

IN THE MATTER OF JOHN LIONEL REEVES, solicitor

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

Mr A G Ground (in the chair)
Mr J C Chesterton
Ms A Arya

Date of Hearing: 9th November 2004

FINDINGS

of the Solicitors Disciplinary Tribunal
Constituted under the Solicitors Act 1974

An application was duly made on behalf of the Law Society by Iain George Miller solicitor and partner in the firm of Wright, Son & Pepper of 9 Gray's Inn Square, London, WC1R 5JF dated 26th May 2004 that John Lionel Reeves, Ware, Hertfordshire, a solicitor, might be required to answer the allegations contained in the statement that accompanied the application and that such order might be made as the Tribunal should think right.

On 5th August 2004 the Applicant, Mr Miller, made a supplementary statement containing further allegations.

The allegations below are those set out in the original and supplementary statements.

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

- (1) In connection with a complaint made on behalf of a Mrs W he failed to comply with a decision of the Adjudication Panel of the OSS dated 30th April 2002 pursuant to Schedule 1A of the Solicitors Act 1974 ("the Act");

- (2) He failed to comply with an undertaking provided to the Tribunal at a hearing on 29th July 2003 in respect of the complaint at (1) above;
- (3) In connection with the administration of the estate of JDP he failed to supply adequate costs information at the outset of the matter or at all and/or failed to supply to his client information including information relating to the handling of complaints.;
- (4) He failed to comply with an Order of the Warrington District Registry dated 9th April 2002;
- (5) He failed to deal promptly and substantively with correspondence from the Office for the Supervision of Solicitors and/or the Law Society;
- (6) He failed to comply with a decision of an Adjudicator of the Law Society dated 15th May 2003 pursuant to Schedule 1A of the Act in connection with a complaint made by a Mrs B on behalf of her and her sister, Mrs T and an Order was sought from the Tribunal in connection with such directions pursuant to paragraph 5(2) of Schedule 1A to the Act;
- (7) He failed to comply with an undertaking given by his firm to the Royal Bank of Scotland on 28th March 1995;
- (8) He failed to comply with a decision of an Adjudicator of the Law Society dated 30th January 2004 pursuant to Schedule 1A of the Act in connection with a complaint made on behalf of a Mrs W and an Order was sought from the Tribunal in connection with such directions pursuant to paragraph 5(2) of Schedule 1A to the Act.
- (9) In relation to the complaint made by Mrs W he failed to follow his client's express instructions;
- (10) He misled his client, Mr B, as to whether a notice had been served upon Mr B's landlord;
- (11) When a dispute arose between the Respondent and Mr B, he failed to inform Mr B that he should take independent legal advice;
- (12) He failed to deal promptly with communications from Mr B and his new solicitors;
- (13) He failed to comply with the decision of the Adjudication Panel of the Law Society dated 21st April 2004 pursuant to Schedule 1A of the Solicitors Act 1974 in connection with a complaint made by Mr B and an order is sought from the Tribunal in connection with such decision pursuant to paragraph 5(2) of Schedule 1A to the Act.

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

The evidence before the Tribunal included a letter addressed by the Respondent to the Tribunal dated and received by fax on 8th November 2004 the contents of which are set out

below under the heading “The Submissions of the Respondent”. In that letter the Respondent said he could not deny the allegations which the Tribunal accepted as an admission of the allegations.

At the conclusion of the hearing the Tribunal made the following Orders:-

The Tribunal orders that the Respondent, John Lionel Reeves of Ware, Hertfordshire, solicitor, be struck off the Roll of Solicitors and they further Order that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £1,750 inclusive.

The Tribunal orders that the following Directions made by the Law Society be treated for the purposes of enforcement as if they are Orders of the High Court:-

1. Direction of the Law Society dated 30th April 2002 made in respect of Mrs W;
2. Direction of the Law Society dated 15th May 2003 made in respect of Mrs B and Mrs T;
3. Direction of the Law Society dated 30th January 2004 made in respect of Mrs W;
4. Direction of the Law Society dated 21st April 2004 made in respect of Mr. B;

The facts are set out in paragraphs 1 to 21 hereunder:-

1. The Respondent, born in 1950, was admitted as a solicitor in 1976. His name remained on the Roll of Solicitors. Since 1998 the Respondent had been a sole principal at the firm of HB Godbold & Company, having previously practised in partnership with Mr Godbold.

Allegations (1) and (2)

2. On 30th April 2002 the Compliance Board of the Law Society made the following directions:-

“The Panel directed that the firm pay £1,000 compensation to Mrs W and reimburse the sum of £124.33 which she incurred in instructing Messrs Stones.

The Panel further direct shall obtain the Deposit Interest Certificate within 28 days hereof and then pay forthwith to the estate the amount of interest thereby calculated.

