

# SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974

Case No. 10981-2012

## **BETWEEN:**

SOLICITORS REGULATION AUTHORITY

Applicant

and

CHRISTOPHER KENNETH GRIERSON

Respondent

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Before:

Mr D. Glass (in the chair)

Mr A. G. Gibson

Mrs N. Chavda

Date of Hearing: 31st October 2012

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## **Appearances**

Mr Geoffrey Williams QC, The Mews, 38 Cathedral Road, Cardiff CF11 9LL for the Applicant.

Mr Pushpinder Saini QC, Blackstone Chambers, Blackstone House, London EC4Y 9BW instructed by Corker Binning for the Respondent.

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## **JUDGMENT**

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## **Allegations**

1. The allegations against the Respondent, Christopher Kenneth Grierson, were that he had:
  - 1.1 Made claims for reimbursements of expenses which he knew to be false contrary to Rule 1.02 and 1.06 of the Solicitors' Code of Conduct 2007;
  - 1.2 Been convicted of four offences of Furnishing False Information, contrary to Section 17(1)(b) of the Theft Act 1968 contrary to Principles 1, 2 and 6 of the SRA Code of Conduct 2011.

Both allegations were allegations of dishonesty.

## **Documents**

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

Applicant:

- Application dated 27 April 2012;
- Rule 5 Statement dated 27 April 2012 with exhibit "GW1";
- Certificate of conviction and sentencing comments;
- Schedule of costs dated 29 October 2012.

Respondent:

- Statement of Information form.

## **Factual Background**

3. The Respondent was born on 6 December 1951 and admitted as a solicitor on 1 May 1976. His name remained on the Roll of Solicitors. At all material times, the Respondent carried on practice as a solicitor and equity Member of Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG ("the firm"). His Membership was terminated with effect from 11 May 2011.
4. On 24 May 2011, Mr Jonathan Chambers, a Forensic Investigation Officer ("FIO") employed by the Solicitors Regulation Authority ("SRA") commenced an investigation at the firm. This resulted in the production of a Forensic Investigation Report dated 8 November 2011 ("the FI Report").
5. The investigation was prompted by a report from the firm to the SRA which was submitted on 23 May 2011. The firm stated that the Respondent was a litigator who specialised in matters involving corruption and fraud. The firm's investigation had centred upon improper claims submitted by the Respondent for reimbursement of expenses which had not been incurred.

6. Between 2005 and 2010, the firm had made payments to the Respondent in the approximate sum of £1,300,000 in respect of claims submitted by the Respondent for expenses which he had not incurred. It was noted that:
  - Over 98% of the amounts improperly claimed by the Respondent related to claims for the cost of international air travel;
  - The payments had been solely authorised by the Respondent in line with the firm's policies at the material times.
7. The Respondent gave the accounts department at the firm written instructions to allocate these "disbursements" to specific client matters.
8. The Respondent claimed expenses on the false basis that he had arranged and paid for his own flights rather than using a booking and payment service arranged by the firm. His claims were supported by documentation. On occasions, other purported co-passengers were named.
9. Once the claims for reimbursement had been submitted, the Respondent was paid by the firm from its office bank account by way of CHAPS transfer.
10. The FIO reviewed, in particular, 24 instances where the Respondent had claimed reimbursement of air fares in the total sum of £434,856.41. He identified a number of common features in relation to 22 of these matters which were as follows:
  - Expenses claims were submitted by the Respondent in writing by either fax or by e-mail;
  - The Respondent gave instructions to allocate the airfare expenses to specific client files;
  - Airfare expenses purported to be advanced bookings were made by the Respondent using the British Airways website;
  - Reimbursement was made in full by the firm to the Respondent via CHAPS.
11. In addition, the FIO identified features common to most of the 22 claims which were as follows:
  - The Respondent did not use the firm's standard expenses claim form;
  - Additional passengers were named on the British Airways documentation;
  - Expenses claims were supported by paperwork generated from the British Airways website;
  - The Respondent had provided written instructions for the airfare expenses to be allocated to the PP files.
12. The Respondent departed from the normal practices of the firm's Members in that he:
  - Submitted his claims personally;

