

IN THE MATTER OF PHILIP ARTHUR HULME, solicitor

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

Mrs E Stanley (in the chair)
Mr S N Jones
Mr M G Taylor CBE

Date of Hearing: 28th 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 ("OSS") by David Elwyn Barton solicitor and partner in the firm of Whitehead Monckton of Monckton House, 72 King Street, Maidstone, Kent, ME14 1BL on 4th March 2002 that Philip Arthur Hulme of Clotton, Tarporley, Cheshire, 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 as follows:-

- (a) that he dishonestly utilised clients' money for his own purposes;
- (b) that he acted in breach of the Solicitors' Accounts Rules 1991 in that contrary to the provisions of Rules 7 and 8 of the said Rules (Rule 22 of the Solicitors' Accounts Rules 1998) he drew from clients' account monies other than in accordance with the said Rules and utilised the same for his own benefit;
- (c) that he had been guilty of conduct unbefitting a solicitor.

The application was heard at the Court Room, 3rd Floor, Gate House, 1 Farringdon Street, London EC4M 7NS on 28th May 2002 when David Elwyn Barton solicitor and partner in the firm of Whitehead Monckton of Monckton House, 72 King Street, Maidstone, Kent, ME14 1BL 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 contained in a letter from his solicitors Messrs Haworth & Gallagher dated 17th May 2002.

At the conclusion of the hearing the Tribunal ordered that the Respondent Philip Arthur Hulme of Clotton, Tarporley, Cheshire, 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 £10,593.78.

The facts are set out in paragraphs 1 to 15 hereunder: -

1. The Respondent born in 1948 was admitted as a solicitor in 1972 and his name remained on the Roll of Solicitors. At all material times the Respondent was carrying on practice under the style of Hulme & Co of Avenue Buildings, High Street, Tarporley, Cheshire, CW6 OAY. He had practised alone from about 1980.
2. A copy of a Report of the Monitoring & Investigation Unit dated 31st May 2001 was before the Tribunal. The Report was prepared following an inspection of the Respondent's books of account and other documents commencing in March 2001 and carried out by a Senior Investigation & Compliance Officer ("the Officer").
3. The Officer commenced his inspection of the Respondent's books of account on 19th March 2001, declining the Respondent's request to postpone it because he said he was upgrading the computer system. The books were not in compliance with the Solicitors' Accounts Rules and the Officer calculated that a minimum cash shortage of £291,305.88 existed as at 28th February 2001.
4. The Officer computed part of the minimum cash shortage as being attributable to personal payments. Although the Respondent at first insisted that the payments had been made on the instructions of clients, he later admitted that the withdrawals were made for his personal benefit.
5. The Officer identified a number of cash payments totalling £14,070.
6. In discussion with the Officer the Respondent said:-

"I have taken [cash]. Instead of putting a bill through I have taken cash on occasions. I had a look through the cheques. I don't recognise the £6,000 but I believe they were cash payments to myself."
7. The Respondent told the Officer that a payment from client bank account of £1,000 on 6th October 1999 on the client ledger account of C deceased was a cheque payable to the Respondent's ex-wife and that it should not have been charged to that client ledger account.

8. The Officer computed that £185,687.95 had been transferred from client account to office account without bills either having been raised or delivered to clients. Two such matters were exemplified in the Report.
9. The Report identified receipts posted but not received in the sum of £8,048.23. The Respondent had not explained what had happened to that sum.
10. The Report identified payments totalling £274,998.52 made to an account with the Leek United Building Society in the name of P Hulme as trustee for AW deceased. The payments were charged to four different client matters but were paid into the same building society account.
11. The Report described uncorroborated payments from client ledgers totalling £149,939.80.
12. In relation to one of the payments in the sum of £24,216.78 the Respondent gave an explanation to the Officer in which he said that he had received a loan from a client.
13. In a later discussion the Respondent said that that explanation was wrong and he had not taken a loan from a client.
14. On 6th June 2001 it was resolved to intervene into the practice of the Respondent and a copy of the Resolution was before the Tribunal.
15. On 19th June 2001 the OSS wrote to the Respondent requesting his explanation of the matters in the Report but the Respondent did not reply.

The Submissions of the Applicant

16. The Applicant had received a letter from Messrs Haworth & Gallagher, the Respondent's solicitors, through whom the allegations and facts had been admitted by the Respondent.
17. The letter said that the solicitors were not instructed to attend and that no discourtesy to the Tribunal was intended. They further said that their client had been sentenced to a term of imprisonment of three years at Warrington Crown Court on 3rd May 2002.
18. The Tribunal was asked to note the copy of the Certificate of Conviction which was before the Tribunal. The Respondent had admitted the theft of £650,000 from client account.

The Findings of the Tribunal

19. The Tribunal found the allegations to have been substantiated indeed they were not contested. The Tribunal noted from the sentencing remarks of His Honour Judge Hale that the Respondent had faced up to what he had done and that his behaviour in this respect had been exemplary and highly unusual. Nevertheless allegations of the most serious kind had been substantiated against the Respondent and had been admitted by him. Dishonesty involving clients' funds struck at the heart of public confidence in the profession. The Respondent, through the letter from his solicitors,

had accepted that he could not remain as a solicitor. The Tribunal ordered that the Respondent Philip Arthur Hulme of Clotton, Tarporley, Cheshire, solicitor be struck off the Roll of Solicitors and they further ordered him to pay the costs of and incidental to this application and enquiry fixed in the sum of £10,593.78.

DATED this 4th day of September 2002

on behalf of the Tribunal

Mrs E Stanley
Chairman