

IN THE MATTER OF PAUL JAMES ROWLANDS, solicitor

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

Mr A G Ground (in the chair)
Mr L N Gilford
Lady Maxwell-Hyslop

Date of Hearing: 30th May 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 by Iain George Miller solicitor and partner of Wright Son & Pepper, 9 Grays Inn Square, London, WC1R 5JS on 19th February 2002 that Paul James Rowlands of Eastern Green, Coventry (now of Fenwick Street, Liverpool) solicitor 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:-

1. That he had been guilty of conduct unbecoming a solicitor in that between 3rd June 1997 and 10th June 1998 he dishonestly misappropriated £2,565 from his then employer Thomas Saul & Co;
2. That he had been guilty of conduct unbecoming a solicitor in that between December 1998 and 5th July 2001 he dishonestly misappropriated £16,762.64 from Keith Bright solicitors, a firm in respect of which he was a partner.

The application was heard at the Court Room, 3rd Floor, Gate House, 1 Farringdon Street, London EC4M 7NS on 30th May 2002 when Iain George Miller solicitor and partner of

Wright Son & Pepper, 9 Grays Inn Square, London, WC1R 5JS appeared as the Applicant and the Respondent did not appear and was not represented.

The evidence before the Tribunal included the admissions of the Respondent confirmed in a letter dated 28th May 2002 from his solicitors to the Tribunal.

At the conclusion of the hearing the Tribunal ordered that the Respondent Paul James Rowlands of Fenwick Street, Liverpool (formerly of Eastern Green, Coventry), 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 £1,292.50.

The facts are set out in paragraphs 1 to 23 hereunder: -

1. The Respondent, born in 1966, was admitted as a solicitor in 1992 and his name remained on the Roll of Solicitors.
2. Between January 1996 and June 1998 the Respondent practised as an assistant solicitor at Thomas Saul & Co in Manchester. A Report of the Monitoring & Investigation Unit dated 20th July 2001, a copy of which was before the Tribunal, set out the following facts which were admitted in a letter from Nelson solicitors on behalf of the Respondent to the OSS dated 20th August 2001.
3. The accountancy records of Thomas Saul & Co disclosed that between 3rd June 1997 and 10th June 1998, twelve office account cheques varying in amounts between £35 and £625 and totalling £2,565 had been drawn in purported settlement of professional disbursements of Thomas Saul & Co.
4. However a comparison of these accounting records with the office account cheques disclosed that in reality the cheques had been drawn in favour of P Rowlands, P J Rowlands or S Rowlands (the Respondent's wife).
5. The Report set out the following two transactions by way of an example.
6. The Respondent acted for Mr H in connection with a personal injury claim. During the course of the matter a medical report was prepared by Professor VW. He invoiced the firm £350 in respect of his fees.
7. On 27th July 1998 the office column of Mr H's ledger was debited with a payment of £350 to "Professor VW – Medical Report." In the firm's papers there was a photocopy of both a compliment slip and office account cheque dated 27th January 1998. However a review of the paid cheque revealed that it had been drawn in favour of P. Rowlands.
8. At a meeting with the OSS's investigator (Mr Parmar) on 5th July 2001 the Respondent admitted that he had the benefit of the cheque and had photocopied the blank signed office cheque, inserted Professor W's name on the copy and had the re-copied it and left this copy on the file. This had been done to disguise the misappropriation of funds.

9. The Respondent acted for Mrs D who was seeking compensation for personal injuries sustained in two separate road traffic accidents. Different defendant insurance companies were involved in respect of each accident and the firm maintained separate files and ledgers for each matter.
10. Mr B, a consultant trauma surgeon was instructed to prepare medical reports on the injuries sustained by the client in respect of both accidents. On 17th December 1996, Mr B wrote to the firm as follows "my fee for the enclosed two reports on the above named patient is £130."
11. When the client's claims were settled by each of the two separate insurance companies with the payment of compensation, the Respondent sought to recover the firm's legal costs. The Respondent wrote to one of the insurance companies on 16th April and the other on 4th June 1997 with the relevant details. In each case a sum of £130 for the medical report was claimed and received from each of the insurance companies.
12. Upon a review of the client's ledgers, Mr Parmar observed that the office account of each ledger had been debited with a payment of £130 to "Mr B-Medical Report" and further, that these entries matched the details on the relevant cheque book stubs. When Mr Parmar compared these details with the paid office account cheques, he observed that whilst one had been drawn in favour of Mr B, the other was in favour of "P.J. Rowlands."
13. Mr Parmar further noted that on 3rd June 1997 the Respondent had written to Mr B purporting to enclose a cheque for £130.
14. At a meeting held on 5th July 2001, the Respondent admitted to Mr Parmar that the cheque stubs and the details on the cheques were in his handwriting.
15. The Respondent went on to explain that the original letter of 3rd June 1997 to Mr B had probably been put in "the bin" and that the copy on the file had been retained to "cover up" the fact that the cheque was payable to himself.
16. Mr Parmar noted that the Respondent had written on 4th June 1997 to one of the insurance companies claiming for the cost of the medical report when it had already been claimed from, and paid by, the other insurance company. Mr Parmar asked whether the letter of 4th June 1997 had been written in the knowledge that a further sum of £130 would be forthcoming and the Respondent replied "Yes, hoped it would be."
17. In the letter from Nelson solicitors of 20th August 2002 it was accepted that the Respondent's actions were fraudulent and dishonest.
18. Between December 1998 and 6th July 2001 the Respondent was a partner in Keith Bright solicitors. A copy of the Monitoring & Investigation Unit Report dated 28th September 2001 which followed an inspection of the books of account of that firm was before the Tribunal.
19. The Report described the circumstances of the misappropriations from Keith Bright solicitors by the Respondent.