The Panel further directed that H B Godbold & Co shall co-operate with Messrs Stones to resolved all of the outstanding matters in relation to the Income Tax payable on this estate and to indemnify the estate against all penalties of interest arising out of the same.”

The Respondent had not complied.

3. On 29th July 2003 the Respondent appeared before the Tribunal in connection with a previous set of proceedings which included an allegation relating to his failure to pay an award made in respect of Mrs W prior to that hearing. Immediately prior to the commencement of the hearing the Respondent indicated that he believed he had paid the award which was the subject of one of the allegations brought in these proceedings. In the time available it was not possible to confirm whether the Respondent's assertion was correct and the matter was dealt with by way of an undertaking given on the Respondent's behalf (and in the Respondent's presence) to the Tribunal that if the award had not been paid he would discharge it.

Allegation (3)

4. The Respondent had conduct of a matter relating to the estate of JDP, deceased, who died on 6th July 2000, intestate, leaving two daughters, Mrs B and Mrs T. They became administratrixes of the estate. In February 2002, Mrs B and Mrs T referred this matter to the Law Society. The Respondent's file was obtained pursuant to Section 44B of the Act. It contained no reference to any costs information or hourly rates chargeable in connection with the administration of the estate. Client care information and complaints handling information was not provided by the Respondent.

Allegation (4)

5. During the administration of the estate of JDP Mrs B and Mrs T instructed new solicitors, Messrs Forshaws. Forshaws wrote to the Respondent on a number of occasions requesting the file. The Respondent did not comply with these requests. Forshaws had to seek a Court Order requiring delivery up of the file. The Court Order required the Respondent to deliver up the file by Thursday, 11th April 2002 and to pay costs assessed at £1,500. On 18th April 2002 the file was released to Forshaws together with £95,000 held on account. The costs Order remained outstanding.

Allegation (5)

6. The Tribunal had before it details of a large number of letters addressed to the Respondent by the Law Society to which he did not respond.

Allegation (6)

7. On 15th May 2003 the Law Society made the following directions:-

“Formal Directions

I therefore direct H B Godbold to pay compensation to Mrs B and Mrs T in the sum of £1,000 and for the avoidance of doubt I direct that £500 shall be paid to each of them.

I further direct H B Godbold to reimburse Mrs B and Mrs T in the sum of £528.75 in respect of fees paid to their new solicitors.”

Allegation (7)

8. H B Godbold & Co acted for HC, a customer of National Westminster Bank (the Bank) in connection with the remortgage of property at Redbridge, Essex. On 15th March 1995 the Bank wrote to HB Godbold & Co asking whether the firm would act on behalf of the Bank in the remortgage and enclosing the Bank's usual form of undertaking.
9. On 29th March 1995, HB Godbold & Co wrote to the bank stating "We confirm we shall be pleased to act on your behalf in accordance with your requirements and enclose your form of undertaking as agreed." The undertaking dated 28th March 1995 stated:-

"I/We undertake ... after the property has been remortgaged by my/our client and all necessary stamping and registration has been completed, to send the documents of title to you, and in the meantime to hold them to your order."

10. Completion took place on 31st March 1995. On 4th April 1995 the firm sent the executed mortgage deed to the bank to enable it to register the charge at Companies House. That document was then returned to the Respondent's firm.
11. The Bank then sent a number of chasing letters to HB Godbold & Co in respect of this matter but received no response to those letters. At some point prior to 1999, the Respondent became involved in the matter directly. He wrote to the Bank on 19th March 1999 stating:-

"The person dealing with this matter is no longer with the firm and the writer is now checking the files and will either return the title deeds to you, or advise you of the current position within the next 14 days".

12. No substantive progress had been made over the succeeding four years and the undertaking remained outstanding.

Allegation (8)

13. On 30th January 2004 the Law Society made the following direction in respect of Mrs W:-

"Formal Directions

I direct H B Godbold & Co to pay Mrs W the sum of £500 as compensation for the consequences of the inadequacy of service that I have identified."

Allegation (9)

14. Messrs Brignalls Balderstone & Warren solicitors had been instructed subsequently by Mrs W. They wrote to the Respondent with an authority from Mrs W to forward all the paperwork to them on 21st May 2002. A further chasing letter was sent on 12th June 2002 and on 2nd July 2002. The Respondent sent the papers to Mr R W.

15. The Respondent's explanation provided to the Law Society in his letter dated 6th December 2002 was:-

“As the papers have been initially handed to me by Mr W with Mrs W's agreement, and were quite bulky in several bin bags, there did not appear to be a problem handing these over to Mr W who agreed that he would return them to his late father's house.”

