

SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974

Case No. 10683-2010

BETWEEN:

SOLICITORS REGULATION AUTHORITY

Applicant

and

RICHARD ADAMSON

Respondent

Before:

Mr J. N. Barnecutt (in the chair)

Mr M. Sibley

Mr M. Palayiwa

Date of Hearing: 2nd April 2012

Appearances

Ms Suzanne Jackson, Solicitor, employed by the Solicitors Regulation Authority, Ipsley Court, Berrington Close, Redditch, Worcestershire, B98 0TD for the Applicant.

The Respondent did not appear and was not represented.

JUDGMENT

Allegations

1. The allegation against the Respondent was:

Contained in a Rule 8 Statement dated 14 December 2010

- 1.1 The allegation against the Respondent, Richard Adamson, on behalf of the Solicitors Regulation Authority is that he has, in the opinion of the Law Society, occasioned or been a party to an act or default in relation to legal practices which involved conduct on his part of such a nature that in the opinion of the Society it would be undesirable for him to be involved in a legal practice in one or more of the ways mentioned in Section 43(1)(A) of the Solicitors Act 1974 as amended by the Legal Services Act 2007 in that:

- (i) He utilised for his own benefit monies belonging to clients of the firm of solicitors Chadwick Lawrence LLP;
- (ii) He utilised for his own benefit monies belonging to clients of the firm of solicitors McAlinneys Solicitors.

Although not a necessary ingredient of this application the Respondent's conduct was deliberate and dishonest.

Contained in a Supplementary Statement dated 1 December 2011

2. The further allegation against the Respondent, Richard Adamson was that:
 - 2.1 He has been convicted of a criminal offence which is such that in the opinion of the Society it would be undesirable for him to be involved in a legal practice in one or more of the ways mentioned in Section 43(1)(A) of the Solicitors Act 1974 as amended by the Legal Services Act 2007 by virtue of his conviction in the Crown Court at Bradford on 8 July 2011.

Documents

3. The Tribunal reviewed all the documents submitted by the Applicant and the Respondent, which included:

Applicant:

- Application dated 14 December 2010;
- Rule 8 Statement and Exhibit "SEJ1" dated 14 December 2010;
- Supplementary Statement and Exhibit "SEJ2" dated 1 December 2011;
- Indictment;
- Certificate of Service dated 30 December 2011;
- Schedule of Costs dated 12 March 2012.

Respondent:

- None.

Preliminary Matters

4. Ms Jackson told the Tribunal that the Rule 8 Statement, the Supplementary Statement and both Exhibits had been personally served on the Respondent at his place of residence by Enquiry Agents and she referred the Tribunal to the Certificate of Service dated 30 December 2011. Ms Jackson confirmed that notification of the hearing date had been sent to the Respondent by the Tribunal. She stated that the Respondent was aware of the proceedings and the hearing date and she invited the Tribunal to proceed in the Respondent's absence.
5. The Tribunal was satisfied that notice of the hearing had been served on the Respondent and in accordance with Rule 16(2) of the Solicitors (Disciplinary Proceedings) Rules 2007 determined that the proceedings against the Respondent should proceed notwithstanding that he had failed to attend in person and was not represented.

Factual Background

6. The Respondent was employed as a supervisor in the accounts department of Chadwick Lawrence LLP Solicitors ("CL") from 5 October 2009 until 18 November 2009. CL terminated the Respondent's employment on 7 December 2009, when he failed to return to work after taking annual leave.
7. Thereafter the Respondent was employed as a legal cashier in the firm of McAlinneys Solicitors ("McA") from 1 February 2010 until his dismissal on 12 July 2010.

