and answers given" in the McLaren trial. The Fiscal submitted that the failure to witness a signature but saying he had done so was an act of dishonesty by the Respondent.

The Fiscal referred to averments 4.15 and 4.16 of the Complaint which set out Regulations 5 (Meaning of customer due diligence measures) and 7 (Application of customer due diligence measures) of the Money Laundering Regulations 2007 ("MLR 2007") respectively. In addition, the Fiscal referred again to page 74, paragraph 3.04 of Paterson & Ritchie which states that:-

"The Money Laundering Regulations 2007 and r.B6 of the Solicitors (Scotland) Practice Rules 2011 place a duty on solicitors to know their clients. This involves a two-stage process—firstly identification of the client ("Customer due diligence" as it is called in the Regulations) and secondly identification of the source of the client's funds. Regulation 7(1)(a) of the 2007 Regulations requires customer due diligence ("CDD") to be done when (i.e. at the time that) a person ""establishes a business relationship" or "carries out an occasional transaction". A written record of CDD must be kept for at least six years……."

Paragraph 3.04 of Paterson & Ritchie goes on to set out the identification which a solicitor is required to obtain as follows:-

"CDD should cover the true name, current permanent address (including postcode) and wherever possible, the date and place of birth of the client. If more than three years have elapsed since a client has been identified then the basic facts, i.e. change of name or address, should be checked. It is strongly recommended that solicitors should request sight of an official document with a photo, for example a current valid passport or new style driving licence. The solicitor should also request to see a recent utility bill……Where the client is at a distance, another local solicitor should be used to verify the client's identity, or if the client is abroad then a local notary or British Consulate should be used to obtain an affidavit. Solicitors should resist any contractual attempt, e.g. by lenders, to require them to undertake any duty to that other party or their agents of verifying their own client's ID."

The Fiscal explained that there were two sets of rules which applied to the Respondent's admitted conduct. Four of the transactions in the appendices to the Complaint occurred before November 2011 and, therefore, were subject to the requirements of Solicitors (Scotland) Accounts etc Rules 2001 (specifically "Rule 24 – Money Laundering"). For all transactions after that date, Rule B6.23 of the Law Society of Scotland Practice Rules 2011 applied. This provision was set out at paragraph 4.13 of the Complaint for ease of reference. Both provisions required solicitors to comply with the MLR 2007.

The Fiscal explained that, in terms of Regulation 17 of the MLR 2007, a solicitor was permitted to rely on a defined person (as listed in Regulation 17(2)) to apply CDD measures provided that—

"17(1)(a) the other person consents to being relied on; and

(b) notwithstanding the relevant person's reliance on the other person, the relevant person remains liable for any failure to apply such measures."

Persons upon whom a solicitor can so rely are listed in Regulation 17(2) as:-

"(2)(a) a credit or financial institution which is an authorised person;

(b) a relevant person who is—

(i) an auditor, insolvency practitioner, external accountant, tax adviser or independent legal professional; and

(ii) supervised for the purposes of these Regulations by one of the bodies listed in Part 1 of Schedule 3;

.....

(4) Nothing in this regulation prevents a relevant person applying customer due diligence measures by means of an outsourcing service provider or agent provided that the relevant person remains liable for any failure to apply such measures.

(5) In this regulation, "financial institution" excludes money service businesses."

Mr McLaren was an estate agent. The Fiscal submitted that, in terms of these applicable regulations, an estate agent is not a person upon whom a solicitor can rely upon when conducting CDD. A Tribunal member asked the Fiscal whether Mr Mclaren was part of a solicitor's firm. The Fiscal said there was no evidence of that. It appeared from correspondence that Mr McLaren's business was advertised as "Glasgow Solicitors' Property Centre". However, the Fiscal reiterated that Mr McLaren was an estate agent and not a person upon whom the Respondent could rely when conducting CDD.

