

IN THE MATTER OF PAUL READER,  
A person (not being a solicitor) employed or remunerated by a solicitor

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

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Mrs K Todner (in the chair)  
Mr A N Spooner  
Mr J Jackson

Date of Hearing: 1st December 2009

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## **FINDINGS**

of the Solicitors Disciplinary Tribunal  
Constituted under the Solicitors Act 1974

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An application was duly made on behalf of the Solicitors Regulation Authority by Patrick Matthew Bosworth, an assistant solicitor in the firm of Russell-Cooke LLP, 8 Bedford Row, London, WC1R 4BX on 10<sup>th</sup> February 2009 that Paul Reader, a solicitor's clerk that an Order be made by the Tribunal directing that, as from a date to be specified in such Order, no solicitor, Registered European Lawyer or incorporated solicitor's practice should, except in accordance with permission in writing granted by The Law Society for such period and subject to such conditions as The Law Society may think fit to specify in the permission, employ or remunerate, in connection with his practice as a solicitor, Registered European Lawyer or member, director or shareowner of an incorporated solicitor's practice, the person with respect to whom the Order is made, or any such other Order as the Tribunal should think right.

The allegations against the Respondent were that he:

- (a) dishonestly fabricated and/or manufactured documentation in an attempt to mislead Her Majesty's Revenue and Customs and to save his client from paying stamp duty;

- (b) occasioned or was party to an act or default which involved conduct of such nature that it would be undesirable for him to be employed or remunerated by a solicitor or in connection with a solicitor's practice.

The application was heard at the Court Room, 3rd Floor, Gate House, 1 Farringdon Street, London, EC4M 7NS on 1<sup>st</sup> December 2009 when Patrick Bosworth appeared as the Applicant. The Respondent did not appear and was not represented.

#### The evidence before the Tribunal

The evidence before the Tribunal included evidence of service upon the Respondent by advertisement.

#### **At the conclusion of the hearing the Tribunal made the following Order:**

The Tribunal Orders that as from 1st day of December 2009 no solicitor, Registered European Lawyer or incorporated solicitor's practice shall, except in accordance with permission in writing granted by the Law Society for such period and subject to such conditions as the Society may think fit to specify in the permission, employ or remunerate in connection with the practice as a solicitor, Registered European Lawyer or member, director or shareowner of an incorporated solicitor's practice Paul Reader a person who is or was a clerk to a solicitor and the Tribunal further Order that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £2,700.00 including VAT.

#### **The facts are set out in paragraphs 1 – 5 hereunder:**

1. At all material times the Respondent was employed by Cook Taylor Woodhouse Solicitors of 12 High Street, Dartford, Kent as a conveyancer in the property department. He was not a solicitor or a member of ILEX.
2. The Respondent was made the subject of a complaint by Ms B that she had sold her property to Mr and Mrs H, for whom the Respondent acted, at the price of £260,000. Completion took place on 5<sup>th</sup> January 2007. HM Customs & Excise had been notified that the sale price had been £250,000 which resulted in a substantial reduction in the stamp duty paid by Mr and Mrs H.
3. The matter was taken up by the SRA with both Cook Taylor Woodhouse Solicitors and the Respondent. Cook Taylor Woodhouse told the SRA in two letters dated 7<sup>th</sup> July 2008 that no other fee earner worked on the file and that it was not their practice for anyone other than the main fee earner or an external locum to work on files. The letter went on to state that they felt that only the Respondent could have been involved in the apparent fraud and that their view was reinforced by the fact that they believed that the purchaser in this matter was either an acquaintance or a close personal friend of the Respondent and this was a deliberate fraud by the Respondent in that although the contract and every other relevant document up to exchange of contracts described the price of the house as £260,000 the financial statement prepared by the Respondent showed a price of £250,000 and a £10,000 fixtures and fittings apportionment.

4. By letter dated 21<sup>st</sup> July 2008 the Respondent wrote to the SRA informing them that his recollection of the matter was that the purchaser struck some sort of deal with the seller's son to apportion the price and informed the Respondent accordingly. He went on to state that he believed that he had made an embarrassing error in confusing this transaction with that of another of his clients. He went on to state that he did not deal with any matters post exchange although his reference would have been produced on post exchange correspondence. He accepted that the purchaser was a friend.
5. Ms B had confirmed that she did not have a son.

### **The Findings of the Tribunal**

6. The Tribunal found that the Respondent had notified HM Customs & Excise that the consideration in the transaction was £10,000 less than in fact was the case. He had clearly tried to assist a friend to make a saving in stamp duty. The effect of behaving in this way was to perpetrate a fraud upon the Revenue and such behaviour on the part of a solicitor's employee could not be tolerated. It was right in the particular circumstances of this case that the Tribunal make the Order sought. It was also both proportionate and appropriate that the Respondent bear the costs of and incidental to the application and enquiry. The Tribunal considered a schedule of costs provided by the Applicant and noted that attempts to serve the Respondent had not been successful so that it was necessary to notify him of the proceedings by advertisement. It was right that the Respondent should bear the cost of placing an advertisement to notify him of the proceedings in The Times. It had been pointed out that costs attributable to a partner in the Applicant's firm should not have been included in the schedule. Taking everything into account the Tribunal summarily fixed the costs to be paid by the Respondent in the sum of £2,700 inclusive of VAT. The Tribunal noted that the Respondent's client had rectified the position with Customs & Excise and had paid the full amount of stamp duty due.

Dated this 12<sup>th</sup> day of February 2010  
On behalf of the Tribunal

Mrs K Todner  
Chairman