

IN THE MATTER OF PETER RODNEY NORTON, solicitor

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

Mr A H Isaacs (in the chair)

Mr J C Chesterton

Lady Bonham-Carter

Date of Hearing: 28th February 2002

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 Andrew Miller solicitor employed by The Law Society at the Office for the Supervision of Solicitors of Victoria Court, 8 Dormer Place, Leamington Spa, Warwickshire, CV32 5AE on 22nd August 2001 that Peter Rodney Norton of Whitehall Park, London, N19 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.

The allegations against the Respondent were that he had been guilty of conduct unbefitting a solicitor in that he had:-

- (i) contrary to Rule 11(5) of the Solicitors Accounts Rules 1991 (or, alternatively, Rule 32(7) of the Solicitors Accounts Rules 1998) failed to effect bank reconciliations of his former firm's accounts not less than once in every five weeks;
- (ii) contrary to Rule 11(1) of the Solicitors Accounts Rules 1991 failed at all times to keep properly written up such accounts as are necessary to show all dealings with client money received (or, alternatively, contrary to Rule 1(g) and/or Rule 32 of the Solicitors Accounts Rules 1998, he failed to keep proper accounting records to show accurately the position with regard to money held for or in relation to clients);

- (iii) contrary to Rule 3 of the Solicitors Accounts Rules 1991 (alternatively Rule 15 and/or Rule 7 of the Solicitors Accounts Rules 1998) paid client monies into office account;
- (iv) contrary to Rules 7 and 8 of the Solicitors Accounts Rules 1991 (or, alternatively, contrary to Rule 22 of the Solicitors Accounts Rules 1998) he drew money from client account other than in accordance with the said Rules; and
- (v) contrary to Regulation 84 of the Civil Legal aid (General Regulations) 1989 failed to promptly submit reports on case in concluded legally aided matters to the relevant Legal Aid authorities.

The application was heard at the Court Room, 3rd Floor, Gate House, 1 Farringdon Street, London EC4M 7NS on 28th February 2002 when Andrew Miller solicitor employed by The Law Society at Victoria Court, 8 Dormer Place, Leamington Spa, Warwickshire, CV32 5AE appeared as the Applicant and the Respondent appeared in person.

The evidence before the Tribunal included the admissions of the Respondent in relation to allegations (ii) and (v) and the admissions with qualifications of the Respondent in relation to allegations (i), (iii) and (iv). The Respondent and Mr Adam Thomsett gave oral evidence.

At the conclusion of the hearing the Tribunal ordered that the respondent Peter Rodney Norton of Whitehall Park, London, N19 solicitor be struck off the Roll of Solicitors and they further ordered him to pay the costs of and incidental to the application and enquiry fixed in the sum of £4,500.

The facts are set out in paragraphs 1 to 58 hereunder: -

1. The Respondent born in 1941 was admitted as a solicitor in 1966. His name remained on the Roll of Solicitors.
2. At all material times the Respondent practised as a sole principal as Norton & Co, solicitors, at 424 High Road, Tottenham, London, N17 9JB.
3. Upon due notice to the Respondent an Investigation & Compliance Officer ("the Officer") of The Law Society carried out an inspection of the Respondent's books of account commencing 26th January 2000. A copy of the Officer's Report dated 5th June 2000 ("the Report ") was before the Tribunal.
4. The Report disclosed a number of accounting irregularities and breaches of the Solicitors Accounts Rules and a minimum shortfall of £50,542.11 upon client account was calculated.
5. On initial inspection on 26th January 2000 the Officer found that the Respondent's books of account were deficient in that the client cash book had not been reconciled to bank statements later than 30th September 1999 and the office cash book had not been reconciled to bank statements later than 30 April 1999. Furthermore 57 receipts into office bank account were found totalling £137,009.70 which had not been allocated to any individual office ledger.