Allegations (10), (11) and (12)

16. The Respondent's former client, Mr B, traded under a trade name at Ware, Hertfordshire. Mr B wished to cease trading. He instructed the Respondent to enter into negotiations with his landlord to invoke the break clause in his lease and obtain the landlord's approval to a proposed new tenant.
17. To achieve Mr B's wishes, notice had to be given six months prior to 7th August 2000, i.e. by 7th February 2000.

Allegation (10)

18. Mr B was assured by the Respondent during the latter part of 1999 that a notice had been served. In fact no notice had been served within the required time. The Respondent's explanation in his letter to Mr B dated 6th June 2000 was:-

“I clearly cannot deny that the necessary notice was not served on your landlords of your intention to invoke the break clause although during our various conversations I was convinced that the letter had been sent and was devastated to discover that having believed that I had dictated the same and that it had been sent that there was no such letter on file to confirm my recollection.”

Allegation (11)

19. The failure to serve an appropriate notice was, prima facie, an act of negligence resulting in loss to Mr B. The Respondent did not advise Mr B to seek independent legal advice at any stage.

Allegation (12)

20. The Respondent failed to respond to correspondence. In particular, he failed to respond to the Law Society's complaint resolution form dated 6th March 2000 until 6th June 2000. He did not respond to the Law Society's letters of 8th June 2000, 6th September 2000, 24th October, 27th November 2000 or to a letter from Foskett Marr Gadsby & Head, solicitors subsequently instructed by Mr B, dated 8th February 2001.

Allegation (13)

21. On 7th May 2004 the Law Society made the following direction:-

“H B Godbold & Co to pay to Mr B the sum of £4,464.19 compensation within seven days of the date of the letter enclosing this decision.”

This payment had not been made.

The Submissions of the Applicant

22. The Applicant did not make any allegation that the Respondent had been dishonest. He had buried his head in the sand.
23. There were a number of serious aspects to the matters alleged against the Respondent, all of which he had admitted, that the Tribunal was invited to take into account. The Respondent's failures had occurred over an extended period of time. At the date of the disciplinary hearing the Respondent still had not complied with undertakings and awards made following decisions by the Law Society that he had provided an inadequate professional service on a number of occasions.
24. The facts supporting the allegations were not limited to a few clients or a few situations. The difficulties had arisen across the board.
25. Some matters were particularly serious. The failure by the Respondent to comply with an undertaking given to his professional disciplinary tribunal was one of these. On that occasion the Respondent had claimed that he had made payment of an IPS award made by the Law Society and he gave his undertaking to the Tribunal that he would make such payment if it had not been made in lieu of the Tribunal making an Order that the IPS award direction be treated for the purposes of enforcement as if it were an Order of the High Court. The Tribunal had not made that order in the light of the undertaking. The Respondent offered no explanation as to why he did not comply.
26. An undertaking to NatWest Bank had remained outstanding for eight years. It was also a serious matter for a solicitor, an officer of the Court, not to comply with an Order made by the Court.
27. The Respondent seriously failed in his duty to his client when he failed properly to advise Mr B, having missed a crucial date in connection with the termination of the lease, that Mr B should take independent advice.
28. The Applicant did not accept Mr Reeves's statement in his letter of 8th November 2004 when he stated that the matters complained of arose as a result of lack of activity on his part and not through any conscious intention to pursue any particular course of action or with any dishonest intent. It was the Applicant's position that the Respondent had formulated a conscious intention to do nothing.
29. This case represented an extremely serious example of a case where a solicitor had not taken steps required of him.
30. The Applicant sought the costs of and incidental to the application. He reported that he had spoken to the Respondent shortly before the hearing. The Respondent was

told the level of costs and raised no objection but he had not formally agreed the figure of £1,750 inclusive.

The Submissions of the Respondent

31. In his letter dated 8th November the Respondent wrote:-

“As I will not be attending the hearing on Tuesday 9 November I would be grateful if this letter could be brought to the attention of the Tribunal.

I would like to say first of all that I am no longer practising as a solicitor, having closed my practice and that I have not renewed my practising certificate.

I sincerely regret the circumstances which have given rise to this hearing and whilst I do not necessarily agree totally with the information as set out in Mr Miller’s statement I cannot, unfortunately, deny the allegations. I would however like to offer some explanation for my atypical behaviour after I had been practising for 24 years.

In late 1999 my wife was found to be suffering from breast cancer and after a course of intensive treatment including chemotherapy she appeared to have made a good recovery. During a precautionary medical check-up I was found to be suffering from a heart defect for which I now have to take medication.

It was around this time that I began to have difficulty running my practice. An assistant solicitor who worked for me left to join a larger firm and I soon discovered that it was going to be very difficult to find a young solicitor who wanted to join a small High Street practice. I began to find myself under increasing pressure and I realised that I was finding it difficult to cope. I spoke to my doctor who decided I was suffering from depression and put me on medication for this. I now realise that an effect of the medication was that it gave me a false impression of life and people have subsequently commented that it brought about a change in my character. I have since stopped taking that medication partly due to family pressure and also due to adverse publicity about the particular medication in the press.

