

██████████
Morr & Co

(Sent by email to ██████████@morrlaw.com)

17 June 2024

Dear ██████████

Paul Baxendale-Walker – previous correspondence

1. I refer to the exchange of email correspondence I had with your client, to which you were copied. I assume you are instructed to act, but if you are not then please let me know.
2. I am writing to you and not to Mr Baxendale-Walker because he is now suggesting that he may commence litigation against me, and it is not appropriate for me to write (as a solicitor rather than journalist) to an individual when I know they are legally represented. I am not copying Mr Baxendale-Walker on this email, given he seems to regard email communication as harassment.

Untrue statements

3. Your client (who I will refer to as “PBW” in this letter) has made a number of statements in correspondence that are untrue, and that he must know are untrue:
 - (a) PBW denies that he was suspended from practice as a solicitor in 2006 for giving a “good standing” reference for someone who he hadn’t met, and turned out not to exist. PBW says that this is a falsehood, and his solicitors can prove it. However these facts, and his suspension, are a matter of public record – see [*Paul Baxendale-Walker v Law Society* \[2007\] EWCA Civ 233](#).
 - (b) PBW denies that he was struck off a couple of years later for a conflict of interest in advising on schemes in which you he an interest. Again, he says it is a falsehood, and his solicitors can prove it. However, this is once more a matter of public record – see [*Paul*](#)

[Baxendale-Walker v Middleton & Ors](#) [2011] EWHC 998. The SRA register [shows that PBW was struck off](#).

- (c) PBW denies that he sued the Law Society or the SRA in England & Wales. This is a matter of public record – the defendants in *Middleton* included the Law Society and the SRA.
- (d) PBW denies that he sued the Law Society or the SRA in Virginia. [This is a matter of public record](#), as is PBW’s failed lawsuit in California and failed appeals in 2016 and 2020.
- (e) PBW says an extended civil restraint order was made against him because he objected to a statutory demand from the Law Society. I do not have a copy of the order, but Judge Briggs in [Iain Paul Barker v Paul Baxendale-Walker](#) [2018] EWHC 2518 said “Mr Baxendale-Walker litigated to such an extent that a civil restraint order was made against him.”. And that is the legal position: such an order can only be made when a person has persistently issued claims or made applications which are “totally without merit”.
- (f) PBW says the Law Society was required to pay £200,000 of his costs. It is a matter of public record that an initial costs order by the SDT in favour of PBW was overruled by the Court of Appeal in [Paul Baxendale Walker v Law Society](#) [2007] EWCA Civ 233. The effect of the Court of Appeal judgment was that the Law Society paid none of PBW’s costs, and PBW was required to pay 60% of the Law Society’s costs.
- (g) PBW denies that he was convicted of fraud for impersonating an HMRC officer, and that he pleaded guilty. He says that if we print this we will be sued for defamation. But PBW’s conviction, and the accompanying fine and costs order, are again a matter of public record, and were widely reported in the Law Society Gazette, the Solicitors Journal, and the general press. And in *Paul Baxendale-Walker v Middleton & Or*, PBW admitted impersonating an HMRC officer (see paragraph 80).
- (h) PBW says he never owned Loaded Media Limited or Blue Publishing Limited. Companies House filings show him as the sole shareholder of both companies, and of the related production company Bluebird Productions Limited. PBW’s acquisition of Loaded and his involvement with Bluebird Productions Limited was widely reported at the time in the legal and general press. PBW was registered as the person with significant control of Bluebird Productions Limited up until the point it dissolved in 2019. Blue Publishing Limited remains in existence, with PBW the sole director and company secretary; no PSC has been registered, which appears to be a breach of company law by PBW. Loaded Media Limited was dissolved in December 2016; a PSC should have been registered from April 2016 but there again appears to have been a breach of company law by PBW.
- (i) PBW says "the bankruptcy trustees [were] satisfied that they had established all of PBW assets, income and sources of income". That is false. The Official Receiver said he failed to make a full and frank disclosure of his affairs, failed to disclose interests in property, and under-declared his income. [This is a matter of public record](#).

