

# **Mayoor Motichand Parekh**

## **Solicitor**

### **006492**

[Agreement Date: 7 March 2025](#)

## **Decision - Agreement**

Outcome: Regulatory settlement agreement

Outcome date: 7 March 2025

Published date: 19 March 2025

## **Firm details**

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

Name: Wolf Law Solicitors LTD

Address(es): 14-16 Balls Road, Birkenhead, CH43 5RE

Firm ID: 614749

## **Outcome details**

This outcome was reached by agreement.

### **Decision details**

#### **Agreed outcome**

1.1 Mr Mayoor Motichand Parekh, a solicitor of Wolf Law Solicitors Ltd (the firm), agrees to the following outcome to the investigation of his conduct by the Solicitors Regulation Authority (SRA):

- a. he is fined £5,768.
- b. to the publication of this agreement.
- c. he will pay the costs of the investigation of £1,350.

## **2. Summary of Facts**

2.1 We carried out an onsite investigation at the firm, where Mr Parekh is engaged as a consultant. The investigation identified areas of concern in relation to Mr Parekh's compliance with the Money Laundering, Terrorist Financing (Information on the Payer) Regulations 2017 (MLRs 2017), the

SRA Accounts Rules, the SRA Principles 2019, and the SRA Code of Conduct for Firms 2019. Client and Matter Risk Assessments

2.2 We inspected six client files, all of which Mr Parekh was the fee earner with conduct of the matter. Apart from one matter, there was no record that a risk assessment had been conducted. Mr Parekh advised that a formal risk assessment document was not in place.

2.3 Mr Parekh therefore caused or materially contributed to the firm's failure to conduct adequate client and matter risk assessments (CMRA), as required by Regulations 28(12) and 28(13) of the MLRs 2017.

2.4 Mr Parekh also caused or materially contributed to the firm's failure to demonstrate to its supervisory authority that the extent of the measures it has taken to satisfy its requirements under this regulation are appropriate in view of the risks of money laundering and terrorist financing as required by Regulation 28(16) of the MLRs 2017. Matter 1

2.5 Mr Parekh was instructed by Company A to draft a contract for the shipment of 25,000 metric tons of fertiliser from Peru to New Orleans. The purchaser was an American company based in Kansas (Company B).

2.6 The client file did not show certified copies of proof of ID and residence had been requested from, or obtained for, either director of Company A, as required by Regulations 28(2) and 28(3) and 28(4)(c) of the MLRs 2017.

2.7 The supply, purchase or sale of 'dual use goods' is a potential indicator of Proliferation Financing, which by its nature can present a higher risk of money laundering or terrorist financing. The transaction involved a large consignment of a dual use good, which was then diverted and sold to another buyer. Despite this, there is no record on the file that enhanced customer due diligence and/or ongoing monitoring was conducted throughout the entirety of the transaction, as required by Regulation 28(11)(a) and Regulation 33(1)(g) of the MLRs 2017.

2.8 Further, £178,290.40 was received into the firm's client account from Company B without any checks on the source of the funds as required by Regulation 28(11)(a) of the MLRs 2017.

2.9 Company B had alleged that the downpayment of £178,290.40 was to be held in escrow by the firm, and not to be released without its authorisation. The client file did not show that the firm had offered to provide an escrow service, or that such a service had been agreed.

2.10 Mr Parekh was engaged to draft and review the contract. There was no justification for the deposit to be paid directly into the firm's client account. The handling of the deposit had no proper connection to the regulated service. The deposit could have been paid to Company A directly, and the firm and Mr Parekh should have questioned this. The



client's convenience is not a legitimate reason for using the firm's client account in this way. Matter 2

2.11 Mr Parekh also acted for Company A which provided a loan, backed standby letter of credit (SBLC), to Company C. The SBLC amount was \$10m, and the credit term was one year and one day. The arrangement was documented in a Letter of Intent, signed by both parties, dated 13 January 2023.

2.12 On 13 March and 22 May 2023, funds received from Company C totalling £488,443,72 were paid to Third Party 1 (£221,500.25) and Third Party 2 (£266,943.47).

2.13 The client file did not show compliance with Rule 3.3 of the SRA Accounts Rules. In receiving funds into client account from Company C, and the onward transmission of those funds to Third Party 1 and Third Party 2, Mr Parekh facilitated the firm in providing a banking facility. The client file did not demonstrate that the movement of those funds through client bank account, related to the delivery of a regulated service. Matter 3

2.14 Mr Parekh acted for a separate client in the provision of a bridging loan of £8.9m. The ledger shows four payments totalling £244,000, were made to two third parties.