20. Appended to the Report was a schedule signed by the Respondent as an accurate record of misappropriated funds.
21. The manner by which money was taken was similar to misappropriations by the Respondent from Thomas Saul & Co.
22. During the inspection the Respondent admitted to Mr Parmar the Investigation Accountant that he had misappropriated funds totalling £16,762.64 from the firm. He said that he had under the pretence of settling professional and other disbursements from office bank account drawn office account cheques in favour of either himself or his wife.
23. The Respondent said to Mr Parmar that he had taken the money because of financial problems and that neither his wife nor Mr Bright were aware of his actions.

The Submissions of the Applicant

24. The allegations had been admitted by the Respondent.
25. There had been eleven incidences of misappropriation from Thomas Saul & Co and 78 instances of misappropriation of funds from Keith Bright solicitors.
26. This meant that the Respondent had been guilty of 89 separate acts of misappropriation over a four year period.
27. This was a case of obvious dishonesty over a long period.

The Submissions of the Respondent

28. The submissions of the Respondent were contained in the letter dated 28th May 2002 to the Tribunal from his solicitors Messrs Nelsons of Pennine House, 8 Stanford Street, Nottingham, NG1 7BQ.
29. The letter stated as follows:-

"We have been instructed to write to you on behalf of Mr Rowlands who requests that the case proceed in his absence. He wishes us to stress that no discourtesy is intended towards the Tribunal by his failure to attend but the costs and losses associated with him appearing would exacerbate an already difficult financial position.

It has already been indicated that he admits the allegations contained in the applicant's statement of facts. He realises and accepts that the Tribunal's starting point will be to order that his name be struck off the Roll. However he would ask you to take into account the following matters in the hope that you would consider imposing a suspension as an alternative to a striking off.

In April 1997 both Mr Rowlands and his wife were taken into hospital suffering from pneumonia. At that time Mrs Rowlands was pregnant with

their second child who was subsequently born on 1st October 1997. As a result of her illness Mrs Rowlands, who is a nurse, was unable to work again until after the completion of her maternity leave which was a major financial setback for the family and Mr Rowlands, under considerable pressure from his then employers Messrs Thomas Saul, resumed working initially at home and subsequently at the firm's office against medical advice from his General Practitioner.

During this period and despite his return to work, the financial difficulties faced by the family mounted and they fell into debt. At the same time Thomas Saul left blank signed office cheques in the office and Mr Rowlands succumbed to the temptation to misappropriate funds intending at the time to make repayment. All the funds that have been misappropriated in this way have since been repaid in full. At the time that money was taken a record was maintained by Mr Rowlands of what had been removed with a view to its ultimate reimbursement.

In order to improve his position financially Mr Rowlands commenced a search for alternative employment and subsequently took the position with Keith Bright. This still left him struggling and the difficulties became worse when Mrs Rowlands became pregnant for the third time. He then embarked upon a similar deception again keeping a record of the amounts taken which sums have since been repaid.

When the OSS investigation commenced, Mr Rowlands immediately admitted his wrong doings and provided the OSS with a list of the cheques and matters to which they related, as well as offering his full cooperation. At that time he had not made reimbursement to the solicitors concerned, but has since taken steps to do so, and all monies have been repaid.

He regrets his actions primarily because of the hurt, pain and upheaval that has been caused to so many people. The relationship between Mr and Mrs Rowlands has suffered as a result of his actions and he is currently separated from her.

Whilst he anticipates that the Tribunal will impose the maximum sanction, he clearly has a belief that in the future he could serve both the legal profession and the public in his capacity as a solicitor. He observes that this has been the most humbling experience of his life, one consequence of which is that he will never again be tempted to be involved in any misconduct whether criminal or professional.

Mr Rowlands, who has provided the detail of this mitigation, is realistic about the likely outcome of the proceedings and any future prospect of employment. However, he wishes the Tribunal to be aware of his remorse and the fact that he had done all within his power to effect restitution and to minimise the effects of his wrongdoings."

The Findings of the Tribunal

30. The Tribunal found the allegations to have been substantiated indeed they were not contested. This was an obvious case of admitted dishonesty which the Respondent had carried out at two separate firms on many occasions over a long period. The Tribunal noted the submissions put forward on behalf of the Respondent in the letter of 28th May 2002 but did not consider that the submissions contained any mitigation which would persuade the Tribunal to draw back from the ultimate sanction. The highest standards of honesty and integrity were rightfully expected of solicitors. The Respondent in a period of personal financial difficulty had dishonestly misappropriated funds. This was so far below the standards expected of a member of the profession that the Respondent could not be allowed to continue in practice. The Tribunal ordered that the Respondent Paul James Rowlands of Fenwick Street, Liverpool (formerly of EasternGreen, Coventry), 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 £1,292.50.

DATED this 22nd day of August 2002

on behalf of the Tribunal

A G Ground
Chairman