- (j) PBW says he "was released from bankruptcy after the standard 1 year period". This is not correct - the period was extended by ten years because of his failure to make full and frank disclosure, and lapses in 2030. [This is also a matter of public record.](#)
 - (k) PBW specifically denies that bankruptcy restrictions were extended. There is a [public statement by the Official Receiver that they were.](#)
 - (l) PBW says "PBW accounted for and paid all due tax on [his] fees. HMRC has never alleged anything different.". That is untrue. The document the IRS filed with the US court (Case 2:21-cv-07841-PA-JC, document 1, filed 10/01/21) says that HMRC "believes Walker used these same schemes to avoid paying tax on the significant fees he earned from their sales".
 - (m) PBW says "The IRS was in particular perturbed that HMRC had chosen not to inform the IRS that PBW, as a TIEA request subject, had already been made bankrupt.". This is untrue. The same document filed by the IRS shows that the IRS knew PBW was bankrupt. The response by Saeedeh Mirshahi (document 9, filed 11/01/21) makes an argument which turns on the existence of that bankruptcy.
 - (n) PBW says "Accordingly, the IRS voluntarily dismissed its own case in Federal Court.". That is untrue. The court found in favour of the IRS (Document 14, filed 11/24/21) and ordered Mirshahi to comply; the IRS confirmed compliance, and the case was closed. This is, once more, a [matter of public record.](#)
 - (o) PBW denies that, having previously borrowed £7m from two companies controlled by a client, he tried to argue that the loans were void and he could keep the money, and that this failed in court. That is a matter of public record in [Paul Baxendale-Walker v APL Management Limited](#) [2018] EWHC 543.
 - (p) PBW denies that he attempted to assign rights to sue another law firm to a BVI company he controlled, which also failed in court. This is a matter of public record in [Burleigh House \(PTC\) Limited v Irwin Mitchell LLP](#) [2021] EWHC 834.
 - (q) PBW denies that he attempted to stop his bankruptcy trustees from obtaining documentation from third parties, and that this failed in court. This was a matter of public record in [Baxendale Walker v Irwin Mitchell LLP & Ors](#) [2018] EWHC 3572.
4. This succession of false statements means that we are highly sceptical of all the other claims made by PBW (even where we do not have conclusive evidence that those claims are false).
5. If you disagree that any of the above statements are false then do let me know. However, I would ask you to please not simply repeat statements by your client which you should now know are false.

PBW's relationship with Minerva and other entities

6. PBW attempts to distance himself from entities which the evidence strongly suggests he *de facto* controls.

7. I asked about the fees received by PBW and associated entities for promoting tax avoidance structures. PBW denies he ever promoted tax avoidance structures, claims there is such a thing as the “Minerva” community, and says that the fees “others in the community” made were nothing to do with PBW, and were outside his knowledge.
8. However, the facts suggest Minerva was always *de facto* controlled by PBW, and that PBW had first hand knowledge of the fees paid to it:
 - (a) The judgment in [*Northwood v HMRC*](#) [2023] UKFTT 351 (TC) includes the text of an engagement letter between Baxendale Walker LLP and a client, which includes an appendix saying that “MINERVA” is a separate business of Baxendale-Walker LLP, which sells and markets strategies devised by Baxendale-Walker LLP. MINERVA’s fees were 10% for every contribution to the trust. PBW therefore most certainly knew what fees Minerva was making and, on the basis of the text from his own engagement letter, he benefited from those fees.
 - (b) The judgment in [*Dukeries Healthcare Limited*](#) [2021] EWHC 2086 (Ch) describes “Minerva” as an “associated company” of Baxendale-Walker LLP. Again, the Baxendale-Walker LLP engagement letter provided for a fee equal to 10% of each trust contribution to be paid to Minerva.
 - (c) The judgment in [*CIA Insurance Services v Commissioners for HMRC*](#) also refers to a Baxendale-Walker LLP engagement letter where 10% of each trust contribution was to be paid to Minerva.
 - (d) The judgment in *Iain Paul Barker v Paul Baxendale-Walker* notes that “As to [PBW’s] claim about lack of resources the Court was struck by three companies willing to financially assist Mr Baxendale-Walker, including his own remuneration trust, EW LLP, Minerva Ltd, Hawk, Brunswick Wealth and Burleigh House PTC Ltd.”
 - (e) The judgment in *Paul Baxendale-Walker v APL Management Limited* [2018] EWHC 543 states that, in May 2015, Baxendale Walker issued a claim “in respect of various fees that he alleged were owed to **his** companies (Baxendale Walker LLP and Minerva Services Ltd)” (my emphasis). That same case reports Minerva Services Limited (BVI), Minerva Services Limited (Belize) and Buckingham Wealth Ltd acting on behalf of PBW.
 - (f) This is all redolent of PBW’s denial of links with FSL, the company that sold his schemes (and received fees) in the early 2000s. All of this is set out in the judgment in *Paul Baxendale-Walker v Middleton & Ors*. PBW originally claimed he wasn’t the controlling influence of FSL or the beneficial owner of it. The SDT found that he did have control over FSL, and received substantial sums from it. When PBW appealed against that decision, he asked his “effective ownership” of FSL to be “taken as correct” by the court, but said it didn’t amount to a conflict of interest (see paragraph 50). PBW subsequently withdrew his appeal.