6. The inspection was postponed to allow the Respondent to investigate and was resumed on 13th March 2000. It was then found that the Respondent's client cash book had not been reconciled to bank statements later than 30th November 1999 and the office cash book had not been reconciled to statements later than 31st October 1999. Office receipts totalling £136,694.95 brought forward from 30th April 1999 remained unallocated and a further 24 receipts into office account over the period 1st May 1999 to 31st October 1999 totalling £57,003.40 were unallocated to a particular ledger.
7. As a result of his investigations the Officer prepared a Schedule (Appendix A to his Report) in which were listed unencashed office account cheques issued by the Respondent's firm over the period 30th November 1993 to 30th September 1998, being in respect of client disbursements. The Officer further broke down that Schedule to two further Schedules (Appendices B and C), Appendix C representing cases where client funds had been transferred to office account or lodged directly in office account but the consequent office account cheques had not been presented.
8. Appendix B also represented cases where client funds had been transferred to office account or lodged directly in office account, but in the case of the Appendix B cheques, the resulting office account cheques had not been despatched by the Respondent but were found by the Officer in the Respondent's office safe. In the course of the inspection the originals of the Appendix B cheques went missing. However all but one of those cheques was later found by the Respondent and forwarded to the Office by his letter of 23rd June 2000 together with a further 31 undespatched office account cheques. The one cheque which was found by the Officer in the Respondent's safe and remained missing was the 12th November 1996 cheque for £2,526.25 in respect of Counsel's fees (line 22 of Appendix B). A further Schedule of cheques enclosed with the Respondent's 23rd June 2000 letter was before the Tribunal as were copies of those cheques.
9. In interview with the Officer the Respondent confirmed that the office bank account balance was overstated to the extent of the sums listed in Schedule A.
10. The Officer identified 17 completed Legal Aid cases where the Respondent had received costs from third parties totalling £48,574.16 over the period from 2nd August 1994 until 5th February 1999 but had failed to submit a Report on Case to the Legal Aid Board.
11. Regulation 72 of the Civil Legal Aid (General) Regulations 1989 provided:-

"A solicitor shall forthwith report to the Area Director either:-

upon the completion of the case if he has completed the work authorised by the Certificate or

if, for any reason, he is unable to complete the work."
12. Regulation 83 of those Regulations provided:-

- "(1) Upon receipt by him of a notice of revocation or discharge of a certificate, the retainer of any solicitor and counsel selected by or acting on behalf of the assisted person shall subject to paragraph (2), either forthwith determine or, if an appeal had been brought under Regulation 82(2) which had been dismissed, forthwith determine after receipt by him of a notice of such dismissal."
- (2) If an Area Director revokes or discharges a certificate and proceedings have commenced, the retainer of these solicitors shall not determine until he has sent to the appropriate Court or Registry, and has served, any notice required by Regulation 82."

13. Regulation 84 of those Regulations provided:-

"Upon the determination of a retainer under Regulation 83:-

"The costs of the proceedings to which the certificate related, incurred by or on behalf of the person to whom it was issued, shall, as soon as is practicable after the determination of the retainer, be submitted for taxation or assessment; and

The funds shall remain liable for the payment of any costs so taxed or assessed."

- 14. On 6th July 2000 the Professional Regulation Casework Sub-Committee resolved to intervene into the Respondent's practice and to refer his conduct to this Tribunal. No appeal was made by the Respondent against that decision.
- 15. Copies of correspondence between the OSS and the Respondent in relation to the Report were before the Tribunal.

The Submissions of the Applicant

- 16. The submissions of the Applicant were supported by the oral evidence of Adam Thomsett.
- 17. Mr Thomsett said that he was the Investigating Officer who had carried out the inspection of the Respondent's books of account. Mr Thomsett identified his Report.
- 18. As at the 31st December 1999 the Respondent's office account had been overdrawn by £28,167.16. The Respondent had indicated that his overdraft limit was £35,000. The Respondent's books of account were not in compliance with the Solicitors' Accounts Rules as the clients' cash book although containing entries for October 1999 had not been reconciled to bank statements later than 30th September 1999.
- 19. In addition the office cash book was not written up or reconciled to bank statements later than the 30th April 1999.
- 20. A review of the firm's office bank reconciliation as at 30th April 1999 revealed that 57 receipts into office bank account totalling £137,09.70 had not been allocated to any individual office ledger account within the client's ledger. The reconciliation

statement contained at least 191 cheques totalling £117,433.26 which had not been presented for payment.