- Paid his own corporate credit card bills;
  - Booked his own flights;
  - Requested reimbursement by CHAPS as opposed to through the firm's weekly payment system.
13. The firm discovered the Respondent's conduct as a result of his claim for future-dated flights made on 5 January 2011. When the Respondent was confronted in relation to this matter, he indicated that he was about to commence a period of sick leave. The firm's investigation continued and the Respondent returned to work on or about 1 April 2011.
  14. In the course of the firm's investigation, the Respondent made admissions. He offered an apology in an email dated 10 April 2011.
  15. A meeting took place at the firm on 9 May 2011. Expenses claimed in the region of £1,200,000 were discussed. The Respondent accepted that he had made claims for money to which he had not been entitled and that he would need to pay it back. He said that he had had financial difficulties and that he had been "very stupid". The Respondent stated that he would have to be in a position to earn if he was to pay all the money back. He stated that if the matter was reported to the SRA "we [the firm]" could end up destroying him". The Respondent stated that the claims in question had arisen over a three year period.
  16. On 10 May 2011, the Respondent sent an email in which he described himself as "S". He offered an apology. He stated that "funds were used to service obligations and pay for uninsured medical treatment".
  17. A further meeting took place at the firm on 11 May 2011. The Respondent apologised again and expressed an intention to repay. He was told that his position at the firm was at an immediate end and that the matter would be reported to the SRA.
  18. The Respondent cooperated with the firm. A schedule of the misclaimed amounts was prepared by the firm ("the Schedule"). The total sum involved was stated as being £1,327,990.
  19. On 27 May 2011, the Respondent entered into a Repayment and Set-Off Agreement with the firm. The Agreement annexed the Schedule which had been prepared by the firm. The Respondent agreed to repay or to procure the repayment of the misclaimed amounts in full. He accepted that these had been amounts that he had not been entitled to receive.
  20. On 31 May 2011, the firm received reimbursement in full from a third party on behalf of the Respondent.
  21. No clients were charged for the "disbursements" which had been claimed by and paid to the Respondent.
  22. The firm reported the Respondent to the police and he was duly charged with four criminal offences of false accounting. On 27 March 2012, the Respondent appeared

at Southwark Crown Court and entered guilty pleas to the Counts on the Indictment. The Respondent was sentenced to a total of three years imprisonment and ordered to pay £1,600 towards the costs of the prosecution.

### Witnesses

23. None.

### Findings of Fact and Law

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

25. **The allegations against the Respondent, Christopher Kenneth Grierson, were that he had:**

**Allegation 1.1: Made claims for reimbursements of expenses which he knew to be false contrary to Rule 1.02 and 1.06 of the Solicitors' Code of Conduct 2007;**

**Allegation 1.2: Been convicted of four offences of Furnishing False Information, contrary to Section 17(1)(b) of the Theft Act 1968 contrary to Principles 1, 2 and 6 of the SRA Code of Conduct 2011.**

- 25.1 Mr Williams QC told the Tribunal that the Respondent had been a partner/Member at the firm from 1980 until the date that his Membership had been terminated in May 2011. He explained that Members at the firm were allowed to authorise their own expenses claims but were expected to produce the relevant supporting documentation. He said that the Respondent always gave his expenses claims to the same individual in the firm's finance team. He told the Tribunal that following an investigation by the firm, a meeting had taken place on 9 May 2011 at which the Respondent had admitted to having made claims for expenses which had not been incurred over a three year period. His position at the firm had subsequently been terminated.
- 25.2 The Tribunal was told that during the course of the SRA investigation, the firm had produced documentation that showed that from 2005 to 2011 the Respondent had been paid approximately £1.3 million in respect of improper expenses claims. These had been made up almost entirely of international air fares and had been authorised by the Respondent himself in accordance with the firm's procedures. Mr Williams explained that the firm had then entered into an agreement with the Respondent for the repayment of the expenses together with an associated compensation payment of £62,410. The firm had subsequently received repayment in full from a third party on the Respondent's behalf and had reported the Respondent's conduct to the police.
- 25.3 Mr Williams said that the Respondent had given the firm written instructions to allocate the items contained within his false expenses claims to specific client matters as "disbursements" although no amounts were subsequently billed to clients. He explained that the expenses claims were submitted to the firm directly by the Respondent and in many cases, he did not use the firm's standard internal expenses claim form. His claims were invariably supported by documentation which compromised printouts from the flight booking section of the British Airways

website. The Tribunal was told that the Respondent's conduct had been discovered when he submitted a false claim for expenses on 5 January 2011. When the firm raised enquiries about the claim, the Respondent had sent an email apologising for the concern caused and suggesting that all payments should be returned.

- 25.4 The Tribunal was told that during a meeting at the firm on 9 May 2011, the Respondent had admitted to having made claims for money to which he was not entitled and he had acknowledged that this would need to be paid back. Mr Williams said that the Respondent had claimed that the money had been needed to fund his expenditure and he had expressed his regret for what had happened in an email sent to the firm the following day. In summary, Mr Williams stated that the Respondent had made false claims for expenses over a long period of time and on a vast scale. He said that the total sum claimed had been in the region of £1.3 million but it was fortunate that no clients had lost out as a result of the Respondent's actions and the sum had been repaid to the firm by a third party on the Respondent's behalf.
- 25.5 The Tribunal was told that the Respondent had subsequently pleaded guilty to two offences of false accounting and had been imprisoned for three years. Mr Williams referred the Tribunal to the remarks of the sentencing Judge at Southwark Crown Court who had described the Respondent's actions as "well planned" and "sophisticated" and involving "a serious breach of trust" that had been "planned and over a period of time". Mr Williams pointed out that the sentencing Judge had accepted that the Respondent had been suffering from depression and had "a complex personality disorder". He said that the Judge had given the Respondent credit for his early guilty pleas and the fact that there had been no loss to any clients. He stated that the Judge had referred to the fact that the Respondent's expenses had "got out of hand" and that rather than sell assets in order to pay off his debts, he had stolen instead. Mr Williams told the Tribunal that the sentencing Judge had endorsed the comments made by a Mr D who had known the Respondent for some time when he had said "His [the Respondent's] actions have clearly ruined him professionally. He will never be a solicitor again. It is hard to imagine the disgrace of bringing his career to an end in this way".
- 25.6 Mr Williams acknowledged that the Respondent had health difficulties but reminded the Tribunal that the Respondent had admitted the allegations against him, including an allegation of dishonesty and he had also pleaded guilty to a criminal offence involving dishonesty. He told the Tribunal that the case of Bolton v The Law Society 1994 WLR had affirmed that dishonesty was the most serious kind of misconduct which could be committed by a solicitor and he suggested that this case was one of the most grave examples of its type.
- 25.7 The Tribunal found allegations 1.1 and 1.2 to be substantiated against the Respondent and indeed the Respondent had admitted the allegations. The Tribunal had been invited to find that the Respondent had acted dishonestly and it considered the "combined" test for dishonesty as set out in Twinsectra Ltd v Yardley and Others [2002] UKHL 12 in which Lord Hutton had stated that:

