

IN THE MATTER OF ADRIAN JOHN LOVELL JACKMAN, solicitor

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

Mr. A G Ground (in the chair)
Mr. P Kempster
Mr. J Jackson

Date of Hearing: 6th February 2003

FINDINGS

of the Solicitors Disciplinary Tribunal
Constituted under the Solicitors Act 1974

An application was duly made on behalf of the Office for the Supervision of Solicitors ("OSS") by Peter Harland Cadman solicitor and partner in the firm of Russell-Cooke, Potter & Chapman of 2 Putney Hill, Putney, London, SW15 6AB on the 3rd September 1999 that Adrian John Lovell Jackman solicitor of Sparton, Northampton, might be required to answer the allegations contained in the statement which accompanied the application and that such order might be made as the Tribunal should think right.

On the 19th August 2002 the Applicant made a supplementary application containing a further allegation.

At the date of the hearing the Tribunal was aware that the Respondent's address was Arundel, West Sussex.

The allegations were that the Respondent had been guilty of conduct unbecoming a solicitor in each of the following particulars namely:-

- (a) That he has failed to keep accounts properly written up for the purposes of Rule 11 of the Solicitors Accounts Rules 1991.

- (b) That contrary to Rule 8 of the Solicitors Accounts Rules 1991 he drew money out of Client Account other than permitted by Rule 7 of the said Rules.
- (c) That he has utilised client's funds for the purposes of other clients.
- (d) That he has utilised client's funds for his own purposes.
- (e) That he has misappropriated client's funds.
- (f) That he has been convicted of offences of dishonesty in the course of his practice as a solicitor.

The application was heard at the Court Room, 3rd Floor, Gate House, 1 Farringdon Street, London, EC4M 7NS when Peter Harland Cadman appeared as the Applicant. The Respondent did not appear and was not represented.

The evidence before the Tribunal

The Respondent had written to the Applicant by letter dated 15th November 2002 confirming that he admitted the allegations but wished mitigating factors to be taken into account.

At the conclusion of the hearing the Tribunal order that the Respondent, Adrian John Lovell Jackman of Arundel, West Sussex (formerly of Sparton, Northampton) solicitor be struck off the Roll of Solicitors and they further ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £11,317.20.

The facts are set out in paragraphs 1 to 14 hereunder:-

1. The Respondent, born in 1949, was admitted as a solicitor in 1976. At the material times he practised in partnership under the style of Turner Coulston at 29 Billing Road, Northampton NN1 5DQ.
2. Upon due notice to the Respondent the Monitoring and Investigation Unit (MIU) of The Law Society carried out an inspection of the Respondent's firm's books of account. The inspection began on the 15th September 1998. The MIU Officer produced a report dated the 21st January 1999 which was before the Tribunal.
3. The Respondent had been a partner in the firm since 1993 and had resigned on the 31st July 1998 but carried on with the firm following the discovery of financial irregularities on certain client matters of which the Respondent had conduct. He had admitted misuse of clients' funds. He was dismissed from the practice on the 17th September 1998.
4. The firm had two offices, one at Northampton and one at Kettering. Separate books of account were retained in respect of each office. The books of the Kettering office were in compliance with the Solicitors Accounts Rules in all material respects. The books of account in respect of the Northampton office, at which the Respondent practised, were not in compliance with the Solicitors Accounts Rules as they contained numerous false entries made at the instigation of the Respondent.

5. In view of the false entries the MIU Officer had not been able to calculate the firm's total liabilities to clients. He did identify a minimum cash shortage of £590,853.98 as at the 30th September 1998. The cause of the cash shortage was caused entirely by the Respondent's misuse of clients' funds. Between the 24th November 1997 and the 4th September 1998 the client bank account was charged with 17 payments varying in amount between £102.03 to £106,000.00 and totalling £590,853.98 allocated to seven unconnected client ledger accounts. None of the payments related to the affairs of the relevant clients concerned.

6. By way of example the MIU Officer set out transactions relating to Mr and Mrs D:-.

The Respondent acted for Mr and Mrs D in connection with the sale and purchase of property.

The sale was completed on 31st July 1998 and the sale proceeds of £169,500.00 were lodged in client bank account and allocated to the relevant account in the clients' ledger. Thereafter, client bank account was charged with the following three payments and the details entered on the clients' ledger account were as follows:-

	<u>Date</u>	<u>Cheque No</u>	<u>Detail</u>	<u>Amount</u>
(a)	31.07.98	004053	Mr D	£51,000.00
(b)	31.07.98	004054	J G	3,495.63
(c)	03.08.98	(Transfer)	To Executor Account	<u>106,000.00</u> <u>£160,495.63</u>

7. None of these payments related to the affairs of Mr and Mrs D. Examination of other documentation by the MIU Officer, including returned paid cheques, showed that, the true recipients of the monies were as follows:-

	<u>Payment</u>	<u>Payee</u>	<u>Details and purpose</u>
(a)		Barclays Bank	To repay loan account 34315960
(b)		J G	To pay estate agent but relates to bill 0571 (re unconnected client B)
(c)		Barclays Bank	To partially repay loan account 14996763

8. The MIU Officer went on to report upon the misuse of clients' funds by the Respondent replaced prior to 30th September 1998 by the introduction of funds obtained in the form of bank loans which totalled £1,297,548.93.

9. The Respondent had opened several bank loan accounts, the existence of which he had concealed from his partners, and they had been kept outside the firm's books of account. The loan accounts had been opened purportedly on behalf of clients in both the Respondent's name, for instance as an executor, or the firm's name, for instance to "bridge" a conveyancing matter. The loan accounts had been part of a system used by the Respondent to provide funds to replace cash shortages created by previous misuses of clients' money. In turn he then misused the funds advanced by the banks.

