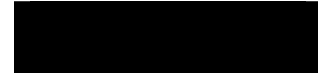


Mrs Vicky Smith
Case Manager
Professional Conduct Directorate
Institute of Chartered Accountants in England & Wales
Silbury Court
412-416 Silbury Boulevard
Milton Keynes MK9 2AF

Ms N K-Dit-Rawé
~~3 Jefferson House~~
~~11, Basil Street~~
~~London SW3 1AX~~

SEND TO



(By Recorded Delivery)

Your ref: I69236/VSS/lcb

6 June 2006

Dear Mrs Smith

**Re-statement by Pridie Brewster, 29-39 London Road, Twickenham Middx TW1 3SZ,
of year-end accounts for Jefferson House**

Thank you for copying me on your 24 May 2006 letter to Mr K R Young, FCA, Pridie Brewster.

Under point C(i) you wrote:

"I cannot find a trace of Steel Services Limited being a registered company with Companies House. Your comments on this are invited"

Assuming that my experience in relation to determining the identity of the ownership of Jefferson House might prove of interest to you, I have compiled the attached five-page document relating events – supported by copy of 54 documents referred to in the text¹

Yours sincerely

N K-Dit-Rawé

¹ 6 June 2006 five-page document, 'Steel Services identity', produced by Ms N K-Dit-Rawé, and 54 supporting enclosures

Introduction

This document was produced by Ms N K-Dit-Rawé on 6 June 2006 with the aim of assisting the ICAEW following its 24 May 2006 request to Mr K R Young, FCA, Pridie Brewster, stating, on page 2, point C(i) of its letter:

"I cannot find a trace of Steel Services Limited being a registered company with Companies House. Your comments on this are invited"

Text highlighted in yellow refers to copies of documents provided as supporting evidence.

These enclosures are ranked in the order in which they are referred to in the text. (When referred to more than once, additional copies have not been provided).

Steel Services directors and domicile

Sections 1 and 2 of the Landlord & Tenant Act 1985 refer to tenants statutory rights to be provided with the identity of the landlord, as well as the name and address of every director and secretary of the landlord.

As leaseholders requests to Ms Hathaway were being ignored, in mid-2001, some leaseholders approached Nucleus, our local Citizen Advice Bureau, in order to help us enforce our statutory rights. Nucleus sent a letter to Ms Hathaway on 5 November 2001, requesting the information.

Initially **Nucleus (7 August 2001)** contacted Companies House requesting a search on Steel Services, giving its registration number, 199568, as shown on the **Land Registry** (Rosebrae District).

The **12 September 2001** reply from **Companies House** stated **"There is no trace of the company on our records"**.

Nucleus also contacted the Land Registry from which the **10 October 2001** reply was: **"Steel Services Limited is in fact an overseas company and therefore does not have a companies registration number"**

Like the leaseholders, Nucleus also failed to obtain the information on the name of the directors for Jefferson House, as Ms Hathaway replied to Nucleus on **7 November 2001** **"Unfortunately, we do not have the names and addresses of the Directors and Secretary of either the headlease or the freeholder"**

Clearly, Ms Hathaway was in contact with CKFT as, in her **15 October 2001** reply to Nucleus, the contact address she gave for Steel Services was in fact that of CKFT i.e. **CKFT was acting for Steel Services at the time.**

CKFT also identified that it was acting for Mr Ladsky. Indeed, in her identical letter to two leaseholders, dated **11 October 2001**, Ms Salim wrote **"We are solicitors instructed by Mr Andrew Ladsky..."**

There are numerous other supporting evidence. For example, the **7 October 2002** letter sent to me by Mr Lanny Silverstone in which he – illegally - threatened to forfeit my lease. This letter has the reference 'LAD'; the **1 July 2004** Consent Order I agreed with Steel Services in settlement of the service charge for the 'major works' has, likewise the reference 'LAD'.

