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By email

OUR REF: DM/jaf/S0866/1

YOUR REF:

29th October 2012

Dear Mr Marchant

RE: Your allegations directed at Mr Timothy Schools

On the 27th October 2012 you published a trailer for an article you are going to write, which accused Mr Schools and others of orchestrating a fraud. Of course, conducting a proper investigation regarding fraud involves disclosing all available material on which you rely, all material tending to show you are wrong in your suppositions, and obtaining our client's comments, before reaching - let alone publishing - the conclusion. In contrast, you felt able to make that serious allegation based on your "on-going investigations", which you have carefully kept to yourself, whilst reporting your own untested conclusions as fact, and attempting to make a profit from doing so.

Having publicised your untrue suppositions, you now seek to obtain information from our client. That suggests a - wholly unjustified - lack of confidence in the accuracy of what you have already published. Quite apart from the imposition of a deadline of less than 24 hours, which is plainly unfair, you provide no reason why our client should assist you after you have committed yourself to a false position without troubling to ask him anything.

Whilst you are promoting yourself via lurid allegations, the people at whose expense you are acting are not really Axiom's investors, but the considerable number of individuals lacking means who, if you achieve your aims, may not be able to litigate their cases to a successful conclusion. Given that an independent auditor has been instructed, it would have been appropriate to await the results of that audit before putting those peoples' interests at risk.

You will note that we are not suggesting you stop pursuing our client: merely that you wait until there is some publicly available material permitting objective assessment, rather than your guesswork supported by accusations and such 'information' as you chose to reveal and slant. You are, of course, not accountable to anyone and are thus able to be as self-important and irresponsible as you please — a privilege our client does not enjoy. The reality is that Axiom is a properly run business, offering good returns to investors and assisting those who lack the means to assist themselves.

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You asked our client ten questions. Only two were about Axiom. The second referred to evidence that you say, "indicates" a particular state of affairs. You have not shown our client that evidence. We do not know what it is, or who it is from, or on what it is based, or whether there is compelling evidence suggesting it is wrong. In the circumstances, you must realise yourself that to ask our client to respond to the "allegations" is a ridiculous request. You have not allowed our client to respond properly because you are keeping your information secret. Your first question about Axiom is actually predicated on the supposition that the "information" you ask our client to respond to in your second question is correct. Had your request been properly thought through - which we think it would have been had you been truly interested in our client's response - the questions themselves would have been in reverse order. Plainly, our client cannot respond to that question for the same reasons.

Accordingly, we have concluded that you want to say you have offered our client the opportunity to respond, rather than allow a fair response. Our client is unwilling to help you in that way.

We invite you to disclose all the information you have to us and to verify you have done so. We will then be happy to respond on behalf of our client in a reasonable time. It would help us to determine that reasonable time if you would tell us how long you have granted yourself to investigate these matters. Our suggestion is that you consider carefully whether you wish to publish your article at this stage, given that you are unwilling to allow scrutiny or comment on the material you rely upon. To do so might have adverse consequences to Axiom and those whose legal actions it supports, whereas postponing publication causes you no difficulty and will make any allegations you eventually pursue all the more credible.

Please consider and/ or respond to the following:

1. We are advised that there are serious concerns as to the truth of information and credibility of the source or sources of the allegations. We are instructed that there may well be improper commercial motives behind these allegations which we view as malicious.

2. Please tell us whether there has been any contact between you and the Solicitors Regulation Authority in connection with their investigations and proceedings against Mr Schools, and if so with whom at the SRA. You will appreciate that such contact provides a basis for concern that the fact of a Tribunal reference being reported by you as in some way probative of guilt (although all there is currently is a series of allegations which Mr Schools is applying to the Tribunal to dismiss), is actually generated by you. Were that to be the position, the Tribunal would doubtless wish to know of it and, perhaps, to hear your explanation.

You will have noted that we do not set any deadline. We would welcome the courtesy of a response in a reasonable time.

Finally, you promised our client, "I commit to publishing your response in full as and when I receive one." We expect you to keep your word.

Yours sincerely



 David McIntosh QC (Hon)
Consultant
Rodney Warren & Co