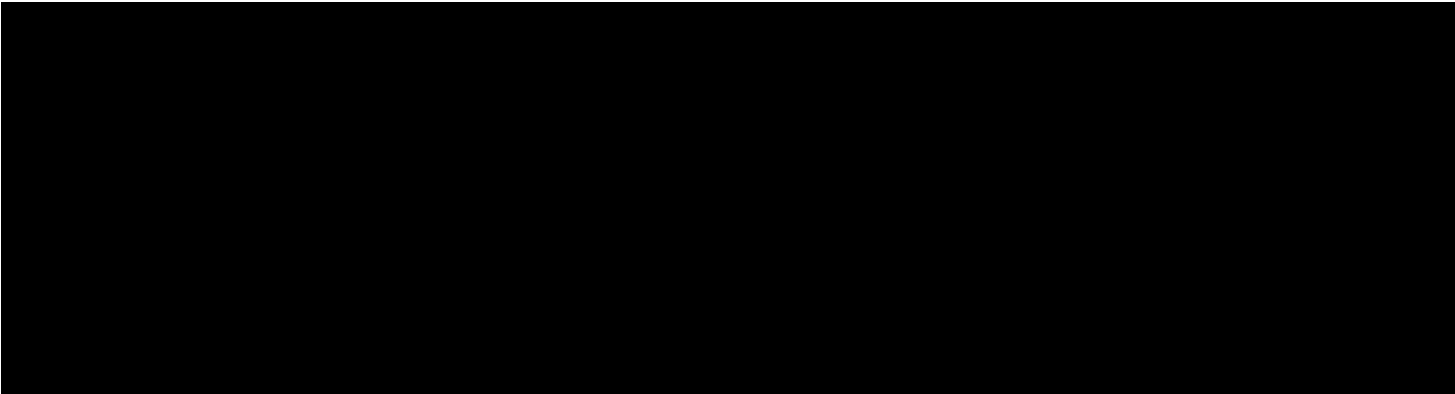
- (g) And PBW seems to have had a great deal of knowledge about the large fees he received via FSL – in *Middleton* he sought damages of £230m on the basis of loss of revenue that he believed he would have received from FSL as a result of the actions of the Law Society and others.
9. Reported cases also suggest that PBW wasn't merely acting as an adviser, but actively promoted schemes. See, for example, paragraph 16 of the *Dukeries* case.