Furthermore, CKFT acted for Mr Arthur Ladsky, instructing counsel, in the **TSB Bank v. Arthur Ladsky 1996** Court of Appeal case. Messrs **Andrew Ladsky** and **Arthur Ladsky** were both directors of Combined Mercantile Securities (the company against which TSB successfully claimed repayment of advances made under a facility letter, together with expenses and interest – a total of £3 million).

It follows that Mr Andrew Ladsky and Steel Services are one and the same client of CKFT.

Given that councils' housing departments are *"the prosecuting authority for contraventions of the Landlord and Tenant legislation"*, in January 2002 I approached the Kensington & Chelsea Council Tenancy Relations Officer (TRO) requesting his assistance to obtain the names of directors for the block.

On 8 January 2002 he sent Ms Hathaway a Section 2 Landlord & Tenant 1985 request to supply the name of the directors and secretaries for the owners of the block.

After initially replying in her 14 January 2002 letter “we do not have the details”, Ms Hathaway wrote in her 25 January 2002 letter to the TRO: “The Directors and secretary of Steel Services are F.M.C. Ltd”, with an address in the British Virgin Islands (BVI). She added, “We trust this deals with your query accordingly”

At my request (two years later), the BVI Registry confirmed that they had a company named F.M.C. Limited on their register.

As to Jefferson House Limited, Ms Hathaway attached the 23 January 2002 reply from Saxon Law “...under Section 2 of the Landlord and Tenant Act 1985, it is the lessees immediate landlord whose details are to be provided which is not, in this instance, our client, Jefferson House Limited. Consequently, I do not feel that it would be appropriate to disclose details of the directors...”

From then on, there was a considerable exchange of correspondence, which included:

- The TRO contacting LEASE for advice and getting the 25 February 2002 reply that “The agent Martin Russell Jones must supply you with the name and address of the landlord and upon request the landlord must supply you with the name and address of every director”
- The TRO informing Ms Hathaway, on 5 March 2002, that: “The purpose of section 2 of the act is to prevent freeholders from hiding behind the corporate veil. Leaseholders have a right to know the names of the individuals who own their building. Telling us that F.M.C. Ltd exists does not achieve the purpose of the act.”
- The TRO sending, on 29 July 2002, a Section 1 request of the L&T Act 1985 to CKFT stating that Steel Services could not be found on the Companies House register.
- This led to 1 August 2002 reply from **Mr Lanny Silverstone**, CKFT, to the TRO stating: “**All we can say is Steel Services Limited is an existing entity, and we have provided you with all of the information we have so far been instructed to supply**”

As a 26 February 2002 Central London county court claim filed by Portner and Jaskel on behalf of Steel Services against the Elderly Resident identified Steel Services as the “freehold owner” and stated an address in the British Virgin Islands, I contacted the BVI Authorities.

It led me to discover that Steel Services had been “**Struck-off the register for non-payment of licence fee**” – as evidenced in the 8 August 2002 reply.

- On 12 August 2002, the TRO also sent a Section 1 request of the L&T Act 1985, as well as a Section 2 request, to Ms Hathaway, in which he highlighted that **Companies House had “no current listing for Steel Services Ltd”**
- On 3 September 2002 the TRO wrote to Ms Hathaway that, unless he obtained a reply, he would “refer the matter to our legal department to consider prosecution”.
- He once again wrote to Companies House, on 8 October 2002, to confirm that it did not have Steel Services on their database.
- In his letter dated 8 October 2002, the TRO gave Ms Hathaway ‘a last chance’ to provide the information before starting prosecution.
- This led to a reply from Ms Hathaway on 21 October 2002 that “Steel Services was not registered in this country”
- In my 17 October 2002 letter to CKFT I wrote: “Despite numerous requests since 8 January 2002 from the Tenancy Relations Officer at the Royal Borough of Kensington & Chelsea to MRJ, yourself and other parties for proof of the existence of Steel Services – evidence is still lacking”.
- To this Mr Lanny Silverstone replied on 21 October 2002 “We are satisfied that Steel Services Limited exists”