Averments 5.3, 5.4 and 5.5 alleged multiple failures by the Respondent in respect of the transactions detailed in appendices attached to the Complaint. The Fiscal argued that breaches of the Respondent's obligations were shown in the appendices and documents before the Tribunal. He gave some particular examples to support that position. For instance, he submitted that appendix 2 showed that the Respondent failed to obtain identification from the purchaser as detailed in averment 3.8 of the Complaint. He added that paragraph 9(b) of appendix 2 demonstrated that the Respondent did not meet the client despite his obligation to do so in terms of Regulations 5 and 7 of the MLR 2007. The Fiscal explained that a Risk

Assessment Form ("RAF") is a tool used by solicitors to comply with the MLR 2007. The Respondent failed to complete an RAF in respect of this transaction as detailed in paragraph 8 of appendix 2.

A Tribunal member asked if the Fiscal was asserting that these examples demonstrated a pattern of conduct by the Respondent. The Fiscal replied that the Respondent failed to meet the purchaser in the appendix 2 transaction. He added that the Respondent was obliged to know his client and be sure that the source of funds for the transaction were not the proceeds of crime. In this transaction, the Respondent should have obtained a bank statement showing the client's savings accruing. Instead, he received the sum of £25,105 from JBH without checking the source of those funds, contrary to Regulations 7, 8 and 14 of the MLR 2007.

The Fiscal explained that the Solicitors (Scotland) Accounts etc Rules 2001 applied to the transaction in appendix 3 due to the dates involved. He submitted that paragraphs 3 and 4 of that appendix demonstrated that the Respondent did not meet the purchaser in this case. A copy of the Respondent's file for this transaction was before the Tribunal as production 2 on the First List of Productions for the Complainers. The Fiscal confirmed that copies of all files detailed in the appendices had been lodged as productions and were before the Tribunal. Although this particular file included a copy of a letter to the purchaser, there was no terms of business letter or a Letter of Engagement. The Fiscal directed the Tribunal to paragraph 7 of the appendix which he argued showed that the Respondent did not obtain identification documents or evidence of the source of funds. The Fiscal argued that this information was sufficient for a finding-in-fact that the Respondent had not met his client.

Turning to the transaction in appendix 5, the Fiscal highlighted that the Respondent stated that the RAF in this case was incorrect, as opposed to being absent altogether. He pointed to the copy file which was lodged as production 5 of the Complainer's First List of Productions. The RAF appeared at pages 562 to 566 inclusive of the productions and the Fiscal asked the Tribunal to look at the level of detail required to complete the RAF. He submitted that this would be helpful to the Tribunal in understanding what was required of the Respondent.

Referring to page 562 of the same production, the Fiscal said that the form very poorly sets out some client details. The address details were unclear and there was a reference to 1Move, Mr McLaren's business.

The Fiscal pointed out that the handwritten text on page 563 of the same production read "per meeting" and, on page 564, there was a handwritten note stating "personal savings with family". However, there was no note of the meeting or evidence of the savings referred to on the same file.

The Fiscal highlighted that the word "low" had been circled in pen on page 565 of the same production. This referred to the risk level of the transaction and the Fiscal submitted that this was contrary to the requirements detailed on the Respondent's own MLM form. At page 567 of the production, the Respondent certified that the "relevant sections" of the form were correct. Pages 568 and 569 of the production show copies of a passport and driving licence which are unclear and uncertified. The Fiscal reiterated that, although the transaction was noted to be low risk, it should have been highlighted as high risk by its very nature. He reminded the Tribunal that the Respondent had admitted that he had not met this client by accepting averment 3.8 of the Complaint. In addition, the production showed that the RAF was incorrect and the Respondent did not meet the client.

Although paragraph 8 of appendix 5 listed documents which may, on the face of it, be appropriate forms of identification, the Fiscal argued that the Respondent had not detailed how this information was provided to him. The documents were not certified and the Fiscal reiterated that the Respondent was not entitled to rely on Mr McLaren as he was an estate agent and not a suitable person in terms of the regulations. The Fiscal referred to paragraph 5 of appendix 5 and said this showed that the information had been provided by Mr McLaren and had not been obtained by the Respondent.

The Fiscal referred to the "Money Laundering Matrix" ("MLM") on page 561 of the First List of Productions for the Complainers. The Fiscal quoted the following section of the MLM on page 561 of the inventory which related to appendix 5 attached to the Complaint. The text was shown in bold type in the production and stated: -

"IF HIGH RISK THEN ENHANCED DUE DILIGENCE IS REQUIRED. AT THIS STAGE YOU SHOULD CONTACT THE MONEY LAUNDERING REPORTING OFFICER – AID.
ENHANCED DUE DILIGENCE IS ALSO REQUIRED IF CLIENT IS NOT BEING SEEN FACE TO FACE."

