
FINAL NOTICE

To: **Mr John Adebayo Adepoju**
Trading as Landmark Finance
Unit 2, Meridian Centre
258 Kingsland Road
London
E8 4DG

Dated: **17 July 2007**

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (the “FSA”) gives you final notice about an order prohibiting you, John Adebayo Adepoju, from performing any function in relation to any regulated activity carried on by any authorised or exempt person

1. THE ORDER

- 1.1 The FSA gave you a Decision Notice dated 13 June 2007 (“the Decision Notice”) which notified you that, for the reasons listed below and pursuant to section 56 of the Financial Services and Markets Act 2000 (“the Act”), the FSA has decided to make an order prohibiting you, John Adebayo Adepoju, trading as Landmark Finance (“Landmark”), from performing any functions in relation to any regulated activities (“the Prohibition Order”).
- 1.2 You have not referred the matter to the Financial Services & Markets Tribunal within 28 days of the date on which the Decision Notice was given to you.
- 1.3 Accordingly, for the reasons set out below, the FSA hereby makes an order pursuant to section 56 of the Act prohibiting you from performing any function in relation to any regulated activity carried on by any authorised or exempt person. The Prohibition Order takes effect from 17 July 2007.

2. REASONS FOR THE ORDER

- 2.1 On the basis of the facts and matters and conclusions described in the Warning Notice issued to you on 26 April 2007 (“the Warning Notice”), and in the Decision Notice, it appears to the FSA that you are not fit and proper to perform any function in relation to any regulated activity carried on by any authorised or exempt person.
- 2.2 You are not a fit and proper person because:
- (1) you failed to act with honesty and integrity and failed to demonstrate an ability and willingness to comply with legal and professional obligations and ethical standards. In particular:
- (a) while trading as Landmark you submitted false financial statements to a mortgage lender in support of a mortgage application for one of your customers (Customer A). The accounts in support of Customer A’s mortgage application were prepared by an accountancy business called John Rich & Co, of which you are a senior accountant. Customer A has confirmed to the FSA in a witness statement that the mortgage application was fraudulent, and that you were knowingly involved in the transaction.
- (b) furthermore, in the period since 31 October 2004, you submitted to mortgage lenders at least one false financial statement prepared by John Rich & Co in support of another Landmark customer’s application for a mortgage.
- (2) you failed to demonstrate an ability and willingness to comply with requirements placed on you by or under the Act in that you failed repeatedly to comply with requests made by the FSA pursuant to sections 171 and 172 of the Act for you to produce information, to provide documents and to attend before investigators to answer questions, all of which raise serious concerns about your honesty, integrity and ethical standards.
- 2.3 A copy of the relevant extract of the Warning Notice is attached to and forms part of this Notice.

3. IMPORTANT

- 3.1 This Final Notice is given to you in accordance with section 390 of the Act.

Publicity

- 3.2 Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, the FSA must publish such information about the matter to which this Notice relates as the FSA considers appropriate. The information may be published in such manner as the

FSA considers appropriate. However, the FSA may not publish information if such publication would, in the opinion of the FSA, be unfair to you or prejudicial to the interests of consumers.

- 3.3 The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

FSA Contact

- 3.4 For more information concerning this matter generally, you should contact Chris Walmsley (direct line: 020 7066 5894 / fax: 020 7066 5895) of the Enforcement Division of the FSA.

Jonathan Phelan
Head of Department
FSA Enforcement Division

EXTRACT FROM WARNING NOTICE DATED 26 APRIL 2007

2. REASONS FOR PROPOSED ACTION

Summary

- 2.1 The FSA has concluded, on the basis of the facts and matters described below, that you are not fit and proper to carry out any functions in relation to any regulated activities carried on by authorised persons and you should be prohibited from doing so.

- 2.2 In the opinion of the FSA you are not fit and proper because:

- (1) you failed to act with honesty and integrity and failed to demonstrate an ability and willingness to comply with legal and professional obligations and ethical standards. In particular:

- (a) while trading as Landmark you submitted false financial statements to a mortgage lender in support of a mortgage application for one of your customers (Customer A). The accounts in support of Customer A's mortgage application were prepared by an accountancy business called John Rich & Co, of which you are a senior accountant. Customer A has confirmed to the FSA in a witness statement that the mortgage application was fraudulent, and that you were knowingly involved in

the transaction.