- In his 25 October 2002 letter, the TRO informed me that the matter was now with the legal department.
- He copied me on his 23 October 2002 letter to Ms Hathaway asking her to confirm a telephone conversation he had had with her that: “(1) *Steel Services* was registered in the BVI; (2) *F.M.C. Ltd* were the directors; (3) *CKFT’s* address was the address for *Steel Services* in the UK”

The Jersey address

In its 21 November 1996 communication to leaseholders Laytons gave *Steel Services’* address as: PO Box 258, Malzard House, 15 Union Street, St Helier, Jersey JE4 8TY

This Jersey address was stated by Martin Russell Jones on service charge demands as the ‘landlord’s address’ until late 2002.

However, **in the second half of 2001, Ms Hathaway was clearly confused as to which address she should be giving.**

It should be noted that this started at the time that the opportunity to buy the headlease was taken away from leaseholders in May 2001 while a change / reshuffle in the ownership structure nonetheless took place on 1 June 2001

Up to August 2001, service charge statements sent by Ms Hathaway stated a **Jersey address**: “*Steel Services, the landlord, PO Box 258, Malzard House, 15 Union Street, St Helier JE4 8TY*”

In her 7 June 2001 letter, Ms Hathaway informed leaseholders that correspondence for *Steel Services* should be sent to **Martin Russell Jones’s** address 5 Watford Way, Hendon Central, London NW4 3JL

On 15 October 2001 Ms Hathaway replied to Nucleus, (local Citizen Advice Bureau) that the address for *Steel Services* is “*25-26 Hampstead High Street, London NW3 1QA*” (which is *CKFT’s* address)

Six weeks later, on 14 November 2001 Ms Hathaway replied to Nucleus that the address for *Steel Services* is at their “*care, at 5 Watford Way, Hendon Central, London NW4 3JL*”.

For the following 12 months, the Jersey address was still given as the “*landlord’s address*” on my service charges e.g. on the 17 July 2002 service charge demand.

The frequent changes in the ‘landlord’s address’ communicated by Ms Hathaway, while the Jersey address continued to be used on the service charge demands, led me to contact the Jersey Financial Services Registry on two separate occasions – and to receive the same reply: “***we have no company on the Jersey Register with the name Steel Services Limited***”. The second reply was on 6 August 2002. (Note this date vs. the examples of service charge demands received in 2002).

The Jersey address was used on my service charge demands until November 2002 (e.g. 5 November 2002 invoice from Martin Russell Jones). This was the time at which *CKFT* and its client, Mr Andrew Ladsky, became aware of the information I had uncovered regarding *Steel Services’* position in the BVI.

This led to a change in the ‘landlord’s address’ to c/o of *CKFT* (e.g. 27 February 2003 and 23 May 2003 invoice from Martin Russell Jones).

A year later, the address was still c/o of *CKFT*, but it had been expanded to include a reference to Section 48 of the Landlord & Tenant Act 1987 (e.g. invoice from Martin Russell Jones dated 24 May 2004)

Thus, the outcome of the various searches undertaken by myself, Nucleus, and the Tenancy Relations Officer, Kensington & Chelsea Housing department – as well as the exchange of correspondence with Ms Hathaway - indicated that *Steel Services* was not an existing entity – and therefore contradicted what Ms Hathaway and Mr Silverstone, *CKFT*, had claimed.

I believe it to be fair comment for me to say that the evidence suggests that both, Martin Russell Jones and CKFT were, at least for a while, claiming to be acting on behalf of a company that did not exist.

Ms Hathaway:

- **Was demanding and receiving money 'on behalf of Steel Services'** e.g. the **17 July 2002** service charge demand.
- **She filed the 7 August 2002 application in the LVT in the name of 'Steel Services' – the day before the 8 August 2002** reply from the BVI that **Steel Services had "been struck-off the register"**.
- **She threatened me with prosecution** in her **20 September 2002** letter in the name of "*our client, Steel Services Limited*".