21. The Respondent's book keeper had produced the reconciliation statement for April 1999 and Mr Thomsett had taken the figures she produced and presented them in his Report in summary form.
22. Mr Thomsett confirmed that the conversation on 11th February 2000 between himself and the Respondent set out below was accurately recorded in his Report.

"Books of Account"

AT Why are your books in arrears?

PN Recently, things have become particularly bad as Helen (the bookkeeper) has been involved in a court case and as a result things have got in arrears. I am thinking of getting agency staff in to help bring things up-to-date and I have put some feelers out but I haven't currently secured anyone with suitable experience.

Receipts into Office Bank Account

AT It has been noted that there are numerous receipts into office bank account which appear to relate to agreed costs from local Borough Councils. Why have these receipts not been entered in the books of account?

PN Because Helen (the bookkeeper) hasn't had the bill to enter. Also due to pressure of work the fee earners were not presently up-to-date with the raising of bills of costs.

AT Are there any occasions you are aware of where legally aided matters have been completed and where settlement of costs has occurred and where CLA26s or Claim 2s have not been submitted to the Legal Aid Board?

PN There will be matters where we have been paid twice and the Legal Aid Board haven't recouped their funds. I admit that I have not been too prompt in issuing CLA 26s to the Legal Aid Board.

Outstanding Office Bank Account Cheques

AT Are you aware of the amount/value of unpresented cheques shown on the office account reconciliation as at 30th April 1999?

PN Yes

AT Would you be surprised to learn that they total £117,433.26?

- PN Yes – but I think that there are errors when cancelling the original cheque and issuing another.
- AT What would you consider to be the average amount of time it would take between issuing office account cheques and them being presented for payment?
- PN A week to a month.
- AT Would you be surprised to learn that a significant amount of these cheques date back to April 1997?
- PN Not surprised – would be surprised if it was found that they hadn't been replaced.
- AT Would you agree that whilst these funds remain unpaid, office bank account has the benefit of the unpaid amounts and therefore the amount/balance shown on office bank statements would, in fact, be overstated by the value of the unpresented client disbursements?
- PN Definitely”
23. Mr Thomsett said that the Respondent's explanation could have accounted for some of the cheques so Mr Thomsett had given the Respondent an opportunity to look into the matter. Throughout the inspection however Mr Thomsett had been given no evidence that the Respondent's explanation was correct.
24. Mr Thomsett had attended the Respondent's office again on the 21st February 2000 and on the 13th March 2000. The purpose of the postponements was to give the Respondent a chance to review the position.
25. Schedule A represented a selection of cheques which had not been presented. The Respondent suggested to Mr Thomsett that any amount over £100 was unlikely to have been re-issued. Mr Thomsett had therefore only reflected cheques over £100 in the Schedule. The Schedule had been based on Mr Thomsett's examination of the ledger card printout.
26. Schedule A had been further divided into Schedules B and C. The cheques listed in Schedule B had never left the Respondent. They were partly written cheques.
27. Schedule C represented a balance between Schedules A and B.
28. Mr Thomsett had asked the Respondent how long he would expect it to take for the cheques to be presented and he said one week to one month.
29. Mr Thomsett would have expected the cheques to be picked up and this was the purpose of bank reconciliations. It was beyond belief that so many could be outstanding.

30. Reconciliations should move on month by month. There should not be a standard amount carried forward at any time.
31. Copies of the partly written cheques were before the Tribunal. These had been found in the firm's safe. Mr Thomsett had noted them but had not noted the details. The cheques had later been provided by the Respondent and Mr Thomsett had no reason not to believe that these were the same as the ones which he had seen in the safe.
32. Mr Thomsett's opinion was that at the time the Respondent had been severely struggling with his cash flow.
33. Given the volume of unpresented cheques for professional disbursements Mr Thomsett had taken the view that the Respondent was supporting his office account.
34. Mr Thomsett had found a number of instances where reports had not been submitted to the Legal Aid Board as listed in paragraph 30 of his Report. In his letter of 3rd October 2001 the Respondent had said that he could not confirm this and had raised points on three particular matters. During the course of the inspection starting in January 2000 and concluding in April 2000 Mr Thomsett had given the Respondent many opportunities to review the material. The Respondent had not put forward at that time the view that there were any errors in Mr Thomsett's conclusions.
35. In cross-examination Mr Thomsett confirmed that the Respondent's firm was using the Alpha Law system. The reconciliations were being done but were being done in arrears. The last one had been to the 30th September when one should have been done to the end of December.
36. Mr Thomsett could recall no adverse comments in the firm's accountant's report.
37. The bookkeeper had got in arrears with regard to the office account because of the difficulty in getting the information from the fee earners. There may have been office account entries beyond April 1999 but there were not reconciliations. The lists of balances were different from reconciliations.
38. The records did not suggest that the bookkeeper was not prepared to reconcile and print out client account without doing the office account.
39. It was the Respondent's responsibility to make sure reconciliations were done and it was an issue for the Respondent if his staff did not do it.
40. Mr Thomsett had believed that the problems were on the office account. He had not had a great deal of concern with the client account except that the books were slightly in arrears.
41. The bulk of the £137,009.70 had related to costs from other parties.
42. This was a legal aid franchised firm and most clients were certificated. The firm received payments on account from the Legal Aid Board and then received costs from third parties. The Respondent had effectively been paid twice.