A member of the Tribunal asked the Fiscal to explain the handwritten scoring which appeared on the right-hand side of the MLM. The Fiscal said he could not make any submissions on that as the information was so unclear. He added that it was his understanding that this style of form came as a

package of template documents which were available to firms at the time of the transaction. It was not, to his knowledge, a form used only by the Respondent's practice unit.

Paragraph 14 of appendix 5 stated that the Respondent did not carry out enhanced due diligence in respect of this transaction, although he should have done so. Paragraph 16 noted that there was no evidence of the source of funds for the transaction.

The Fiscal took the Tribunal to appendix 6 of the Complaint which detailed another purchase transaction. He submitted that the Respondent failed to meet the client or obtain identification from him. There was no evidence of the source of funds on the Respondent's file and he failed to complete the RAF correctly in that it recorded both high and low risks. A copy of this file was before the Tribunal as Production 6 of the Complainers' First List of Productions.

Appendix 7 provided details of another purchase transaction. A copy of the Respondent's file for this matter was before the Tribunal as Production 7 on the same List of Productions. The Fiscal pointed out that, at paragraph 5 of the appendix, Mr McLaren's business was noted to be the source of referral. The RAF on the copy file describes the purchaser as a "new client" and includes a handwritten note stating "per meeting" although no file note detailing discussions is present. The Fiscal reiterated that the Respondent admitted that he relied upon copy identification from Mr McLaren in terms of averment 3.4 of the Complaint. The RAF also notes that the source of funds was "Personal savings/re family as advised by Est Agent." The copy file contains two pages from a Bank of Scotland online account showing a credit balance of £17,175. However, this paperwork did not show the name of the account holder or the account number. The Fiscal said that, if completed correctly, the RAF may have been evidence that the Respondent had complied with the regulatory obligations. However, the RAF was incomplete and incorrect and, therefore, showed that the Respondent had breached Regulations 5, 7, 8 and 14 of the MLR in relation to this transaction.

The Fiscal noted that the Solicitors (Scotland) Accounts etc Rules 2011 (in particular Rule B6.23) applied to the matter in appendix 8 due to the date of the transaction. Again, the Fiscal noted that the Respondent had admitted his failure to obtain identification from the purchaser required by Regulations 5 and 7 of the MLR 2007 by accepting averment 3.4 of the Complaint. In this case, the RAF in the copy file correctly identified the transaction as high risk (paragraph 12 of appendix 8). However, no steps were taken to carry out enhanced due diligence. The Respondent admitted this by accepting averment 3.11 of the Complaint. Again, if completed correctly, the RAF may have been evidence that the Respondent had complied with the regulatory obligations. However, the RAF was incomplete and incorrect and,

therefore, showed that the Respondent had breached Regulations 5, 7, 8 and 14 of the MLR in relation to this transaction.

In relation to the transactions in appendices 2 to 8 inclusive, the Fiscal submitted that he had demonstrated a clear pattern of the Respondent's failure to comply with his professional obligations. The Respondent had relied upon information provided by Mr McLaren when he should not have done so. In addition, the Respondent had not followed his own processes in relation to the RAFs.

The Fiscal argued that the Respondent had attempted to deflect his responsibilities in relation to these matters. However, it was the Respondent who, as a sole practitioner, had certified the RAFs in each of the files. Appendices 2 to 8 separately note that the Respondent was the fee earner for each transaction and this is also reflected in the copy files which were lodged as productions and have been referred to. In addition, the Respondent was the sole practitioner of the firm and, therefore, he had ultimate responsibility for compliance with the professional regulations.

Instead of demonstrating to the Tribunal how he may have complied with his professional obligations, the Respondent simply made reference to a "server" and unspecified information held on it. In any event, the Fiscal said that there was no evidence to suggest that the files of Blackwood & Co. were on the server to which the Respondent was referring. That server related to a different firm of which the Respondent became an employee. Although the Respondent had lodged a letter from the Judicial Factor with the Tribunal, it was open to him to obtain a court order to access the server but he had not done so. The Fiscal said that the Respondent was directed to the available information prior to this Hearing but had failed to request or obtain it. The Fiscal submitted that the Respondent's conduct in relation to the purchase transactions amounted to professional misconduct singly and *in cumulo* and invited to the Tribunal to find him guilty.

