



**IN THE COMPETITION
APPEAL TRIBUNAL**

Case No: 1249/5/7/16

B E T W E E N:

SOCRATES TRAINING LIMITED

Claimant

- v -

THE LAW SOCIETY OF ENGLAND AND WALES

Defendant

ORDER

UPON the Claimant and Defendant having agreed the disclosure which is to be given by the Claimant to the Defendant in addition to the disclosure required under the Tribunal's Order dated 18 May 2016 ("the 1st CMC Order"), and having agreed certain categories of further disclosure which is to be given by the Defendant to the Claimant in addition to the disclosure required by the 1st CMC Order

AND UPON the Claimant's application dated 15 June 2016 for further disclosure from the Defendant

AND UPON hearing Counsel for the Claimant and Counsel for the Defendant at a case management conference on 21 June 2016 (the "2nd CMC")

AND HAVING REGARD TO the Tribunal's powers under the Competition Appeal Tribunal Rules 2015 (the "Tribunal Rules")

IT IS ORDERED THAT:

Further Disclosure and provision of information

1. By 4 pm on 22 July 2016, the Claimant disclose to the Defendant the following documents, classes of documents and information, insofar as the same are presently in its possession or control:
 - a. copies of all Anti-Money Laundering (“AML”) training, mortgage fraud training and financial crime training (irrespective of the form, target audience and medium of delivery and including any manuals, practice notes and guidance) that it offered in the period from January 2011 until the present day;
 - b. the following information as to its subscriptions and renewals, namely:
 - i. the number of solicitors firms that actively cancelled "rolling" subscriptions, or did not renew expired subscriptions, with Socrates for AML training in each of the years 2009 to 2015, and the identity of those firms; and
 - ii. the amount of the discount referred to in paragraph 41 of the Claim Form;
 - c. a list identifying by name each individual law firm that subscribed to the Claimant's courses: (i) in total; (ii) for AML training; and (iii) for any specialist property module, for each year since 2011;
 - d. the total number of firms (i.e. not just residential conveyancing firms) that undertook any form of AML training provided by Socrates in each of year from 2011 to 2015 including an indication of the make-up of Socrates' customer base (i.e. the split between the law firms (including residential conveyancing firms), accountancy firms, estate agents and any other customer types)
2. Further the Claimant shall, in its witness evidence to be served on 22 July 2016 pursuant to paragraph 8 of the 1st CMC Order, explain and/or provide information in relation to:
 - a. its evaluation of, and response to, the decision of the SRA to remove the requirement for solicitors to complete a compulsory 16 hours of CPD training;
 - b. the identity of the Claimant’s main competitors in the market for the provision of AML training to law firms;

- c. the quality of the Claimant's training in comparison to the Defendant's training; and
 - d. the statement in paragraph 22 of the amended Claim Form that "*some CQS accredited firms*" have informed the Law Society that they recently trained all their staff on AML and mortgage fraud issues and that the Law Society "*insisted that these firms still buy the Law Society's competing products and threatened them that if they fail to so their COS accreditation will be revoked.*"
3. By 4 pm on 22 July 2016, the Defendant disclose to the Claimant the following documents, classes of documents and information, insofar as so far as the same are presently in its possession or control:
- a. the CQS Protocol, current and historic CQS scheme rules, and documents evidencing the accreditation and re-accreditation requirements of the CQS, including any training component, at all times since the commencement of the CQS;
 - b. copies of the Law Society's training materials for the training required for CQS accreditation (including both past AML and mortgage fraud training and the new "financial crime" training);
 - c. material used by the Defendant to market the CQS to law firms (e.g. brochures, emails, road show materials, web materials);
 - d. any warnings or guidance that the Law Society issued, whether on its website, in marketing literature or otherwise, to firms who might purchase its AML or "financial crime" training, that they should not assume it would satisfy the firm's statutory duty to train on AML matters, and that they should therefore consider obtaining or maintaining other training to meet that need;
 - e. the minutes of, and any relevant documents tabled for discussion by, (i) the CQS Technical Panel, (ii) the Conveyancing and Land Law Committee; (iii) the Legal Affairs and Policy Board; (iv) the Membership Board; and (v) the Law Society Governing Council relating to the inception of the CQS, the decision to include AML and mortgage fraud courses or AML and mortgage fraud content in the CQS in 2013 and in the restructured CQS in 2015/16;

- f. all policy documents and business plans relating to the inception of the CQS, the decision to include an AML or mortgage fraud course or AML or mortgage fraud content in the CQS in 2012/2013 and in the restructured CQS in 2015/16, insofar as the same are found by the Defendant in the course of preparing evidence pursuant to paragraph 8.d. of the 1st CMC Order;
- g. the design brief given to those who drafted the Defendant's restructured "financial crime" training;
- h. the Defendant's records of CQS accredited firms showing for each firm (a) the name of the firm; (b) the date of accreditation; and (c) the number of relevant fee earners as identified by that firm on its application for CQS accreditation;
- i. for each year since 2013/14, the revenue obtained from (i) subscription fees for CQS accreditation and (ii) for selling CQS training services

Costs Capping

- 4. Pursuant to Rule 58(2)(b) of the Tribunal Rules, the Claimant's recoverable costs be capped at the sum of £200,000 and the Defendant's recoverable costs be capped at the sum of £350,000

Pre-trial review

- 5. A pre-trial review be listed for 14 October 2016 commencing at 10.30am

General

- 6. There be liberty to apply
- 7. Costs be in the case

The Honourable Mr Justice Roth
President of the Competition Appeal Tribunal

Made: 30 June 2016
Drawn: 30 June 2016