43. The correct procedure was either to pay the money directly to the Legal Services Commission or to pay the money into client account and notify the Commission and then to reimburse the office account.
44. Mr Thomsett accepted that there was a constant interplay between the firm and the Legal Aid Board.
45. Mr Thomsett did not recall being told that the firm sometimes paid composite cheques e.g. to surveyors.
46. Mr Thomsett did not consider that the letters produced by the Respondent showed that the payment by way of disbursement due to Dr M in the matter of D had been paid.
47. In relation to the letter from the Land Registry indicating that a property had been registered in relation to which the Report had said stamp duty had not been paid, Mr Thomsett said that occasionally the Land Registry missed the fact that stamp duty had not been paid and registered a title anyway. Furthermore Mr Thomsett had given ample opportunity to the Respondent during the inspection to review Mr Thomsett's preliminary findings. Mr Thomsett would have thought that the Respondent would have looked deeper. The Respondent had only queried that matter today.
48. Mr Thomsett was concerned at the bulk and pattern of unpresented cheques over a period of time.
49. Mr Thomsett did not accept that his Schedules were not correct. At the date of the inspection the Respondent had been given the list and had made no adverse comment.
50. In relation to an item referred to in the Report as Legal Aid Board money which the Respondent said in fact related to the Magistrate's Court and not the Legal Aid Board Mr Thomsett said that the Respondent had been given an opportunity to review the matter at the time. If the Respondent had raised doubts in Mr Thomsett's mind he would have reflected them in the Report. He did not know why the Respondent had not informed him earlier.
51. In re-examination Mr Thomsett said that he had looked at the paying-in book in relation to the unallocated receipts of £137,000. These were mostly related to costs from local Borough Councils. These could either be paid directly to the Legal Aid Board or paid into client account. If they were not legally aided costs then they could be paid into office account provided bills had been rendered.
52. Nothing Mr Thomsett had heard today had changed his views as set out in his Report.
53. Following Mr Thomsett's evidence the Applicant made further submissions.
54. The Applicant submitted that the facts were only in dispute to a limited extent and the facts spoke strongly for themselves.
55. It was accepted that it was notoriously difficult for legal aid practitioners to elicit costs from the Legal Aid Board but the regulation was plain. Solicitors could not exercise a set off against the Legal Aid Board.

- 56. The case had been put on a strong basis namely that there was a systematic support of the office account with funds which had the character of client money.
- 57. If the Tribunal did not accept that, then it was submitted that there was still a substantial failure of stewardship towards the accounts and thus it had not been possible to identify the liabilities to clients.
- 58. The case was at the serious end of the scale of misconduct. The Tribunal was asked to bear in mind the likely public perception of such a case.

The Submissions of the Respondent

- 59. The Respondent submitted two witness statements dated 25th February 2002 and 27th February 2002 and gave oral evidence as follows.
- 60. The Respondent gave the Tribunal details of his professional history. At the time of the matters in question he had been in private practice specialising in housing and community care.
- 61. The Respondent read parts of his statements to the Tribunal with explanatory comments as set out below.