2.15 The client file did not show why payments were made to third parties, or how those third parties were connected to the provision of the £8.9m loan facility. This is in breach of 3.3. of the SRA Accounts Rules which states, 'you must not use a client account to provide banking facilities to clients or third parties. Payments into, and transfers or withdrawals from a client account must be in respect of the delivery by you of regulated services.'

2.16 No client risk assessment was conducted in this matter. The source of the £8.9m was not checked either. Mr Parekh advised, 'with regards to the client assessment no new assessment was carried out as the client is known to me and has instructed me previously. In light of the client's net worth and the bank's summary of portfolio and that funds were received from the bank, no further action was taken.'

2.17 There is no provision in the Regulations for waiving customer due diligence requirements on the basis of long standing or personal relationships. Mr Parekh has failed to meet the requirements of Regulation 28(11), 28(12), 28(13), and 28(16) of the MLRs 2017.

### **3. Admissions**

3.1 Mr Parekh makes the following admissions which the SRA accepts: While practicing as a consultant solicitor, at Wolf Law Solicitors Ltd (the firm), he caused and materially contributed to:



- a. the firm's failure to conduct ongoing monitoring including, where necessary, the source of funds, as required by Regulation 28(11)(a) of the MLRs 2017.
- b. the firm's failure to conduct client and matter risk assessments (CMRA), as required by Regulation 28(12)(a)(ii) and Regulation 28(13) of the MLRs 2017.
- c. the firm's failure to apply customer due diligence measures, as required by Regulations 28(2) and 28(3) and 28(4)(c) of the MLRs 2017.
- d. the firm's failure to apply enhanced customer due diligence measures and enhanced ongoing monitoring, as required by Regulation 33(1)(g) of the MLRs 2017.
- e. between October 2022 and August 2023, allowing payments into and out of the firm's client account on behalf of two clients, any or all of which did not relate to an underlying legal transaction. This resulted in the firm's client account being used as a banking facility, in breach of Rule 3.3 of the SRA Accounts Rules (2019). And in doing so, Mr Parekh has breached:
  - f) Principle 2 of the SRA Principles 2019 – which states you act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.
  - f. Paragraph 7.1 of the Code of Conduct for Solicitors 2019 – which states you keep up to date with and follow the law and regulation governing the way you work.
  - g. Paragraph 3.3 of the Accounts Rules – which states you must not use a client account to provide banking facilities to clients or third parties. Payments into, and transfers or withdrawals from a client account must be in respect of the delivery by you of regulated services.

#### **4. Why a fine is an appropriate outcome**

4.1 The SRA's Enforcement Strategy sets out its approach to the use of its enforcement powers where there has been a failure to meet its standards or requirements.

4.2 The SRA considers that a fine is the appropriate outcome because:

- Taking a risk-based approach to preventing money laundering is important because it helps you to direct resources appropriately to the highest risk areas. You need to understand and assess the risk posed by each client and matter – then act accordingly.
- CMRAs dictate the level and extent of customer due diligence to be completed on a client or matter. Where the correct customer due diligence has been applied to clients and their matters, the risk of money laundering is reduced. Mr Parekh facilitated high-risk transactions involving dual use goods, without risk assessing for Proliferation Financing. The proliferation of weapons of mass destruction poses a significant threat to international peace and



security. All the files we reviewed were found to have numerous breaches of the MLRs 2017. Mr Parekh caused and materially contributed to the firm's lack of effective arrangements in place to manage compliance with the MLRs 2017.

- In *Fuglers & Ors v SRA* [2014] (which related to the use of a client account as a banking facility) the high court held that '...if there was to be no suspension, a very substantial fine was called for to mark the seriousness of the misconduct and to send a message to the profession in relation to the use of client accounts, which is a matter of central importance in the regulation of solicitors' conduct'.
- Mr Parekh needed to have been properly satisfied that there was a proper and justifiable reason why the money should pass through the firm's client account. In this case, there is no evidence that the regulated legal services provided had any meaningful connection with the usage made of the client account.
- The client account usage as a banking facility continued over a sustained period, for two different clients (three matters) and this therefore formed part of a pattern of misconduct.

4.3 A financial penalty therefore meets the requirements of rule 4.1 of the Regulatory and Disciplinary Procedure Rules.

## **5. Amount of the fine**

5.1 The amount of the fine has been calculated in line with the SRA's published guidance on its approach to setting an appropriate financial penalty (the Guidance).

5.2 Having regard to the Guidance, the SRA and Mr Parekh agree that the nature of the misconduct was more serious (score of three) because he failed to comply with his regulatory obligations. Allowing a client account to be used as a banking facility, when there were no underlying legal transactions carries with it significant risks, such as the account being used for money laundering. The client account usage as a banking facility continued over a sustained period for three different matters and this therefore formed part of a pattern of misconduct.