The Fiscal then made submissions in relation to appendices 9 to 15 of the Complaint. Those matters related to the sale of different properties. The Fiscal made reference to 8 separate transcripts of the Respondent's evidence from HMA v McLaren & Others which were lodged as productions in the Second List of Productions for the Complainers. He stated that the Respondent was subject to additional professional obligations as these matters involved the sale of different heritable properties. The Fiscal was asked to explain this further and replied that the Respondent:- (i) was obliged to carry out enhanced due diligence for sale transactions as a matter of course; (ii) should have recorded an explanation of the source of funds coming from the purchaser, particularly as there was a quick turnover (i.e. profit) involved and checked that there were no money laundering issues; (iii) checked the identity of the sellers.

In relation to the transaction in appendix 9, the Fiscal pointed out that the Respondent had admitted that he had relied on copy identification by accepting averment 3.14 of the Complaint. The particular transaction was of note as it involved the sale of a property which was located in another part of Scotland, far from the Respondent's place of business. The clients and the Respondent were some distance apart from each other and the RAF on the copy form describes the sellers as "new clients". Enhanced due diligence should have been carried out in this case but was not. The Fiscal referred to paragraphs 3 and 13 of the appendix and also evidence given by the Respondent at Mr McLaren's criminal trial on 12 August and 26 September 2016 (transcripts lodged as Productions 2 and 5 of the Second List of Productions for the Complainer). The Fiscal observed that, during his evidence, the Respondent was unable to explain to the High Court judge who he had spoken to. Although the Respondent's memory may have been affected by the passage of time to some extent, the Fiscal submitted that the Respondent should have known who he was speaking to over the phone and that they were the true owner of the heritable property which was being sold. The Respondent did not and, therefore, breached his professional obligations.

In relation to the transaction at appendix 10 of the Complaint, the Fiscal submitted that the Respondent was guilty of a number of failures. He said that the copy file produced as Production 10 of the First List of Productions for the Complainers contained copies of identification documents which were uncertified and provided to the Respondent by Mr McLaren. The Respondent expressly admitted that his initial instructions in this matter came from Mr McLaren, he did not meet the sellers and that Mr McLaren provided the identification documents when he gave evidence at Mr McLaren's criminal trial. An excerpt of the relevant transcript of evidence was shown at paragraph 18 of appendix 10. The Fiscal said that the Respondent's admitted behaviour was unacceptable.

The Fiscal submitted that the RAF for the transaction in appendix 11 of the Complaint was incorrectly completed. The copy file for this matter was before the Tribunal as production 11 of the First List of Productions for the Complainer. The transaction was marked as low risk when it was inherently high risk. A member of the Tribunal observed that no RAF appeared in production 11 and asked for further information. The Fiscal referred to Production 1 on the Third List of Productions for the Complainers, namely a report about the Respondent's alleged conduct which was presented to the Professional Conduct Committee and dated 14 March 2022 which referred to the RAF in this case and the Respondent's alleged failures in that regard. The Fiscal added that the Respondent had admitted this conduct by accepting averments 3.15 and 3.16 of the Complaint.

The Fiscal then referred to the transactions in appendices 12 to 15 inclusive. Each of those appendices contained information which indicated that the Respondent had failed to obtain information from the purchasers, relied on copy identification provided by Mr McLaren, failed to complete RAF (either at all or appropriately) and did not carry out enhanced due diligence. The Fiscal pointed to excerpts from the Respondent's evidence in the High Court in each of the appendices and also the transcripts themselves lodged with the Second List of Productions for the Complainer. He reminded the Tribunal that the Respondent admitted the conduct by accepting averments 3.14, 3.15, 3.16 and 3.17 of the Complaint.