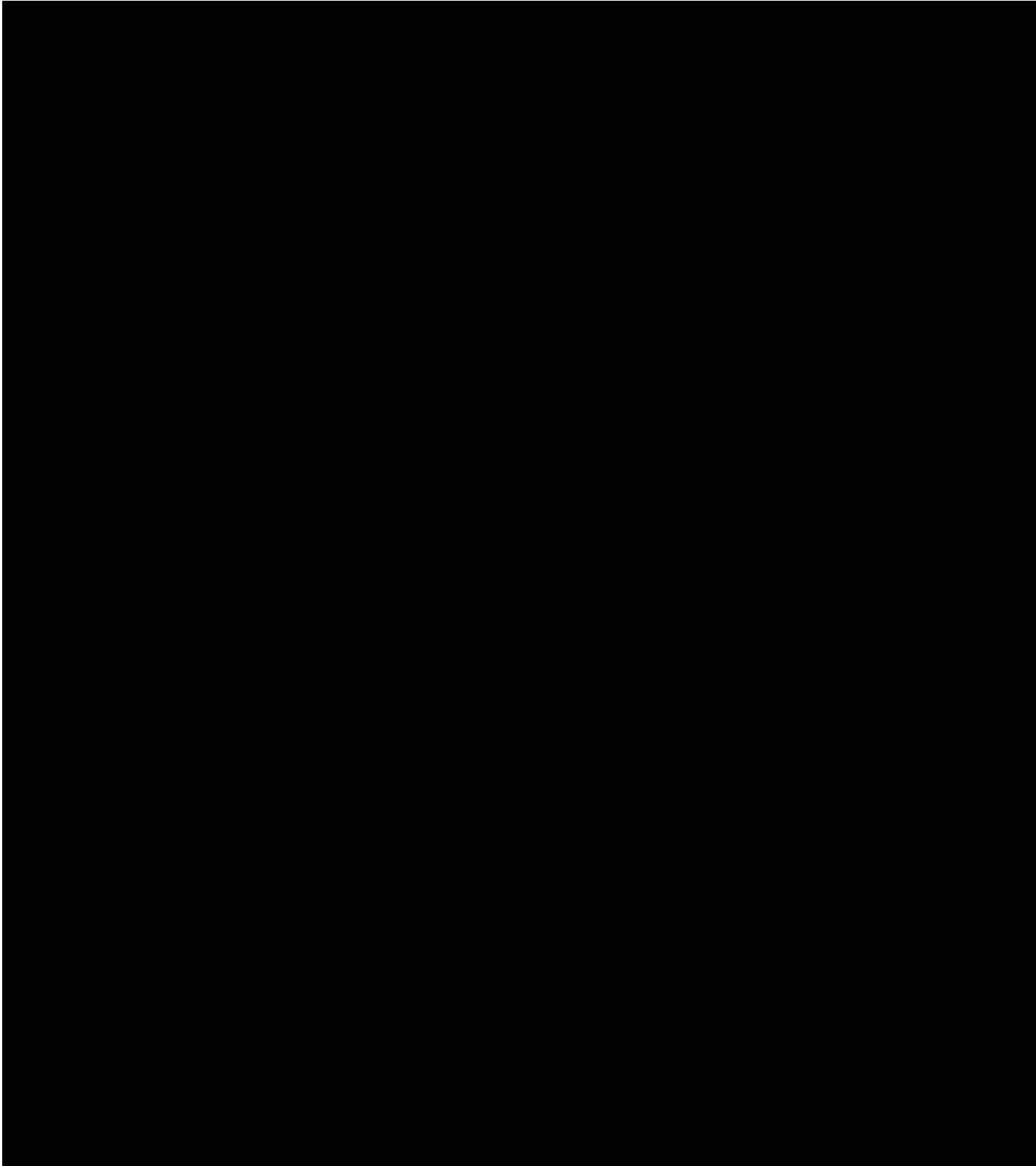
Whether to believe PBW or HMRC

10. PBW also makes a series of allegations about HMRC's behaviour, and a series of claims which are at odds with HMRC's stated version of events.
11. It is our opinion that the evidence makes it more likely that HMRC's version is correct, and PBW's is false (and we are strengthened in that view by the series of false statements from PBW we set out above).
12. In particular:
- (a) The US court filings show HMRC alleging that PBW was trying to frustrate HMRC's investigation of Baxendale Walker LLP.
 - (b) PBW says "it is not 'unusual' that the rump business, including all papers, of an LLP which has ceased to trade, are sold to its ultimate owner entity, so that the LLP can be wound up properly."
 - (c) However, the circumstances were highly unusual. Baxendale-Walker LLP was sold to the US LLP in July 2013. When PBW said in his recent communication that "his resignation of partnership from Baxendale-Walker LLP was documented and filed at companies house", that omits the very important detail that this filing was eighteen months after the event.
 - (d) At the actual time of the sale, the LLP's only registered members were PBW and Sargespace Limited (which was wholly owned by PBW). In June 2014, a form was filed with Companies House retrospectively appointing Belize Offshore Services Limited as member from 1 July 2013 and retrospectively removing PBW and Sargespace as members from the same date. In January 2015, a form was filed Companies House retrospectively appointing Hawk Consultants LLP as member as of 1 July 2013. Again, [all of this is a matter of public record.](#)
 - (e) HMRC alleges that that entities linked to PBW made significant payments to Mirshahi between April 2007 and April 2013. PBW has not denied this.
 - (f) PBW says that "HMRC acted contrary to the Tax Information Exchange Treaty: which requires that no TIEA request be made, unless HMRC is unable to pursue the matter domestically. ". There is no TIEA between the US and the UK - the request was made under the article 27 of the UK/US double tax treaty. Article 27 contains no such requirement.

13. On the basis of the facts as set out above, and PBW's previous well-documented behaviour, it is our opinion that HMRC are correct, and PBW was attempting to disrupt HMRC's investigation.