“...before there can be a finding of dishonesty it must be established that the defendant's conduct was dishonest by the ordinary standards of reasonable and

honest people and that he himself realised that by those standards his conduct was dishonest”.

- 25.8 Having carefully considered the matter, the Tribunal was satisfied beyond reasonable doubt that the Respondent’s conduct had been dishonest by the standards of reasonable and honest people. The Respondent had admitted that he had acted dishonestly and he had pleaded guilty to a criminal offence involving dishonesty and so the Tribunal had no difficulty in concluding that the Respondent had known that what he was doing was dishonest.

### **Previous Disciplinary Matters**

26. None.

### **Mitigation**

27. Mr Saini QC confirmed that the Respondent admitted the allegations and acknowledged that these matters were extremely serious. He asked the Tribunal to take account of the fact that these offences had been committed against a background of significant mental illness on the part of the Respondent and this had been accepted by the trial Judge. He told the Tribunal that the Respondent had been receiving medical treatment for his condition.
28. The Tribunal was asked to note that the firm had been repaid in full. Mr Saini explained that the Respondent had sold a property abroad in order to reimburse the third party who had paid the firm on his behalf. He said that this had been at the detriment of the Respondent’s family who had now suffered financially as a result of the Respondent’s dishonesty. Mr Saini told the Tribunal that the Respondent had been a highly regarded solicitor who had an exemplary regulatory record and it was now unlikely that he would ever find work as a solicitor again.

### **Sanction**

29. This was clearly a tragic case and the Respondent had been ruined personally, professionally and financially. It was a sad way for him to end his long and distinguished career. The Tribunal accepted that the Respondent’s health problems may have contributed to what had happened and it was clear that the Respondent had been severely affected by the stresses of his working life which was a warning to all those in the profession.
30. The Respondent’s conduct had gone to the heart of what it meant to be a solicitor. The Tribunal was mindful of the observations made by Lord Bingham in Bolton v The Law Society 1994 WLR in which it had been said that a solicitor must be someone who “may be trusted to the ends of the earth”. In this case, the Respondent had destroyed that trust and this could not be restored. In view of this and having regard to the Tribunal’s own Guidance Note on Sanctions, the only appropriate penalty in this case was that the Respondent should be struck off the Roll of Solicitors and the Tribunal so ordered.

**Costs**

31. The Applicant's claim for costs was £21,411.38. Mr Williams told the Tribunal that in order to take account of the Respondent's financial and other circumstances, it had been agreed that the Respondent would pay costs in the sum of £14,000.
32. Mr Saini confirmed that the Respondent had agreed to pay the Applicant's costs fixed at £14,000. He asked that the order for costs should not be enforced without the leave of the Tribunal due to the Respondent's current financial circumstances. He said that the Respondent would find it difficult to obtain work when he was released from prison. He told the Tribunal that the Respondent's only source of income would be his pension which would amount to £4,600 net per annum as half of the pension would be paid to his wife as part of a divorce settlement and the other half would be divided between his wife and children. He said that the Respondent had only a small amount of capital left following the sale of the former matrimonial home and his property in France and this capital would be used to repay the Respondent's substantial liabilities which included an outstanding tax liability of £214,000.
33. Having considered the submissions made on behalf of the Respondent and based on the information available, it was clear that the Respondent would not be in a position to pay any order for costs now. The Tribunal had considered the Respondent's financial circumstances, his age and the fact that he was effectively being deprived of his livelihood and may find it difficult to find work in the future. In all the circumstances, the Tribunal ordered that the Respondent should pay the Applicant's costs fixed in the sum of £14,000 but such costs were not to be enforced without leave of the Tribunal.

**Statement of Full Order**

34. The Tribunal Ordered that the Respondent, Christopher Kenneth Grierson, solicitor, be Struck Off the Roll of Solicitors and it further Ordered that he do pay the agreed costs of and incidental to this application and enquiry fixed in the sum of £14,000.00, such costs not to be enforced without leave of the Tribunal.

Dated this 7<sup>th</sup> day of December 2012

On behalf of the Tribunal

D. Glass  
Chairman