"In regard to the allegation of failing to keep books up-to-date, it is accepted that posting of the accounts had fallen into arrears at the time of the inspection in January 2000. It does not however follow that a print-out of client account was not made every five weeks as alleged. In fact, our practice had always been to print out such reports at the end of each month as soon as postings were complete for that month. I had become increasingly concerned at the delays in posting of client account even before Mr Thomsett started his investigation. One problem, an overpayment to client of £9,400 (subsequently the occasion of a formal complaint to the OSS) had been identified by the time he arrived and was dealt with. I was worried that there may be others. The main delays were in posting office account, not client account where there were a limited number of entries, but my bookkeeper, Ms T, refused to adopt my suggestion of bringing up-to-date and printing out the client account before concentrating on the office account. In the end, in order both to allay my own anxieties and to meet the requirements of Mr Thomsett, I came in one Saturday morning in early March with an assistant, EC, and we posted client account through December and to the end of January. We intended to return the following Saturday to do a print out and then complete the job."

- 62. The Respondent said in evidence that that would have complied with Mr Thomsett's requirement that the client account be brought up-to-date.

"During the week however Ms T on discovering what I had done and without consulting me (either before or afterwards) wiped my work by restoring the previous back-up discs. She claimed she had spoken to Mr Thomsett about this but I do not know if that is true. After that, I felt I had no alternative but to let her proceed in her own way. By the time of the Intervention in July

2000 she had I believe brought the accounts up-to-date to the end of May. I refer to the attached statement of EC."

63. The Respondent said in evidence that he accepted that the accounts had been in arrears but he did not accept the implication that he was cavalier about bringing them up-to-date. He had tried.

"It has of course always been my case that there has been a failure to comply technically with the rules for submission of claim 2s to the Legal Aid Board/Legal Services Commission but that there was no dishonesty in this. There was a concomitant failure to submit 1s – where monies were claimed from the Board, and my justification for not doing the former without at the same time doing the latter was that, at the end of the day, far more money was due to me from the Board than was due from me to them. There was therefore no question of my failing to submit claim 2s in order to support the office account as is alleged. The claim 2s and 1s that had not been submitted would be likely to have been those initially with queries, such as no Counsel's brief, lack of invoices, etc and put aside on that basis or where they had been put aside simply due to pressure of work."

64. The Respondent's office had been extremely busy and under tremendous pressure. The demands of clients had been put before follow-up. This had not been a systematic device but had just been due to other priorities.

"It must be appreciated that we were a specialised housing practice working in Tottenham, statistically one of the most deprived areas in the country and where there was an incredible and constant demand for our services. Much of our work was dealing with emergencies requiring immediate response – injunctions to protect those evicted, judicial reviews of the cases of those who were homeless, work for asylum seekers etc. Even though we were forced to turn away an average of over 40 cases a week, we were still under immense pressure to deal with such problems. It is therefore perhaps not surprising that "follow-up" work, no matter how important, was not always pursued with proper rigour.

Support for my position that the balance of claims was in my favour comes from a comparison between Schedule A and Schedule B now submitted as part of the attached bundle."

65. None of the claims had been made at the time of the intervention. The Respondent had received permission from the OSS to have access to the archived files under supervision and the files had been taken to another firm of solicitors who had given undertakings so that the Respondent could have access at their premises. The Respondent had been going through the files billing where appropriate and chasing up where appropriate.
66. This access had only been possible since March 2001. Prior to that the Respondent had had no access since the files were with the intervention agents in July 2000.

67. Only roughly a third of claims had been processed by the Legal Services Commission who had retained all monies until they knew the true balance of the accounts.

"Schedule A shows the list of claim 1s that so far have either been made or have been identified as needing to be made. The list is not complete and as can be seen some of the claims have not yet been quantified. The total so far is however over £500,000. This can be contrasted with Schedule B showing the outstanding claim 2s that have so far been identified (totalling £74,084.65). The third column lists the claims in Mr Thomsett's Schedule in paragraph 30 of his Report adjusted as set out below. The fourth column lists additional claim 2s that I have identified.

Since the intervention in July 2000 all monies have been held by the LSC pending settlement of matters between us. Despite numerous requests I had however never been supplied with a copy of the BACS statements which would have shown which claims had been processed and a breakdown of moneys held. Eventually, last month, I received a 13 page print out listing just over 100 claims 1s that had been processed (marked with a tick on the attached Schedule A), and 16 claim 2s (aside from those in Schedule B) i.e. about a third of the total in each case. The print-out shows that there is currently a net credit balance in my favour of £157,161.34 which is held by the LSC."