Other claims by PBW

14. There are other statements by PBW where he is asking us to take his word on trust:
- (a) That he sued Deloitte for defamation and they settled on favourable terms for PBW
 - (b) That other tax advisers thought the Rangers decision in the Court of Sessions was a "major defeat" for HMRC.
 - (c) That the GAAR panel ruled in 2015 that the *Barker* scheme was not abusive (as far as we are aware, the first GAAR panel decision was in 2017).
 - (d) That loans made in his schemes were commercial and intended to be repaid (I note that the tribunal in *Northwood* found that they were not commercial).
 - (e) That the Pension Regulator dropped its case against PBW.
 - (f) That HMRC now accept that PBW did not operate an array of tax avoidance businesses.
 - (g) That PBW retired on grounds of ill-health in 2013. This seems inconsistent with the large amount of litigation he has engaged in subsequently, and also inconsistent with what I think he admits was his involvement in preparing documentation for Buckingham Wealth.
 - (h) Various claims regarding HMRC, the IRS and the US litigation.
 - (i) That Robert Venables QC (as was) provided an expert opinion that PBW's structure worked as a matter of law. I am aware of only one relevant opinion from Mr Venables. According to the judgment in *Middleton*, Venables' instructions were to consider whether the Deloitte Report "can in any way be contradicted or exposed as being flawed in regard to the fundamental question of whether Mr Baxendale-Walker has acted dishonestly... I should stress that I am not advising as to whether the tax-saving strategies with which the firm of Baxendale Walker dealt worked as a matter of law or were correctly implemented in any particular case." (see paragraph 114).
15. Given the multiple false statements he has made, it should be clear that we cannot accept any of these statements without evidence.
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PMB attempts at intimidation

24. PBW was described by the judge in *Bluebird Productions Limited v Natasha Eustace* [2015] EWCA Civ 423 as engaging in an “improper... use of the court's process for ulterior and illegitimate motives” and “his principal strategy was to use litigation as intimidation”. PBW appears to be engaging in similar tactics now.

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25. PBW says I am undertaking “targeted and malicious harassment of PBW”. He says my actions are calculated to cause PBW further pain and suffering, and I am guilty of the criminal offence of Harassment, contrary to the Protection from Harassment Act 1997, and I am personally liable to damages. This is, like many of PBW’s historic legal claims, totally without merit. We are reporting on a matter of public interest, and our focus is on HMRC’s errors. Putting allegations to the subject of an accusation is standard journalistic practice and entirely reasonable; the defence in s1(3)(c) of the Protection from Harassment Act is therefore engaged. Any application for an injunction would be completely without merit.
26. PBW’s communication ended with the following statement:
- “This Offer is communicated in writing by the Offeror to Dan Neidle on 14 June 2024.
- The Offeror is PBW. It can be accepted by conduct by Dan Neidle (or any other acting at his direction or invitation).
1. The offer is that Dan Neidle can read this document.
 2. The conduct is to publish any matter which is contained in this document, including the identity of the author.
 3. Dan Neidle hereby agrees to pay to PBW the sum of £500,000 upon engaging in the conduct.”
27. This attempt to constrain my actions is wholly without merit; indeed it is childish game-playing.
28. I said in the prior email that I intended to publish any response; if PBW did not wish his words to be published, he should not have replied to me.
29. Needless to say, PBW’s “offer” is not accepted. Whilst a contract can be accepted by conduct, that is only if the conduct in question is intended to constitute acceptance. Here it is not (see *Reveille Independent LLC v Anotech International (UK) Ltd* [2016] EWCA Civ 443)
30. In any event, the purported contract would fail for lack of consideration: I was free to read the document and publish it as soon as I received it. I did not need PBW’s consent to do so.
31. I expect you agree with me on this. If not, please take this letter as a unilateral offer that you can reply to this letter for a fee of £1bn, and you will accept that offer by conduct if you reply.

Conclusion

32. We expect to be publishing a story next week on what we see as serious failings by HMRC which resulted in their failure to apply penalties to PBW, who in our view is probably the UK’s most notorious tax avoider. We form that view on the basis of the large number of decided cases involving PBW (almost all of which he lost), and his striking-off, bankruptcy and criminal conviction. Our view is bolstered by the series of untrue statements made by PBW in his communications with me, and his attempts at intimidation. PBW may object to our

characterisation, but it is our opinion on a matter of public interest and cannot give rise to a claim in defamation.



34. We are committed to accuracy in reporting, and will readily accept corrections to any incorrect or misleading statement in my prior correspondence or in this letter. We will print any denial or other commentary that PBW wish to make.
35. We are also committed to transparency, and intend to publish this letter and all subsequent correspondence.
36. We would be grateful for a response by 1pm on Wednesday.

Yours sincerely

Dan Neidle
Tax Policy Associates Ltd