- (b) Furthermore, in the period since 31 October 2004, you submitted to mortgage lenders at least one false financial statement prepared by John Rich & Co in support of another Landmark customer's application for a mortgage.
- (2) you failed to demonstrate an ability and willingness to comply with requirements placed on you by or under the Act in that you failed repeatedly to comply with requests made by the FSA pursuant to sections 171 and 172 of the Act for you to produce information, to provide documents and to attend before investigators to answer questions, all of which raise serious concerns about your honesty, integrity and ethical standards.

6. FACTS AND MATTERS RELIED ON

Background

- 6.1 You, trading under the name of Landmark, are an authorised person and a sole trader. You operate as a mortgage broker based in the Meridian Business Centre, 258 Kingsland Road, London E8 4DG.
- 6.2 You became authorised on 1 April 2005 to carry on the following regulated activities in relation to regulated mortgage contracts:
 - (1) agreeing to carry on a regulated activity;
 - (2) advising on regulated mortgage contracts;
 - (3) arranging (bringing about) regulated mortgage contracts; and
 - (4) making arrangements with a view to regulated mortgage contracts.

- 6.3 You also operate as an accountant through the business, John Rich & Co, an accounting practice also based at the Meridian Business Centre, 258 Kingsland Road, London E8 4DG. As at 12 March 2007, the Association of Chartered Certified Accountants' ("ACCA") Directory of Members showed that you were a senior accountant at John Rich & Co.

Background to the FSA's investigation

- 6.4 The FSA received information from three separate lenders (the "Lenders") highlighting their concerns in relation to a number of mortgage cases submitted to them by you. Specifically, the Lenders identified discrepancies in relation to a total of 25 mortgage cases submitted by you which suggested that you had provided false income information to mortgage lenders in support of your clients' applications for mortgages. The information also indicated that an accountancy firm called John Rich & Co, of which you are a senior accountant, had been used to produce fraudulent financial statements in support of Landmark customers' applications.

6.5 The Lenders have notified the FSA that they have removed Landmark from their panels of lenders.

Failure to act with honesty and integrity and to demonstrate an ability and willingness to comply with legal and professional obligations and ethical standards

6.6 The FSA reviewed a sample of Landmark's client files. It found that one customer, Customer A, a first time buyer, applied for and obtained a mortgage of just over £150,000 through Landmark to purchase a property (the "Property") in July 2006.

6.7 Customer A's application for mortgage finance was supported by three years of financial statements (for 2003, 2004 and 2005) prepared by John Rich & Co. These accounts are certified as true copies of the originals by you, on behalf of Landmark, and by "John" on behalf of John Rich & Co. The financial statements record Customer A as having net profits of £39,000 in 2003, rising to £48,000 in 2005. Customer A's occupation is stated in the financial statements as being a computer analyst.

6.8 When interviewed by the FSA, Customer A made the following statements.

- (1) She is currently employed. Prior to this, and at the time that the mortgage application was submitted in her name, she was employed as a counter assistant at a pharmacy earning approximately £10,000 per annum.
- (2) She was approached by a friend she identified as Mr Y, who owned the Property, who asked that he "sell" the Property to her in order that he could release some equity from the Property.
- (3) Mr Y arranged for her to meet "John", the mortgage broker, who arranged everything. She only met "John" once and it was during that one meeting that she found out that "John" was from Landmark.
- (4) The accounts prepared by John Rich & Co appearing on her mortgage application, which show an annual net income of approximately £50,000 and the occupation of computer analyst, are false.
- (5) The mortgage repayments were still being serviced by her friend Mr Y who deposits money into her bank account from which mortgage payments are made.

Failure to demonstrate an ability and willingness to comply with statutory requirements

6.9 As described below, you failed repeatedly to comply with requests made by the FSA pursuant to sections 171 and 172 of the Act for you to produce information, to provide documents and to attend before investigators to answer questions.

- (1) On 6 October 2006, the FSA sent a letter by fax and post to you asking you to provide a copy of your business register and certain client files by 10am on Friday 13 October 2006.