68. The Respondent's failure to deal with these matters was not a systematic attempt to prop up his office account.
69. The Regulation was clear and the Respondent's point was therefore one of mitigation and to emphasise that it was not a case of the Respondent "hanging on" to money to which he was not entitled. The net balance would have been substantially in his favour. In his 25th February witness statement the Respondent provided detailed comments on specific matters referred to in the Investigation Accountants report. He also made the following submissions:-

- [R] - I have so far been unable to trace any payments at all on account in this matter – monies paid on account appear in fact to have been recouped.
- [J] - the Payment made on 16th October 1998 is in fact in payment of costs of a Magistrates Court (Environmental Protection Act claim) and therefore has nothing to do with any payment made under a Legal Aid Certificate (see attached letter)."

"The failure to account to the LAB/LSC to which objection is taken, needs to be put in the context of substantial delays over many years by the Board in paying legal aid practitioners the moneys properly due to them. I think the longest I ever waited to be paid (over £4,000) was 14 months (because the file "could not be found") but delays of the order of 3 to 6 months were common. Indeed, it was not unknown for a claim to sit with the Board for up to that period and then be returned for correction of some minor error after which it would go to the back of the queue. The courts were little better and it was a truism amongst legal aid practitioners that there was never any point in objecting to a provisional taxation as the delay which would ensue before an

appointment could be made would outway any additional sums that might in the end be awarded.

“Many practitioners have in consequence abandoned legal aid or closed altogether and after the report of one such firm in January 1996, I wrote to The Law Society Guardian a letter which was published. My hope in the last sentence that The Law Society would address the problem has not been realised and the contrast between the demand that practitioners should promptly pay the LSC and The Law Society's indifference to the delays in paying practitioners could be considered as evidence of double standards. The recent survey (The Law Society Gazette (10/1/02) confirms the extent of disillusion amongst legal aid firms.

“I would also respectfully suggest that the implication that the LSC should be treated as a client is false – there is a qualitative and quantitative difference between the two. To a large Legal Aid practice such as ours, the LSC is in effect our funding body. There is a constant flow of money in both directions by payments, recoupments etc. The net inflow of monies to us was in the region of £25,000 to £40,000 per month (between £300,000 and £500,000 per year.

“Nevertheless I accept that a number of conveyancing files had been put away, it being overlooked that stamping and registration had not been completed and that the cheques relating thereto should have been written back.

“I have spent over 25 years in the social Welfare field having initially being the first solicitor at Tottenham Law Centre in 1975 and in private practice since 1982. My firm had acquired a franchise in housing and family in early 2000 with glowing reports about the quality of our work. We had a high reputation. I enclose a letter from Bridget Greeves in this connection.

“Ironically, had the intervention not happened, it would have been my intention in any event to hand over the practice and withdraw from full time work in early 2001 when my wife proposed to take early retirement from her work and I reached the age of 60. I would however still wish to be involved in part-time or temporary work in the law in order to maintain my interest and hopefully to apply my expertise and I hope that consideration can be given to that wish in the Tribunal's determinations”.

The Respondent read his second witness statement dated 27th February 2002.

- 70. In cross-examination the Respondent said that his overdraft on the office account had been secured by a mortgage so could be increased.
- 71. The Respondent said he had made some attempt to satisfy Mr Thomsett that replacement cheques existed but some of the files had been closed and the firm had been very busy.