10. As at 30th September 1998, six bank loan accounts were maintained and the balances, representing capital sums borrowed and accrued interest, owed to the firm's bankers amounted to £548,602.31. A further eight bank loan accounts which had been repaid prior to 30th September 1998 were identified during the inspection.
11. The five loans advanced in respect of clients H & T respectively were purportedly executor loans to pay the Inheritance Tax liabilities of the relevant estates. No files had been found and no ledger accounts had been opened and the Respondent's partners had to query whether the clients or estate matters actually existed.
12. The MIU Officer noted that the following payments had been charged to the client ledger accounts shown below:-

<u>Date</u>	<u>Payee</u>	<u>Amount</u>	<u>Ledger Charged</u>
06.10.95	Barclays Bank	£5,687.06	D
08.01.96	To Barclays re Hollybush	6,095.72	E I
07.11.97	Nat West Bank sale proceeds	11,000.00	G
19.03.98	Nat West Bank red 1 st draft	54,000.00	E
26.03.98	Barclays Bank red sec chg	13,586.14	R
30.03.98	Barclays - return deposit	10,000.00	DS
14.04.98	Park Woodfine part comp	30,000.00	R
15.04.98	Barclays a/c 80747467	9,000.00	G
29.04.98	Barclays Bank	12,000.00	S
17.05.98	Russels	8,000.00	R
17.05.98	Barclays Bank	2,500.00	F
28.05.98	A J L Jackman balance	3,000.00	PB Ltd
11.06.98	Barclays Bank	7,000.00	E
01.09.98	Barclays Bank	<u>10,000.00</u>	P
		<u>£181,868.86</u>	

13. These payments had been paid into either personal bank accounts of the Respondent or the bank account of PB Ltd, a company owned by the Respondent. The misuse of clients' funds had been concealed by further misuses or the introduction of bank loans.
14. On the 10th May 2002 at the Crown Court at Basildon the Respondent admitted 18 offences of theft and 16 offences of obtaining services by deception. On the 22nd July 2002 the Respondent was sentenced to a term of six years imprisonment.

The Submissions of the Applicant

15. At the time of the disciplinary hearing the Respondent was a serving prisoner.
16. The five allegations contained in the original Rule 4 Statement had been adjourned pending the outcome of the criminal charges made against the Respondent. The Police had investigated the matter and the matters referred to in the MIU Officer's report had been the subject of the charges leading to the Respondent's conviction.

17. The sums stolen by the Respondent totalled some £725,000 and he had arranged loans of £1,193,000 by way of fraudulent misrepresentation. The Respondent's activities represented as bad a case of breach of trust as could be imagined.
18. The Respondent had made admissions in his letter addressed to Mr Cadman dated 15th November 2002. The Respondent had asked the Tribunal to take into account his written mitigation.
19. The Applicant invited the Tribunal to take due note of the sentencing remarks of His Honour Judge Clegg in the Crown Court at Basildon and in particular when he said:-

“all the offences were committed in the period 1994 to the early part of September of 1998, a period of approximately 4 years. They were committed in the course of your employment as a senior solicitor in a firm of solicitors in Northamptonshire...

This is about as bad a case of a breach of trust as one can imagine, particularly as you were held in high esteem in the County, reaching the height of respectability when you were elected president of your local Law Society just before your downfall in early September of 1998....

I have little doubt that you found solace from the unhappiness you felt at work and the unhappiness you felt at home in playing the part of the big man in the county- living it up, flashing money about, buying respectability and popularity- and that may be where a lot of this money has gone. Unattractive, but there it is. Soon the scheme of teeming and lading inevitably had to take place, otherwise your defalcations would have come to light much quicker”.

The Submissions of the Respondent

20. The Respondent made a statement which was before the Tribunal in an undated and unsigned form. It was headed “statement in mitigation”.
21. The Tribunal does not rehearse here the full detail of the statement. It read and gave due weight to the Respondent's written submissions. In summary he set out details of his private life and the history of his practice as a solicitor, leading in due course to his practising in Northampton. He set out details of difficulties which he had encountered during the course of practice and personal and family pressures to which he had been subjected.
22. The Respondent believed that things might have been different if he had taken time to resolve his personal crises. He questioned whether he would have taken the steps he did if he had been in a logical and rational frame of mind. Everything for which the Respondent had worked and striven had been destroyed.
23. The Respondent bitterly regretted the opprobrium he had brought on his fellow lawyers, certain of his partners and the letting down of friends, the betrayal of clients and the hurt and distress he had brought on his wife.

24. The Respondent fully appreciated that it was likely that the ultimate sanction would be imposed upon him. He hoped those dealing with the disciplinary matter would bear in mind the difficulties and pressures to which he had been subject. At the time of making his statement the Respondent anticipated the making of an order following a confiscation hearing at the end of February 2003.

The Findings of the Tribunal

25. The Tribunal found the allegations to have been substantiated. The Respondent had been convicted of a number of serious criminal offences involving dishonesty. The Respondent as a solicitor was charged with the safe keeping and proper stewardship of clients' monies.
26. Clients' monies are always to be regarded as sacrosanct by a solicitor and the Respondent's improper misuse, and indeed theft of those monies represented the most serious breach of trust and a failure to maintain the high standard of probity, integrity and trustworthiness required of a solicitor.
27. The taking of clients' monies by a solicitor will not be tolerated by the profession. In order to protect the public and the good reputation of the solicitors' profession the Tribunal ordered that the Respondent be Struck Off the Roll of Solicitors.
28. In order to save further expense and delay the Tribunal ordered the Respondent to pay the Applicant's costs in a fixed sum.

DATED this 19th day of March 2003
on behalf of the Tribunal

P Kempster
Signed on behalf of the Chairman