

IN THE MATTER OF CHRISTOPHER JOHN WOOD, solicitor

- AND -

IN THE MATTER OF THE SOLICITORS' ACT 1974

Mr J P Davies (in the chair)
Mr S N Jones
Lady Bonham Carter

Date of Hearing: 13th March 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 Stuart Roger Turner solicitor of Lonsdales Solicitors, 342 Lytham Road, Blackpool, Lancashire, FY4 1DW on 21st October 2002 that Christopher John Wood of Palmerston Road, Wood Green, London, N22 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 that he had been guilty of conduct unbecoming a solicitor in each or all of the following circumstances:-

- (i) he had been deceitful and/or misleading in the course of a business transaction;
- (ii) he had failed to honour an undertaking;
- (iii) he had failed to comply with a Court Order;
- (iv) he had failed to deal promptly or at all with correspondence from the OSS;
- (v) he had failed to comply with the Solicitors' Indemnity Insurance Rules 2000 by failing to provide information to the Assigned Risks Pool Manager;
- (vi) he had failed to reply to correspondence from the Assigned Risks Pool Manager.

The application was heard at the Court Room, 3rd Floor, Gate House, 1 Farringdon Street, London EC4M 7NS on 13th March 2003 when Stuart Roger Turner solicitor and partner in the firm of Lonsdales Solicitors, 342 Lytham Road, Blackpool, Lancashire, FY4 1DW 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 to allegations (ii) to (vi).

At the conclusion of the hearing the Tribunal ordered that the Respondent Christopher John Wood of Palmerston Road, Wood Green, London, N22 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 £2,754.95.

The facts are set out in paragraphs 1 to 18 hereunder: -

1. The Respondent, born in 1958, was admitted as a solicitor in 1983.
2. At all material times the solicitor practised as a sole principal of Wood & Co, solicitors at 85A Green Lanes, London, N13 4TD.
3. On 23rd April 1999 WH Limited caused a statutory demand to be served on Mr and Mrs C in respect of liquidated debts totalling £616,377.56. By a letter dated 6th May 1999 the Respondent informed WH Limited that his firm had been instructed by Mr and Mrs C in connection with the sale of a property at a price of £2,000,000 and that contracts had been exchanged with completion to take place on 23rd July 1999. The letter further stated:-

"We have been requested to let you have an undertaking that we will pay to you the sum of four hundred and fifty thousand pounds upon completion, out of the net proceeds of sale."

4. B & McK, solicitors for WH Limited faxed a letter on 7th May 1999 to the Respondent stating that their client had been informed that the Respondent was holding a deposit of £470,000 in client account from the purchaser of the property. They asked the Respondent for an unequivocal written undertaking that the sum of £450,000 would be paid to WH Limited either from the proceeds of sale or, failing the completion of the transaction, out of the deposit of £470,000 pounds held in the Respondent's client account. WH Limited's solicitors stated that if the undertaking was not forthcoming from the Respondent then their client would proceed with the instigation of bankruptcy proceedings against Mr and Mrs. C.
5. On 10th May 1999 the Respondent wrote to WH Limited stating that:-

"We confirm that we are currently holding the sum of £470,000 as stakeholder which was received from the purchaser as a non-refundable deposit in relation to the unconditional sale of the property."

In the same letter the Respondent gave an undertaking to pay WH Limited the sum of £450,000 on the occurrence of either completion of the sale of Mr and Mrs C's

property or the failure of the transaction to complete. The Respondent further undertook to notify WH Limited and their solicitors in writing immediately of the failure or completion of the sale and stated that the payment of £450,000 would be made within seven days thereafter from the monies held by the Respondent in client account.

6. On 22nd July 1999 the Respondent wrote to WH Limited's solicitors to inform them that the completion date had been extended for a period of three months to on or before 23rd October 1999.
7. On 10th September 1999 WH Limited's solicitors wrote two letters to the Respondent the first of which stated that completion did not take place on 23rd July 1999 and as the terms stated in the Respondent's letter of 10th May 1999 had not been complied with by the Respondent they requested the immediate payment of the £450,000. The Respondent responded by letter on the same date maintaining that the undertaking did not come into effect until the transaction either completed or failed to complete. On 18th October 1999 the Respondent again wrote to WH Limited's solicitors informing them that completion would now take place on or before 21st January 2000. On 20th January 2000 WH Limited's solicitors wrote to the Respondent and the Respondent replied on the same date stating that it had been agreed with the buyer's solicitors that the completion date could be extended until on or before 21st February 2000. WH Limited's solicitors wrote on 24th January 2000 stating that the Respondent had failed to comply with the his undertaking and requested payment of the £450,000 within seven days. On February 17th 2000 the Respondent again wrote to WH Limited's solicitors informing them that the date of completion had again been extended this time until on or before 19th May 2000.
8. In a letter dated 22nd September 2000 WH Limited's solicitors wrote to indicate that they understood that the sale transaction had collapsed. They required an immediate explanation as to why the Respondent had failed to comply with his undertaking and confirmation that £450,000 would be transferred to their client immediately.
9. Payment was not forthcoming.
10. On 11th October 2000 WH Limited's solicitors wrote to the Respondent stating that unless the £450,000 was paid within seven days they would take steps to enforce the undertaking through the Court. The Respondent replied on 13th October 2000 stating that he was now seeking independent advice and would be passing the file to a firm of solicitors in London.
11. WH Limited's solicitors instituted proceedings in the High Court for the enforcement of the undertaking against the Respondent and on 16th February 2001 Master Bowman in the High Court of Justice Chancery Division ordered the Respondent to make a payment of £450,000 plus interest and costs.
12. On 21st December 2000 solicitors for the Respondent wrote to the OSS confirming they had been instructed by the Respondent and stating that the Respondent accepted that he was in breach of his undertaking.