Funds belonging to clients of Chadwick Lawrence LLP

8. In a letter dated 19 January 2010, CL reported to the Solicitors Regulation Authority ("SRA") the misuse of clients' funds by the Respondent in the sum of £5,975 for his own benefit and his attempt to cover up his dishonesty by false entries in the accounts.
9. Further information was provided by CL in a letter dated 18 March 2010 which included a report prepared for the Management Committee of CL in which the following details were disclosed:
 - On 11 November 2009, the Respondent transferred the sum of £5,975 from the client account held at NatWest Bank by way of a BACS payment into a bank account into which CL paid the Respondent's salary. The details entered by the Respondent on the NatWest Bankline were that the payment was to the beneficiaries "M". The payment was also posted to matter Mrs JM;
 - On 11 November 2009, the sum of £8,436.11 was received into the client bank account of CL from M&G Investments. This was paid into the client account suspense account as it remained unclaimed;

- On 18 November 2009, the Respondent arranged for the reversal of the entry of £5,975 on the Mrs JM matter and for the sum to be debited to the matter of Mr MAM as at 11 November 2009;
 - On 18 November 2009, the Respondent debited the monies received from M&G Investments in the sum of £8,436.11 to the Mr MAM matter.
10. CL corrected the accounts on discovery of the false entries.
 11. The SRA raised the issues with the Respondent in a letter dated 16 March 2010. In a letter dated 11 May 2010 the SRA asked the Respondent for his comments on the case note that had been prepared. No response was received. On 9 June 2010, an Adjudicator referred the Respondent's conduct to the Solicitors Disciplinary Tribunal.

Funds Belonging to clients of McAlinneys Solicitors

12. In a letter dated 9 September 2010, McA reported to the SRA the misuse of clients' funds by the Respondent in the sum of around £27,000 for his own benefit.
13. Independent accountants instructed by McA established that the Respondent had written three cheques to himself from the firm's client bank account comprising the following:-
 - 23 February 2010 £8,900;
 - 19 April 2010 £8,955;
 - 10 June 2010 £9,442.
14. The Respondent deleted a document from the computer system which showed cheque numbers and to whom they were written and which was checked quarterly by the firm.
15. The monies were repaid into client account by McA immediately upon discovery.
16. The SRA raised the issues with the Respondent in letters dated 3 November 2010 which were sent to two different addresses. No response was received. One of the letters was returned and marked "addressee gone away". The matter was included in the disciplinary proceedings on 7 December 2010.
17. The Respondent's actions were reported to the police by both CL and McA.
18. On 10 June 2011, the Respondent appeared before Bradford Crown Court and was convicted of six counts of fraud by abuse of position and on 8 July 2011 was sentenced to 15 months imprisonment. The conduct giving rise to the offences related to the Respondent stealing from his employers whilst acting as a cashier.
19. On 24 November 2011, a decision was made to include the matter in the disciplinary proceedings.

Witnesses

20. None.

Findings of Fact and Law

21. The Tribunal determined all the allegations to its usual standard of proof, that is beyond reasonable doubt.

22. **Allegation 1.1. The allegation against the Respondent, Richard Adamson, on behalf of the Solicitors Regulation Authority is that he has, in the opinion of the Law Society, occasioned or been a party to an act or default in relation to legal practices which involved conduct on his part of such a nature that in the opinion of the Society it would be undesirable for him to be involved in a legal practice in one or more of the ways mentioned in Section 43 (1)(A) of the Solicitors Act 1974 as amended by the Legal Services Act 2007 in that:**

- (i) **He utilised for his own benefit monies belonging to clients of the firm of solicitors Chadwick Lawrence LLP;**
- (ii) **He utilised for his own benefit monies belonging to clients of the firm of solicitors McAlinneys Solicitors.**

Although not a necessary ingredient of this application the Respondent's conduct was deliberate and dishonest.

Allegation 2.1. He has been convicted of a criminal offence which is such that in the opinion of the Society it would be undesirable for him to be involved in a legal practice in one or more of the ways mentioned in Section 43 1(A) of the Solicitors Act 1974 as amended by the Legal Services Act 2007 by virtue of his conviction in the Crown Court at Bradford on 8 July 2011.

22.1 Ms Jackson told the Tribunal that the Respondent had worked as an un-admitted employee at various firms in the Yorkshire area. The allegations related to his conduct whilst at those firms when he had taken money that did not belong to him and misused a credit card. Ms Jackson stated that each firm had suffered financially as a result of the Respondent's actions.

22.2 The Tribunal was told that the Respondent's conduct at CL Solicitors involved the misuse of client funds in the sum of £5,975 which the Respondent had used for his own benefit. He had attempted to cover up his dishonesty by making false entries in the accounts. He had transferred the £5,975 into an account into which his own salary had been paid. He had then manipulated the accounts by stating that the payment was to the beneficiary "M" and had also posted the entry to the Mrs JM matter. The Respondent had later arranged to reverse the entry on Mrs JM's matter and debit this to the matter of Mr MAM. On the same date, he had also debited the monies received from M&G Investments which had been paid into the client suspense account to the Mr MAM matter.