In relation to the sale transactions, the Fiscal submitted that the information presented showed that the Respondent had repeatedly failed to undertake, retain or exhibit evidence of carrying out CDD as required in contravention of the MLR 2007, Rule 24 of the Solicitors (Scotland) Accounts etc Rules 2001 and Rule B6.23 of the Solicitors (Scotland) Accounts etc Rules 2011. Although the Respondent continued to deny averment 3.13, the Fiscal said that the information before the Tribunal, together with the Respondent's admissions as a whole, was sufficient to show that the Respondent had breached his professional obligations. He invited the Tribunal to conclude that the Respondent was guilty of professional misconduct in relation to these matters.

TRIBUNAL QUESTIONS

A Tribunal member asked the Fiscal if his submission was that the necessary checks which the Respondent should have carried out are more important in relation to sellers as opposed to purchasers. The Fiscal said that the Respondent was dealing with the personal property of his clients in relation to the sales. With the purchase transactions, there were obligations to the lender also. He added that the court in HMA v McLaren and Others concluded that the owners of various properties were defrauded and the Fiscal said that he considers individual loss of property to be quite important.

Another member of the Tribunal asked the Fiscal to point to the evidence in support of averment 5.5.2 of the Complaint which alleged that the named clients did not know that their properties were being sold. The Fiscal conceded that there was no averment in fact to support that accusation and moved for the words *'the named clients were not aware that their houses were being sold'* to be deleted from that particular averment. The Tribunal considered this and concluded that there was no prejudice to the Respondent in granting this. It allowed the words to be deleted from the Complaint.

The Fiscal was asked to clarify whether the word "purchaser" which appeared in the first lines of averments 5.4.1 and 5.4.2 should, in fact, read "seller". The Fiscal confirmed that these were errors and

should, indeed, refer to "seller" and moved to amend those. The Tribunal allowed these amendments to the Complaint.

CORRESPONDENCE FROM THE RESPONDENT

The Tribunal noted the terms of correspondence submitted by the Respondent for consideration. On 21 October 2025, the Respondent sent three separate letters to the Tribunal Office by email, together with attachments, and asked for this information to be placed before the Tribunal. Two of the letters contained submissions and the third letter contained points of 'mitigation'.

Letter number one stated that the Respondent would not attend the substantive Hearing for reasons outlined above. It referred to points he had previously raised in relation to obtaining a medical report and stated that the Respondent wished *"to rely on these written submissions and trust they will be considered objectively by the Tribunal."*

The second letter from the Respondent referred to the Joint Minute agreed and signed by the parties and which was before the Tribunal. The Respondent also wrote:-

"I have been trying to settle this matter for years without the necessity of the time and expense of going through the full Tribunal process but the Complainers seem reluctant to go down that road.

In summary, for misconduct to be proven it has to be a "serious and reprehensible departure" from expected standards. I submit, in the circumstances, that is not the case. Going back to 2011/12, when these transactions took place there are 3 main points.

First, I understood I was dealing with another solicitors' firm. McLaren's estate agency was in the GSPC which meant it was part of a solicitors' firm which was in control of it otherwise it could not have been a member of that organisation. Therefore, in any dealing with the estate agency it was part of a solicitors' firm and I was, therefore, entitled to accept information, ID, etc. as coming from another solicitors' firm. Remember we are going back 13, 14 years now and the practices at that time.

Second, in all the sales transactions all net proceeds were paid directly to the selling client, into their accounts as advised by them. There were no 3rd party payments. There was initial misreporting by the Society on that as evidenced by the email exchange from 2020 attached.

Third, there was no "scheme" with McLaren. No evidence was produced at his trial to that effect, nor was I charged with any criminal offences as one would have expected if there was any such evidence. In fact, contrast that with the case of James McCusker decided in 2015 (copy attached). He attended a meeting where a "scheme" was discussed and agreed upon with a "Mr A". This resulted in back to back transactions known to the respective solicitors and to have played an "integral part" in the scheme. This was not the case in my situation, I only acted for a buyer or seller.

In McCusker's case it was noted he "failed to carry out proper due diligence and verification in relation to identity of his clients and the third parties who provided the purchase price". Is it interesting the decision was a censure [emphasis in italics added] and a fine. Were his actings so different from mine?