- (2) On or about 13 October 2006, you left a telephone message advising that you would not be able to meet this deadline. You left a contact phone number that was incorrect.
- (3) On 16 October 2006, the FSA telephoned you about the outstanding information and document request. You said, by way of an explanation, that your son was in hospital and that you would send the information and documents to the FSA by 20 October 2006. No documents were received by the FSA by this date.
- (4) The FSA wrote to you on 23 October 2006, asking for the copy files immediately. We received a letter dated 24 October 2006 from Landmark saying that you had been on compassionate leave for "2 weeks due to some family circumstances" and which confirmed that you would be back in the office on 30 October 2006.
- (5) You sent a letter dated 2 November 2006 to the FSA saying that you were grieving for your son (who you had said, in previous correspondence, was sick), that you had nothing to hide and that the documents were being posted as soon as possible.
- (6) On 6 November 2006, you sent a letter referring to the submission to the FSA of 28 files and saying that an additional 13 files were being sent in a separate box.
- (7) The FSA wrote to you on 13 November 2006 saying that although your letter referred to 28 files, only 24 files were contained in the box. The FSA received no reply and wrote to you again on 24 November 2006 asking for the outstanding files and the copy business register to be provided by 1 December 2006.
- (8) You wrote to the FSA on 29 November 2006 saying that the additional 13 files were sent to the FSA on 22 November 2006. In the letter you asked the FSA to confirm whether it had received them, and that otherwise you would have to check delivery with the Post Office.
- (9) The FSA wrote to you on 30 November 2006 confirming that it had not received the additional files and asking for information about the dispatch of the files via the Post Office. No reply was received from you.
- (10) On 27 February 2007, the FSA telephoned you on the number last notified to the FSA and found that the number was "vacant". Two other contact numbers for you, a mobile number and your home number, also appeared not to be working. The FSA made successful contact with you by telephoning a listed number for John Rich & Co and asking to speak to you. The FSA left a message for you to contact the FSA.
- (11) You returned the call on 27 February 2007 and said that two and a half weeks previously you had managed to obtain from the Post Office the missing files

(which you explained had been misposted by the Post Office) and that the FSA would receive them by 2 March 2007. By way of explanation for not contacting the FSA and for not sending the missing files, you said that your son was sick. No files were received by the FSA.

- (12) Also on 27 February 2007, the FSA wrote to you compelling you to attend a taped interview on 13 March 2007. On 12 March 2007, your office faxed a letter to the FSA saying that you were off sick and asking to reschedule the interview.
- (13) On 12 March 2007, the FSA wrote to you requiring you to attend a taped interview on 29 March 2007. You did not respond to that letter.
- (14) On 28 March 2007, the FSA telephoned you at Landmark's office to confirm the time of the interview on 29 March 2007 and was told that you had "just stepped out". The FSA left a message asking you to arrive at the FSA's office at 11.00am on 29 March 2007.
- (15) At 11.15 am on 29 March 2007, the FSA received a call from your solicitor seeking to reschedule the interview scheduled to take place on 29 March 2007. During that call the FSA explained that this was the second occasion on which you had failed to attend a compelled interview and also referred to your failure to comply with the FSA's various information and documentation requests (including failing to provide the missing files). The FSA requested a written explanation for your non attendance at the interview. Neither an explanation nor the missing files were received by the FSA.
- (16) The FSA received a letter dated 30 March 2007 from your solicitor in which your solicitor sought to reschedule the interview. The FSA telephoned your solicitor on that day and left a message offering an interview either on 11 April 2007 or on 13 April 2007. It was subsequently agreed that you would attend an interview at 10.00 am on 11 April 2007.
- (17) You did not attend the interview on 11 April 2007. At 9.55 am on 11 April 2007, your solicitor telephoned the FSA and said that he had unsuccessfully tried to send the FSA a fax on 10 April 2007 attaching a medical certificate. The FSA subsequently received the medical certificate regarding a whiplash injury you sustained on 4 April 2007 signing you off from work until 19 April 2007.

7. ANALYSIS OF MISCONDUCT AND PROPOSED SANCTION

7.1 The FSA has considered whether you are a fit and proper person to perform functions in relation to regulated activities. In doing so, the FSA has had regard to its regulatory requirements and relevant guidance. In assessing your honesty, integrity and reputation for the purpose of considering whether you are a fit and proper person, the FSA has had regard to:

- (1) the submission by you to a mortgage lender of false financial statements prepared by you in support of a mortgage application for one of your

customers; and

- (2) your failure to demonstrate an ability and willingness to comply with requirements placed on you by or under the Act in that you failed repeatedly to comply with requests made by the FSA pursuant to sections 171 and 172 of the Act for you to produce information, to provide documents and to attend before investigators to answer questions
- 7.3 The FSA considers that you pose a serious risk to lenders and therefore to confidence in the financial system, and also that action should be taken to help prevent you from committing acts of financial crime.
- 7.4 The FSA therefore considers that it is necessary to prohibit you from performing any functions in relation to any regulated activities.