72. The Respondent did not know why the Schedule B cheques had been filled out only as to the amount. He said that the counterfoils had been filled in but the cheques had been put aside and left. The amounts were written in his handwriting.
73. He said that normally he would fill in all of the details of the cheque before detaching it.
74. He accepted that anyone looking at the counterfoils which would be part of the accounting records would think that the cheques had been despatched.
75. The Respondent denied that this was related to any attempt to support his office account. His office account was much better than it appeared if claims had been made to and paid by the Legal Aid Board.
76. The Respondent denied that he had engaged in a deliberate course of conduct to put money for disbursements into his office account and then not pay them. If all money recoupable by the Legal Aid Board had gone through, the bank would have supported the Respondent. The bank had an unlimited charge up to £500,000 based on the equity in the Respondent's house.
77. The Respondent had not asked the bank for an increase in the office account overdraft as he was trying to operate on a fairly tight reign.
78. Following the Respondent's oral evidence he made the following further submissions.
79. The Respondent accepted that there had been a failure to view matters in time but his financial position had been much better than suggested by the Applicant. The claims which he should have made would have been in excess of the recoupment.
80. The Respondent had suffered a substantial financial loss.
81. The Respondent was not seeking to practise as a principal but would like to do part-time work in the future.
82. The Applicant had said that this matter was at the serious end of the scale. The Respondent disagreed with this view. This was not a matter of taking client money out of clients' pockets. This was a matter of Legal Aid money in which there had been a failure to deal with reporting on both sides of the coin. It had not been an attempt to benefit from money wrongfully retained.
83. The Respondent asked the Tribunal to look at the whole picture.
84. The Respondent was invited by the Tribunal to clarify whether he admitted any of the allegations.
85. In relation to allegation (i) the Respondent said that bank reconciliations were done regularly but he accepted that they were more than five weeks behind.
86. The Respondent admitted allegation (ii). Postings had not been made on the office account.

87. The Respondent considered in relation to allegation (iii) that monies had been legitimately paid into office account but accepted that they should then have been put back into client account. The Respondent considered in relation to allegation (iv) that the money had not been drawn out of client account wrongly, rather that the money in office account should then have been paid out. He accepted that the monies had subsequently regained the character of client money and admitted allegation (iv) subject to that qualification.

The Findings of the Tribunal

The Tribunal found all the allegations to have been substantiated indeed they had been admitted by the Respondent subject to qualifications.

At a hearing on 24th March 1998 the following allegations were substantiated against the Respondent and another:-

- (i) on diverse days between 15th May 1986 and 9th September 1986 misappropriated or caused or permitted the misappropriation of clients money;
- (ii) contrary to the provisions of Rules 7 and 8 of the Solicitors Accounts Rules 1975 withdrew from clients account money not authorised to be so withdrawn and utilised the same for their own purposes and/or for the purposes of other clients not entitled thereto;
- (iii) permitted to appear on their professional stationery the name of a person other than a solicitor who holds a current Practising Certificate, contrary to the Solicitors Practice Rules 1967;
- (iv) that the Respondents had been guilty of conduct unbefitting a solicitor.

The Tribunal on that occasion took the view that the Respondents were not guilty of any moral turpitude but had relied heavily upon a book keeper who was well known to them but who did not as it turned out have the ability to deal properly with solicitors' accounts. They were also misled to a considerable extent by another person who had appeared very plausible and was, it transpired, a man of considerable dishonesty. The Respondents had already suffered substantial financial loss and for those reasons the Tribunal adopted a lenient view and commended the Respondents for their frankness in dealing with the problems which had arisen in their practice.

The Tribunal imposed a fine of £250 together with costs upon each Respondent.

At the hearing on 28th February 2002 the Tribunal had considered very carefully the Respondent's explanations for what had occurred but the Tribunal found it impossible to understand how what had happened here could have been the action of an honest and competent solicitor.

The Tribunal had considered the Respondent's conduct in the light of the case of Royal Brunei Airlines v Tan and had been driven to the conclusion that the Respondent had been guilty of dishonesty as defined in that case.

This had not been an isolated incident but a systematic course of conduct in relation both to unpaid disbursements, including those represented by the partially completed cheques for which no adequate explanation had been given, and also in relation to failure to report to the Legal Aid Board. No honest solicitor would write out cheque stubs and then tear off and retain the partially written cheques. Further, the Tribunal noted that some disbursements had remained unpaid for years.

Dishonesty had been proved against the Respondent and the appropriate penalty was the ultimate sanction. The Tribunal therefore ordered that the Respondent Peter Rodney Norton of Whitehall Park, London, N19 solicitor be struck off the Roll of Solicitors and they further ordered that he do pay the costs of and incidental to the application and enquiry fixed in the sum of £4,500.

DATED this 22nd day of May 2002

on behalf of the Tribunal

A H Isaacs
Chairman