

Name: [REDACTED]

Membership Number: [REDACTED]

1.	Competency:	6	Learning Outcome:	6.1 (Example 3 of 3)
Apply the rules of professional conduct appropriately to relevant situations				
2	Evidence Provided: <ol style="list-style-type: none"> 1. Copy emails with my firm's Account's Department ("Accounts") (page 6.009); 2. Copy screen prints demonstrating allocation and payment out to client (page 6.010); 3. Copy email to my client ("Client") (page 6.011); 4. Copy letter to my Client (page 6.012). 			
3.	Outline how the evidence demonstrates you meet the outcome			
Identify the most recent CILEX Code of Conduct and other applicable conduct rules to any matter you are dealing with, including any ethical dilemmas				
<p>I understand that I must always act in accordance with the Cilex Code of Conduct (January 2015) and as an employee of a business regulated by the Solicitor's Regulation Authority, I must also ensure I always act in accordance with the SRA Code of Conduct 2011. Further, when dealing with monies and / or assets, I must also ensure compliance with both the Cilex Regulation Accounts Rules and the Solicitors Accounts Rules 2011.</p> <p>Principle 9 of the Cilex Code of Conduct requires me to protect client money and assets. In addition to this, Chapter 1 of the SRA Code of Conduct 2011 requires me to properly account to clients for any financial benefit received as a result of any instructions.</p>				
Identify how you will act in accordance with the rules				
<p>In the case of monies being received from a third party in relation to settlement monies due to a client, I will:</p> <ol style="list-style-type: none"> 1. always notify my Firm's Accounts Department of any known anticipated payments and confirm the account to which funds should be allocated and why. This will ensure prompt allocation pursuant to Rule 2.1 of the Cilex Regulation Accounts Rules; 2. notify a client that monies are anticipated and / or have been received; 3. arrange to promptly account to the client. 				
Apply these rules of professional conduct to your work				
<p>In this matter, I was acting for a creditor Client in respect of a debt due from a debtor company (the "Debtor").</p> <p>Following presentation of a winding-up petition (the "Petition") the debtor paid the full balance due under the Petition plus costs on the 13 July 2015.</p> <p>The Debtor failed to notify me payment was being made. Consequently, I was unable to notify Accounts of the anticipated payment. Had I been aware of the anticipated payment, I would have notified them accordingly.</p> <p>On the 13 July 2015 I received notification from my Accounts by email at 11.51am that two payments in the total sum of £9,663.82 had been received. I immediately replied by email at 11.51am to confirm that the monies needed to be allocated to "client account" and marked up as "settlement monies". Copies of the emails appear at page 6.009, together with a screen print of my Firm's Client Account for this matter demonstrating the funds were correctly allocated at page 6.010.</p> <p>There appears at page 6.011, a copy of an email I subsequently sent to the Client at 15.11</p>				

advising a payment had been received and providing a breakdown as to how the payments was calculated. My email also confirmed that I had instructed my firm's outdoor clerk to lodge an application seeking the dismissal of the Petition and that I would keep her advised of developments.

My email to the Client did not confirm my firm would hold the monies in the client account pending the dismissal of the winding-up petition in accordance with my firm's policy due to the provisions of Section 127 of the Insolvency Act 1986 (funds would be at risk of being clawed back in the event the company went into liquidation). **N.B.** The reason this was not explained is due to the fact that the client only instructs me in relation to winding-up petitions - she is my main client, and this point has previously been discussed and she is au fait with the procedure.

The Order confirming the petition had been withdrawn (the "Order") was received from the Court on the 17/07/2015.

On receipt of the Order, an invoice was raised in relation to the costs paid by the Debtor. This is demonstrated by the screen print the Office Account that appears at page **6.010**. The invoice was sent to the Client under cover of a letter dated 17/07/2015, together with my firm's cheque in the sum of £7,482.82 in respect of the settlement monies due to the client. A copy of my letter appears at page **6.012**.

4. Reflection and evaluation (what you learnt from the activity you undertook to meet the outcome). Note: you may want to complete this section at a later date once you have had time to reflect on your practice and experience.