As to **Mr Lanny Silverstone he was**, among others, **threatening me with forfeiture and prosecution on behalf of Steel Services**" in his **7 October 2002** letter.

At the end of October 2002, Ms Hathaway, CKFT and their client were alerted to the fact I knew that Steel Services had been struck-off the BVI register, as I communicated this information to the LVT. (In the context of the application Ms Hathaway had filed on behalf of 'Steel Services' with the Tribunal on 7 August 2002) as I could not see how a non-existent company could pursue an action in the LVT.

Evidently, this led to the c.US\$300 fee being paid as, in his email dated **5 November 2002**¹, the TRO told me he had "*received from CKFT a 'Certificate of Good Standing for Steel Services issued by the BVI, dated 28 October 2002'*".

All that is required to set-up a company in the British Virgin Islands in the space of 24 hours is a telephone and a credit card. It may have thus been the approach used to reinstate Steel Services on the BVI register.

In his **13 November 2002** email to me, the TRO forwarded a reply from the legal department that there was a contradiction: Steel Services being struck-off vs. having a Certificate of Good Standing.

This was the end of it. After 10 months of endless correspondence back and forth, I was left in exactly the same position: I still had not been provided with the name of the directors who owned Jefferson House.

It seemed that the conclusion of the Housing Department was that, by being registered in the BVI, Steel Services was above the law in the UK. This was contrary to the view expressed by LEASE in its **25 February 2002** letter to the TRO.

Not knowing any better at the time, I gave up.

The excuse of a BVI domicile was again used by Kensington & Chelsea Housing Department two years later when I asked for its assistance in getting the year-end accounts for Jefferson House.

I had been fobbed-off before. This time, I was not going to 'fall' for the misinformation.

I wrote to the TRO on **6 August 2004** pointing out that Steel Services was not immune from prosecution in this country. In support of this, I highlighted the fact that:

¹ Desperate to get the documents I had supplied to the TRO, Mr Ladsky contacted him with this aim, as evidenced by the 5 November 2002 email from the TRO "*I have also received a telephone call from Mr Ladsky. He has asked for copies of all correspondence that you have sent me*".

In his **6 November 2002** email, the TRO said they were not going to comply with his request because I am "*entitled to a degree of confidentiality when you have sought assistance from us...*"

- Steel Services had used the British Courts to file a – false – ² [claim against 11 residents](#) (representing 14 flats) in West London County Court, on 29 November 2002 (ref: WL 203537)
- It had been made to comply with a court order, dated [24 June 2003](#), to pay my costs for the day (and that of the other leaseholders present at the hearing).

- END -

² The claim had been **drawn-up by CKFT**, and filed – **under a Statement of Truth – by Ms Hathaway**, Martin Russell Jones – as can be seen from the [Particulars of claim](#)

Given the 17 June 2003 LVT determination: **the claim was false**.

Secondly, it amounted to an **abuse of process of court** as, during the 29 October 2002 pre-trial hearing, the Chair, told us (i.e. I and other leaseholders), in effect, **to not pay the service charge until the Tribunal had reached a decision – and it had therefore been implemented. (The tribunal issued its report seven months later, on 17 June 2003 – and its determination HAS NEVER BEEN IMPLEMENTED)**. We were each handed a [leaflet](#) in support of this which, on page 5, states

*“... a recent Court of Appeal case ruling (Daejan Properties Limited v London Leasehold Valuation Tribunal) determined that LVTs only have the jurisdiction to decide the reasonableness of disputed service charges **that are still unpaid** except under certain circumstances”. (NB: bold type face as per the leaflet).*

As can be seen from the [29 October 2002 directions](#) issued by the tribunal, Mr Andrew David Ladsky, Ms Joan Doreen Hathaway, MRICS and Mr Barrie Robert Martin, FRICS of Martin Russell Jones attended the 29 October 2002 pre-trial LVT hearing.

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