Although extracts of evidence from McLaren's trial and the conveyancing files have been lodged I submit these do not tell the full story. Evidence relates only to examination at the trial and the questions were loaded in favour of the prosecution (I was a witness for the Crown) so are only part of each full transaction. Similarly, the paper files do not hold all the records of a transaction as only parts were ever printed for convenience, these remaining on the server. In that respect the actings of the Complainers are duplicitous. The attached letter from the Solicitor to Interventions required me to obtain a court order if I wished access. However, as recently as the hearing on 28 August 2025 the Complainers advised they "were not in possession of it". Next, in separate correspondence dated 7 October (copy attached) they ask if I obtained a court order. Is that for something which they say they don't have?

I would point out that, in the Record 5.4.1 I agree I did not obtain ID for the purchaser which, I submit, was normal at that time as I was acting for the seller. This illustrates a lack of detail in the whole matter.

Further, I submit there have been issues in the procedure from the Complainers which have disadvantaged me. In sending correspondence I had made it clear that the best way to contact me was by post to HMP Castle Huntley AND email me at my home address. That was not always done although the Tribunal's clerk faithfully sent correspondence by both methods.

I consider these points should be taken into consideration by the members although I do apologise if my thoughts are not expressed clearly."

The letter was signed by the Respondent.

DECISION

It was noted that the regulations quoted by the Fiscal in respect of alleged breaches by the Respondent were determined by the date of the corresponding conduct. This explained why older versions of the rules applied to some of the transactions detailed in the Complaint.

The first step was to consider whether the facts had been established beyond a reasonable doubt. The onus of proof was on the Fiscal and there was no requirement for the Respondent to present any evidence. The Tribunal could only consider the information placed before it.

The Respondent had admitted the majority of averments of fact in the Complaint including facilitating Edwin McLaren's fraud by acting in specific conveyancing transactions for sellers and purchasers passed to him by McLaren, failing to meet with clients, failing to carry out CDD and EDD where necessary, being the sole principal in the firm and file holder in each transaction in the appendices and retaining full responsibility for all actions of his staff. The Respondent also admitted the content of appendices 1-15 inclusive. However, there were three averments of fact which the Respondent denied and the Tribunal considered each of them.

The Respondent denied averment 3.6 which related to purchase transactions and alleged that, *"In each of the transaction appendices 2-14 the Respondent accepted instructions not from the conveyancing client but from McLaren or McLaren's staff."*

The Respondent also denied averment 3.13 which was couched in similar terms but referred to the sale transactions. It stated that, *"In the transactions where the Respondent acted for the seller – Appendices 9-15, the Respondent received initial instruction from McLaren or a member of his staff. He did not receive initial instructions from the seller."*

However, the Respondent admitted averment 3.4 which included the following:-

"3.4. In the period of 2010 through to 2013 the Respondent..... received instructions from Mr McLaren, or an employee of McLaren/a company controlled by him....."

It was contradictory of the Respondent to admit averment 3.4 but deny averments 3.6 and 3.13. Regardless of that, the Tribunal was satisfied on the information presented to it that the Respondent's instructions came from Mr McLaren. There was only one exception to this in relation to the transaction

in appendix 12. The transcript of the Respondent's evidence at McLaren's criminal trial indicated that the Respondent did meet the seller in that transaction.

In correspondence to the Tribunal, the Respondent said that the productions only provided a partial picture of what happened. He referred to further information which he claimed was on a server but was unable to produce that. Although the onus was on the Fiscal to prove the facts, and there was no obligation on the Respondent to produce any evidence, he did not provide any explanation or produce any information to support an alternative position. The Tribunal cannot consider information which it does not have. The Tribunal noted that the Respondent had accepted the appendices and the productions lodged on behalf of the Complainers to be true and accurate records. Those documents clearly demonstrated that the Respondent's instructions came from Mr McLaren and his associates and not the clients. In light of those admissions and in consideration of all the information before it, the Tribunal found that averments 3.6 and 3.13 had been established.

The Respondent also denied averment 3.9 which alleged that *"The Respondent has in each transaction appendices 1-8 failed to meet his obligations under the Money Laundering Regulations 2007. He did not meet with the purchaser. He did not obtain a valid identification document. He did not secure valid (ie dated within 3 months) proof of address verification."*

However, the Respondent had admitted averments 3.7 and 3.8 which covered the same conduct. Again, his denial of averment 3.9 was contradictory. In addition, the Fiscal had demonstrated that there was a general pattern of the Respondent not complying with the requirements. In light of the evidence provided by the Fiscal in support of the allegations, and the Respondent's admission of averments 3.7 and 3.8, the Tribunal was satisfied that averment 3.9 was established.