22.3 Whilst working at McA Solicitors, the Respondent had misused client funds for his own benefit in the sum of around £27,000. He had written three cheques to himself

from the firm's client bank account. He had tried to cover up these payments by deleting a document from the computer system which showed the cheque numbers.

22.4 Ms Jackson told the Tribunal that the Respondent had subsequently been convicted of six counts of fraud contrary to Sections 1 and 4 of the Fraud Act 2006. She confirmed that dishonesty was the main element of these offences.

22.5 The Tribunal was referred to the indictment which set out the particulars of each offence. The Respondent had been convicted of dishonestly writing and paying in three company cheques to a value of £11,037 whilst he was employed as a practice manager at the firm of Rahman Ravellii Solicitors. He had also dishonestly used a company credit card to a value of £929.74 whilst employed at the firm as well as dishonestly arranging bank transfers to a value of £4,000.

22.6 The Respondent had been convicted of dishonestly making a bank transfer to a value of £5,975 whilst employed at CL and of dishonestly writing three company cheques to a value of £27,297 whilst working as a cashier at McA Solicitors. In addition, he had been convicted of dishonestly writing and paying in three company cheques to a value of £6,975 whilst employed as a legal cashier at Sovereign Solicitors. The Tribunal was told that the Respondent had pleaded guilty to the offences and had subsequently been convicted. There had been no appeal and so the conviction remained undisturbed.

23. Ms Jackson referred the Tribunal to the remarks made by the sentencing Judge in which he had stated that:

“The aggravating features of these offences are... that it was a breach of trust in each case... the length of time over which you offended, and then the repeated offending whilst you were on bail...”

The Judge had also commented:

“It was two years of protracted fraud whereby you obtained substantial amounts of money”.

24. Ms Jackson told the Tribunal that the Respondent's conduct appeared to have been as a result of his alcohol dependency although he had never put forward any explanation in relation to his actions. She stated that the Respondent had misappropriated client funds and monies belonging to his employers. This demonstrated a lack of integrity which was likely to diminish the trust placed in him and the profession generally. She told the Tribunal that the profession's most valuable asset was its collective responsibility and the confidence that this inspired in solicitors and those employed by them. She reminded the Tribunal that a Section 43 Order was a safeguard rather than a punishment and stated that the Respondent's behaviour was such that it was undesirable for him to be either allowed to remain in practice or to practice without any form of control.

25. The Tribunal found the allegations substantiated against the Respondent on the facts and documents before it.

Previous Disciplinary Matters

26. None.

Mitigation

27. None.

Sanction

28. The Tribunal considered that it was appropriate that a Section 43 Order should be made against the Respondent in order to protect the public. It was clear that the Respondent had been in a position of trust which he had abused repeatedly. These were serious matters which were sufficient to justify the imposition of a Section 43 Order.

Costs

29. The Applicant's claim for costs was £6,321.34. The Tribunal considered it appropriate that the Respondent should pay the Applicant's costs fixed at £6,321.34.

Statement of Full Order

30. The Tribunal Ordered that as from 2nd day of April 2012 except in accordance with Law Society permission:-

- (i) no solicitor shall employ or remunerate, in connection with his practice as a solicitor Richard Adamson;
- (ii) no employee of a solicitor shall employ or remunerate, in connection with the solicitor's practice the said Richard Adamson;
- (iii) no recognised body shall employ or remunerate the said Richard Adamson;
- (iv) no manager or employee of a recognised body shall employ or remunerate the said Richard Adamson in connection with the business of that body;
- (v) no recognised body or manager or employee of such a body shall permit the said Richard Adamson to be a manager of the body;
- (vi) no recognised body or manager or employee of such a body shall permit the said Richard Adamson to have an interest in the body;

And the Tribunal further Ordered that the said Richard Adamson do pay the costs of and incidental to this application and enquiry fixed in the sum of £6,321.34.

Dated this 1st day of May 2012

On behalf of the Tribunal

J. N. Barnecutt
Chairman