I appreciate that I have a duty to ensure monies that do not belong to me/my firm are protected. In order to do this it is vital to be able to quickly and easily determine what is due to a client and that that funds are available to be paid out to the client. Further, that I should promptly account to my client once in a position to do so. It is also very important to be entirely transparent with regard to billing and send invoices promptly as and when they are raised.

By doing this I will be able to reconcile client monies and demonstrate we are actively managing risks and avoid any regulatory breaches. It will also promote client relationships and trust.

5. Completion date: 17 July 2015

6. Signed (Applicant)

Date: 17 July 2015

7. Signed (Supervisor)

Date

07/08/15

From:
Sent:
To:
Subject:

[REDACTED]
13 July 2015 11:51

EMAIL FROM ME TO ACCOUNTS.

RE: [REDACTED] - £9,500- [REDACTED] - Reference quoted
[REDACTED] of 2015

Client account. Settlement monies. Thanks

[REDACTED]

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F
E

Main

[REDACTED]

[REDACTED]

From:

Sent: 13 July 2015 11:51

To:

Cc:

Subject: [REDACTED] - £9,500- [REDACTED] Reference quoted [REDACTED] of 2015

EMAIL FROM ACCOUNTS TO ME

Funds received – Please confirm what the funds are for?

13JUL15	CR	[REDACTED]	FPI	
		pet [REDACTED] of 2015		9,500.00
13JUL15	CR	[REDACTED]	FPI	
		[REDACTED] of 2015		163.82

CLIENT ACCOUNT

Two payments in the total sum of £9,663.82 were received on the 13/07/2015. All monies were paid into the client account the same day (13/07/2015).

List Postings

Posting

Unleared Cleared

Date	Reference	Description	Amount	Balance	Tax
13-Jul-2015	cr	Settlement Mon	5500.00CF	5500.00CF	0.00
13-Jul-2015	cr	Settlement Mon	1638.82CF	9663.82CF	0.00
17-Jul-2015	400000	AA to clear	7482.82	2181.00CF	0.00

Out Detail Transaction OrderBy Query

The Order confirming the petition had been withdrawn (the "Order") was received from the Court on the 17/07/2015.

On receipt of the Order, I accounted to the client in the sum of £7,482.82.

A balance of £2,181.00 remained on account of costs in relation to costs – an invoice was raised the same day as demonstrated in the screen print of the Office Account below.

OFFICE ACCOUNT

List Postings

Posting

Date	Reference	Description	Amount	Balance	VAT
20-May-2015	182712	Legal Services	135.00	162.00	27.00
17-Jul-2015	183318	Legal services	2181.00	3711.20	369.20

Out Detail Transaction OrderBy Query

Subject:

FW:

v

From:

Sent: 13 July 2015 15:11

To:

Subject: RE:

v

Hi

Good news on this matter.

We have received payment in the sum of £9,663.82 today. For ease of reference, the payment is broken down as follows: -

Balance of Invoices	£6,704.55
Interest	£163.27
Compensation	£430.00
Pre-action costs	£185.00
Petition costs	£2,181.00

Accordingly, I have instructed our outdoor clerk to lodge an application at court seeking the dismissal of the petition and I will keep you updated in this respect.

Kind regards

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Main T

This matter is being dealt with by [REDACTED]

DX: [REDACTED]
T: + [REDACTED]

Our Ref: [REDACTED]

17 July 2015

Dear [REDACTED]

Further to the above detailed matter, I am pleased to confirm the winding-up petition has now been withdrawn.

You will recall that the debtor paid £9,663.82 in relation to the petition debt and costs which is broken down as follows:

Petition debt

Balance of invoices	£6,704.55
Interest	£163.27
Compensation	£430.00
Pre-action legal costs	£185.00

Petition costs

Solicitors costs	£1,756.00
Court issue fee	£280.00
Court search fee	£10.00
Court application fee	£50.00
Process Server's fee	£85.00

Accordingly, I enclose my firm's client account cheque in the sum of £7,482.82 in relation to the petition debt covered, together with my firm's final invoice in relation to the petition costs paid by the debtor, of which only the VAT element remains payable.

Kind regards,

Yours sincerely

[REDACTED]
FOR AND ON BEHALF OF [REDACTED]