The Tribunal was satisfied that the admitted and established facts demonstrated that the Respondent had breached his professional obligations as set out in averments of duty at paragraph 4 of the Complaint. The Respondent admitted those averments of duty. The Tribunal then had to consider whether the conduct amounted to professional misconduct. To answer that question, the Tribunal considered the test for professional misconduct set out in the case of Sharp v Council of the Law Society of Scotland 1984 SLT 313,

"There are certain standards of conduct to be expected of competent and reputable solicitors. A departure from these standards which would be regarded by competent and reputable solicitors as serious and reprehensible may properly be categorised as professional misconduct. Whether or not the

conduct complained of is a breach of rules or some other actings or omissions, the same question falls to be asked and answered and in every case it will be essential to consider the whole circumstances and the degree of culpability which ought properly to be attached to the individual against whom the complaint is to be made."

In terms of the conduct at averments 5.2 and 5.5, the Tribunal had regard to the test for dishonesty described in Ivey v Genting Casinos (UK) Ltd t/a Crockfords [2017] UKSC 67. According to that case, the Tribunal should first ascertain subjectively the actual state of the individual's knowledge or belief as to the facts. When that is established the question whether his conduct was honest or dishonest is determined by applying the objective standards of ordinary decent people. The principles of honesty and integrity are fundamental to the profession. Members of the profession are in a very privileged position and members of the public must be able to trust that a solicitor will carry out his duties and obligations in an honest and trustworthy manner. The importance of this principle and the seriousness of the breach of that principle has repeatedly been emphasised in a number of cases before this Tribunal.

The Tribunal concluded that the Respondent had, indeed, acted dishonestly by adhibiting his signature as a witness to dispositions when he did not witness them or obtain confirmation from the granters that the signatures were their own. The Tribunal did not hesitate to hold that, by facilitating Edwin McLaren's fraud and generating fees from those transactions, the Respondent acted in a dishonest manner in circumstances which were individually serious and reprehensible. It was also clear to the Tribunal that the Respondent's overall conduct formed a repeated pattern of behaviour which was also serious and reprehensible and at the most serious end of the scale. The Tribunal unanimously considered that the Respondent was guilty of professional misconduct singly and *in cumulo*.

SUBMISSIONS ON SANCTION, EXPENSES AND PUBLICITY

The Fiscal referred to the Respondent's employment history in appendix 1 to the Complaint. There was one previous finding of professional misconduct against the Respondent. This occurred in 2017 and related to the inappropriate administration of client funds which resulted in a significant client deficit. The Respondent was found to have acted without a mandate and without the proper skills as cashroom manager. The sanction imposed for that matter was restriction of the Respondent's practising certificate for a period of 3 years when he was permitted to work as a qualified assistant.

The Fiscal did not move for expenses.

The Tribunal considered the written correspondence from the Respondent dated 21 October 2025 (sent by email on 24 October 2025) in mitigation. In this letter, the Respondent asked for leniency in the event of a finding of professional misconduct.

In summary, the Respondent stated that the relevant transactions dated back 13-14 years ago and said that dealing with this matter over the whole period had been 'extremely challenging'. The Respondent said that he had been unable to secure legal representation to assist him in dealing with these proceedings. The Respondent said that the Complainers had been "vindictive" in their pursuit of this Complaint and alleged that they had been "uncooperative" during the whole process. The Respondent said that he "struggle[d] to understand why this matter had been pursued so zealously for so long" but acknowledged there was a duty to be discharged. The Respondent submitted that, in all the circumstances, that duty had been discharged in this case. The Respondent added that he had repeatedly asked to be removed from the Roll of Solicitors and that the McLaren trial and these proceedings had adversely affected his health.

In relation to publicity, the Respondent referred to the Tribunal Judgement Publication policy and said there should be "a balanced approach". He requested "leniency" in relation to publicity. The Respondent submitted that there was no benefit to the public in "resurrecting" the McLaren trial which, he added, had brought a lot of adverse attention to the legal profession in Scotland. The Respondent said he had "already been punished"; his career was over, he was bankrupt, his reputation had suffered and there was a "knock-on effect on my family, particularly my wife".