13. On 30th July 2001 WH Limited wrote to the OSS informing them that the Respondent had been made bankrupt on 17th July 2001. On 7th August 2001 the Respondent's solicitors wrote to the OSS informing them that the Respondent accepted he was in breach of the undertaking and was unable to challenge the complaint.
14. On 15th May 2002 the Trustee in Bankruptcy wrote to the Applicant and said that it appeared the Respondent had never held the money that was subject to the undertaking.
15. The Respondent's firm, of which he was the sole principal, ceased to trade on 31st October 2000. The Respondent completed and submitted his proposal form to join the Assigned Risks Pool on 29th January 2001. The proposal forms showed gross receipts for the two month period from 1st September 2000 to 31st October 2000.
16. On 1st February 2001 Mr F of Eastgate Insurance Limited wrote to the Respondent requesting the gross fee figure for the latest complete financial year. Without a full annual gross fee figure Eastgate Insurance were unable to calculate the premium due and issue the Respondent with a debit note.
17. No response was received from the Respondent and a further letter was sent to him on 23rd February 2001. The Respondent had to date failed to reply to those letters.
18. On 6th February 2001 and 2nd April 2001 the OSS wrote to the Respondent requesting from him information as to why the Respondent had failed to inform the Assigned Risks Pool Manager of his gross fee figure for 1999-2000 indemnity year. No response was received from the Respondent.

The Submissions of the Applicant

19. The Respondent had admitted the allegations except for allegation (i). In relation to that allegation the Tribunal was referred the Respondent's letter to WH Limited of 6th May 1999 setting out the Respondent's undertaking.
20. On 10th May 1999 the Respondent had told WH Limited by letter that he was holding the sum of £470,000 as stakeholder.
21. The Trustee in bankruptcy in his letter to the Applicant of 15th May 2002 had written:-

"It would appear that he never actually held the £450,000 in his client account."
22. The Respondent's firm had been intervened. No ledger had been found which indicated the position regarding the £450,000.
23. The Tribunal was referred to the Order of the High Court which stated:-

"That on proper construction on the Defendant's undertaking dated 10th May 1999 the sum of £450,00 is due and payable to the Claimant."

24. The Respondent had breached the Court Order by failing to pay.
25. The Respondent appeared, through his solicitor's letter of 21st December 2000, to have reported himself to the OSS.
26. The Applicant made submissions as to costs. He had served a schedule of costs on the Respondent's solicitors on 10th March 2003 which they had acknowledged saying that they would take instructions. Although the Respondent was not present and had not indicated agreement to the costs the Applicant sought to persuade the Tribunal to make an order for fixed costs, a schedule having been served.

The Findings of the Tribunal

27. The Respondent had admitted allegations (ii) to (vi) and having considered the evidence before them the Tribunal found both allegations to have been substantiated.
28. The Respondent had denied allegation (i) through the letter from his solicitors to the Applicant dated 6th November 2002, a copy of which was before the Tribunal. The Tribunal had considered very carefully the evidence in respect of this allegation. The Tribunal was mindful of the high standard of proof required in order to find substantiated an allegation of this nature. The Tribunal noted however that the Respondent through his solicitor's letter of 19th February 2003, a copy of which was before the Tribunal, had admitted the documents annexed to the Applicant's Rule 4 Statement. Those documents included the Respondent's own letter to WH Limited of 10th May 1999 in which he clearly stated that he held the sum of £470,000 as stakeholder received from the purchaser as a non refundable deposit in relation to the unconditional sale of the property. The documents also included the letter of 15th May 2002 from the Trustee in Bankruptcy stating that after a review of the Respondent's accounting records it appeared that the Respondent never actually held £450,000 in his client account. Given the Respondent's acceptance of those documents and in the absence of any other explanation from the Respondent, the Tribunal was satisfied that allegation (i) was substantiated to the high standard of proof required.
29. The Tribunal had found substantiated against the Respondent a number of very serious allegations. He had given a clear undertaking to a third party which he had failed to honour and indeed he had admitted that he was in breach of that undertaking. He had clearly stated that he held in excess of the sum referred to in the undertaking on his client account. The Tribunal had accepted the unchallenged evidence contained in the letter from the Trustee in Bankruptcy that that had not been the case. The Respondent's letter of 10th May 1999 had been deceitful and misleading. The Respondent had also failed to comply with a Court Order, to deal with correspondence or to provide necessary information to the assigned Risks Pool Manager. The Respondent had chosen not to attend the hearing nor to be represented at it. He had put forward no mitigation whatsoever in respect of any of the allegations. The Respondent's misconduct was so serious that in the absence of any mitigation the Tribunal had concluded that in the interests of the public and the reputation of the profession the appropriate Order was to strike the Respondent off the Roll of Solicitors. The Tribunal ordered that the Respondent Christopher John Wood

of Palmerston Road, Wood Green, London, N22 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 £2,754.95.

DATED this 23rd day of April 2003

on behalf of the Tribunal

J P Davies
Chairman