

Solicitor banned after illicitly securing millions from investors

Richard Mallett (49), from King's Lynn, Norfolk, signed a disqualification undertaking in which he did not dispute that he had allowed Malletts Solicitors Limited to use misleading marketing and financial material to attract investment to develop a business product that was never made.

His business partner, Sharon Mallett, signed a similar disqualification undertaking previously, and from 2 February 2020, Richard will be banned for 13 years from being involved, directly or indirectly, in the formation, promotion or management of a company, without the permission of the court.

Richard and Sharon Mallett were the registered directors of a solicitor's firm called Malletts Solicitors Limited based in King's Lynn.

Between December 2013 and August 2015, the duo secured just over £1.38 million from people who thought they were being offered an opportunity to invest in a new 24/7 business hub. The new product was going to provide legal insurance to members to cover legal costs of matters which couldn't be resolved.

Sharon and Richard Mallett, however, developed nothing and instead used these funds to pay historic tax debts to stop the tax authorities from winding-up the company, reduce Malletts Solicitors' overdraft, while also paying the staff's wages on several occasions – against professional advice.

Malletts Solicitors entered into Creditors Voluntary Liquidation in November 2016 after which the Insolvency Service investigated Sharon and Richard's conduct as directors of that company.

In addition to discovering that Sharon and Richard Mallett spent the money on the running of the business, investigators found the pair had misled investors when they issued loan notes that promised unrealistic returns on investments.

Initially, Sharon and Richard Mallett offered a return of 8% and when investment slowed down, Sharon and Richard increased it to 20%, which generated additional investments.

Further enquiries also found that the pair couldn't provide any evidence to support their assertions that a national bank had signed-up to partner in the scheme or that additional solicitors had been appointed.

Mark Bruce, Chief Investigator for the Insolvency Service, said:

It is important that investors are provided with the right details before they spend any money. Sharon and Richard, however, disregarded this when they used misleading information to solicit

close to £1.4 million before spending it on the company's debts rather than develop the product they had promised.

13-year bans each for Sharon and Richard are substantial disqualifications, near the maximum allowable under the legislation, and should serve as a stark warning to other directors that they shouldn't attempt to hoodwink their investors.

Richard Mallett is from King's Lynn and his date of birth is September 1970

Sharon Rosemary Mallett is from Spalding and her date of birth is February 1969

Richard and Sharon's bans are available on the [Insolvency Service's public-facing register](#).

Mallets Solicitors Limited (Company Number: 07121475)

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings.

Persons subject to a disqualification order are bound by a [range of restrictions](#).

[Further information about the work of the Insolvency Service, and how to complain about financial misconduct](#).

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