In terms of sanction, the Respondent referred to the SSDT decision in the case of Law Society of Scotland v James McCusker (12 January 2015) and submitted that a censure may be appropriate in the present proceedings, in line with the sanction imposed on Mr McCusker and his contemporaries.

It was agreed in the Joint Minute that the Respondent would not seek expenses in relation to these proceedings.

DECISION ON EXPENSES AND SANCTION

The duty of honesty and integrity is a fundamental and underpinning obligation of the profession. It has been made quite clear by the Tribunal that proven dishonesty must be seen at the top end of the spectrum of gravity for misconduct. It has also been said on a number of occasions that a finding of dishonesty will lead to a striking off in all but the most exceptional circumstances. (Bolton-v-The Law Society [1993] EWCA Civ 32; SRA-v-Imran [2015] EWHC 2572 (Admin)).

The Tribunal had regard to Bolton v Law Society [1993] EWCA Civ 32. In that case the Court of Appeal noted that the essential issue is *"the need to maintain among members of the public a well-founded confidence that any solicitor whom they instruct will be a person of unquestionable integrity, probity and trustworthiness."* The reputation of the profession is more important than the fortunes of any individual member. Similarly, in McMahon v Law Society of Scotland 2002 SC 475, it was noted that membership of the legal profession is a privilege. Those who exercise that privilege undertake a duty throughout their professional lives to conduct their clients' affairs to their utmost ability and with complete honesty and integrity. Clients and colleagues should be able to expect these qualities of every solicitor as a matter of course. If the public is to give the profession its respect and trust, it must be assured that when solicitors fail in these duties, they will be suitably dealt with by the profession's disciplinary system.

The Respondent's conduct was not only serious but was part of an established and repeated pattern in numerous cases. His conduct was at the most serious end of the scale.

The Tribunal considered the Respondent's correspondence submitted in mitigation of his position. The Tribunal agreed that the McLaren trial had brought a lot of adverse publicity to the Scottish legal profession. However, the Respondent's conduct had significantly contributed to that and this was an aggravating factor.

The Tribunal considered that the facts of McCusker case were very different from these proceedings. Mr McCusker had a previously unblemished record, produced favourable references and fully cooperated with the Complainers in entering a Joint Minute to resolve matters. Mr McCusker's actions were said to be "reckless" and, although he may have been "naive", he had "played an integral part in [these] illegal transactions. Mr McCusker was also reported to have been "ashamed and mortified" about events which indicated his remorse.

Although some matters had been resolved by Joint Minute in these proceedings, the Respondent had continued to deny matters in contradiction to his other admissions which was confusing. This had not assisted the overall process and required the Tribunal to give detailed consideration to those points, despite his agreement about other matters which related to the same conduct. In addition, the Respondent had not expressed any remorse. Rather, he lamented the effect that his conduct had on him and appeared to be unaware of the impact of his conduct on his former clients, the public overall and the legal profession. Although the Respondent appeared to understand that the McLaren trial had damaged the

Scottish legal profession, he did not acknowledge his part in those events. His lack of remorse and insight were aggravating factors.

In all the circumstances, the Tribunal decided that the only option was to strike the Respondent from the roll of solicitors.

Following submissions on expenses and publicity, the Tribunal made no order for expenses as agreed by the parties. There were no Secondary Complainers.

In terms of Paragraph 14 of Schedule 4 of the Solicitors (Scotland) Act 1980 every decision of the Tribunal requires to be published in full. Paragraph 14A gives the Tribunal a discretion to refrain from publishing any names, places or other facts the publication of which would likely damage or be likely to damage the interests of a person other than the Respondent, his partners or family. This exception did not apply in this case. The Tribunal's Judgement Publication policy which applies to Complaints raised after 1 November 2024 (the Respondent's Complaint was raised before that date) is very clear. The case of HMA-v-McLaren & Others had resulted in Mr McLaren's conviction and sentence. This was already in the public domain so there was no requirement to redact references to that case. The Tribunal made an order to publish the decision in full.

Kenneth Paterson

Vice Chair