5.3 The SRA considers that the impact of the misconduct was medium (score of four). This is because Mr Parekh caused and materially contributed to the firm's failure to comply with Regulations 28 and 33 of the MLRs 2017. This is serious and has the potential to cause serious loss to both the firm and its clients. None of the files we reviewed met the requirements of the MLRs 2017, and Mr Parekh had conduct of all these matters.

5.4 The nature and impact scores add up to seven. This places the penalty in Band C. The Guidance indicates a broad penalty bracket of between 16% and 49% of Mr Parekh's gross annual income is appropriate.

5.5 On this basis, the SRA considers that the conduct is aggravated owing to the substantial value of the transactions being carried out without the relevant checks, along with the high-risk nature of the work. Further, the actions persisted for some time over several matters. Therefore, the SRA considers a basic penalty towards the top of the bracket to be appropriate.

5.6 Based on the evidence Mr Parekh has provided of his gross annual income for the most recent tax year, this results in a basic penalty of £6,409.

5.7 The SRA considers that the basic penalty should be reduced to £5,768. This reduction is applicable as Mr Parekh cooperated with our investigation.

5.8 Mr Parekh does not appear to have made any financial gain or received any other benefit as a result of his conduct. Therefore, no adjustment is necessary to remove this and the amount of the fine is £5,768.

## **6. Publication**

6.1 The SRA considers it appropriate that this agreement is published in the interests of transparency in the regulatory and disciplinary process. Mr Parekh agrees to the publication of this agreement.

## **7. Acting in a way which is inconsistent with this agreement**

7.1 Mr Parekh agrees that he will not deny the admissions made in this agreement or act in any way which is inconsistent with it.

7.2 If Mr Parekh denies the admissions or acts in a way which is inconsistent with this agreement, the conduct which is subject to this agreement may be considered further by the SRA. That may result in a disciplinary outcome or a referral to the Solicitors Disciplinary Tribunal on the original facts and allegations.

7.3 Denying the admissions made or acting in a way which is inconsistent with this agreement may also constitute a separate breach of principles 2 and 5 of the Principles and paragraph 7.3 of the Code of Conduct for Solicitors, RELs and RFLs.

## **8. Costs**

8.1 Mr Parekh agrees to pay the costs of the SRA's investigation in the sum of £1,350. Such costs are due within 28 days of a statement of costs due being issued by the SRA.

**[Control of practice Date: 20 February 2024](#)**

## **Decision - Control of practice**

Outcome: Condition

Outcome date: 20 February 2024

Published date: 22 March 2024

### **Firm details**

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

Name: Wolf Law Solicitors Ltd

Address(es): 14-16 Balls Road Birkenhead CH43 5RE England

Firm ID: 614749

### **Outcome details**

This outcome was reached by SRA decision.

#### **Decision details**

Mr Parekh's practising certificate for 2023 / 2024 is subject to the following conditions:

1. Mr Parekh is not a manager or owner of an authorised body.
2. Mr Parekh may not practise on his own account under regulation 10.2(a) or (b) of the SRA Authorisation of Individuals Regulations.

In these conditions the terms are as defined in the SRA Glossary.

#### **Reasons/basis**

The above conditions is necessary in the public interest. They are reasonable and proportionate having regard to the purposes set out in regulation 7 of the SRA Authorisation of Individuals Regulations, and the regulatory objectives and principles governing regulatory activities as contained in section 28 of the Legal Services Act 2007.

[\*\*Control of practice Date: 22 April 2023\*\*](#)

## **Decision - Control of practice**

Outcome: Condition

Outcome date: 22 April 2023

Published date: 28 June 2023

## **Firm details**

### **Firm or organisation at time of matters giving rise to outcome**

Name: M Parekh Solicitor

Address(es): Shirley Church Road CROYDON CR0 5AF England

Firm ID: 323547

### **Firm or organisation at date of publication**

Name: Ashbournes Solicitors Ltd

Address(es): Devonshire House1 Mayfair Place London W1J 8AJ England

Firm ID: 838723

## **Outcome details**

This outcome was reached by SRA decision.

### **Decision details**

Mayoor Parekh's practising certificate for 2022 / 2023 is subject to the following conditions:

1. Mr Parekh is not a manager or owner of an authorised body.
2. Mr Parekh may not practise on his own account under regulation 10.2(a) or (b) of the SRA Authorisation of Individuals Regulations.

In these conditions the terms are as defined in the SRA Glossary.

### **Reasons/basis**

The above conditions are necessary in the public interest. They are reasonable and proportionate having regard to the purposes set out in regulation 7 of the SRA Authorisation of Individuals Regulations, and the regulatory objectives and principles governing regulatory activities as contained in section 28 of the Legal Services Act 2007.

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