Having closed my practice I then suffered financial difficulties which I am currently resolving by selling investment property which I own. On completion of the sale I will be in a position to settle all outstanding sums.

I would also like to apologise for not attending the Tribunal and to explain my reason for not attending. Unfortunately my wife recently suffered a recurrence of breast cancer and as a result of the emotional upset this has caused I do not feel that I could successfully address the Tribunal without causing embarrassment both to myself and others.

I regret sincerely that my professional career should end in such a way as this but I am determined to honour all my commitments and pay any fines as soon as my financial position enables me to do so. I would like to point out in my defence that the matters complained of arose as a result of lack of activity on my part and not through any conscious intention to pursue any particular course of action or with any dishonest intent.

I hope, therefore that in the circumstances the Tribunal can show as much from leniency as the circumstances allow and that I can be given time to deal with my obligations and commitments and put an end to this unfortunate part of my life.”

The Findings of the Tribunal

32. The Tribunal found the allegations to have been substantiated, indeed they were not contested.
33. Following a hearing on 29th July 2003 the Tribunal found the following allegations to have been substantiated against the Respondent:-
 - 1) he failed to deliver to his former clients, Mr AN and Mr AR, their file of papers when requested to do so;
 - 2) he ignored and failed to respond to correspondence from his former clients and their solicitors;
 - 3) he failed to reply promptly or substantively to correspondence to the OSS;
 - 4) in respect of an exchange of two properties, being 44 S Road and 20 S, he acted for both parties and the mortgagees in breach of Rule 6 of the Solicitors Practice Rules 1990;
 - 5) in respect of an exchange of two properties being 3 F Road and 6 F Road, he acted for Abbey National plc and failed to take reasonable steps to register their charge over the property;
 - 6) he failed to comply with a decision of the Compliance Board of the Law Society pursuant to Schedule 1A of the Solicitors Act 1974 dated 30th April 2002;
 - 7) By a letter dated 29th October 2001 and a telephone conversation of the same day he misled Messrs Wilson Howard by stating that the title deeds to 40 The Vale were on deposit at the Land Registry when in fact they had been returned to him by the Land Registry in August 2001;
 - 8) when requested by Wilson Howard to put the title deeds on deposit by a letter dated 27th November 2001, he failed to deal with the matter until on or about 26th February 2002;
 - 9) he failed to file an Accountant’s Report relating to his practice for the periods ending 31st August 2001 and 31st August 2002 in breach of Section 34 of the Solicitors Act 1974;
 - 10) he failed to comply with a decision of the Adjudicator of the OSS dated 26th March 2003 that he file an Accountant’s Report for the period ending 31st August 2001 within twenty eight days of notification of the Adjudicator’s decision.

34. In 2003 the Tribunal said:-

“The Tribunal when considering the matter in the round had taken into account the fact the Respondent intended to retire from practice as a solicitor in the near future.

The Respondent’s failures, inactivity and omissions caused a great deal of inconvenience to a number of people and his failure to comply with his own professional body would have cost that body and therefore the other members of the solicitors’ profession a great deal of money.

The Tribunal did not consider that the nature of the allegations required them to mark their disapproval by making an order which interfered with the Respondent’s ability to practise but it did feel that the Respondent’s behaviour should be met by the imposition of a substantial fine.

The Tribunal was particularly concerned by the Respondent’s failure to file Accountant’s Reports for two financial years. Such failure prevented the Law Society from acting as a regulator of the profession and from ensuring that clients’ funds are not in jeopardy when placed with a particular solicitor.

The filing of Accountant’s Reports not only safeguarded clients’ money but served to ensure that there was no likelihood of a claim being made upon the Law Society’s Compensation Fund the cost of which fell back upon other members of the solicitors’ profession.

The Tribunal concluded that it would be right to impose a fine of £5,000 in respect of the Respondent’s failure to file Accountant’s Reports (allegations 9 and 10) and that he should pay a fine of £2,500 in respect of all the other allegations. The Tribunal further ordered that the Respondent should pay the costs of and incidental to the application and enquiry. In the absence of an agreement as to quantum between the parties the Tribunal ordered that such costs should be subject to a details assessment unless the parties did reach such agreement.”

The Tribunal’s Decision and its Reasons

35. The Tribunal on 9th November took into account the fact that the Respondent appeared before the Tribunal in 2003 and a number of allegations were found to have been substantiated against him and a substantial fine was imposed upon him.
36. A further list of allegations had been found to have been substantiated against the Respondent which included failures to comply with Directions made by the Law Society, failures to comply with undertakings, failure to comply with a Court Order and a failure to deal promptly and substantively with correspondence addressed to him by his own professional body. Additionally he had failed to follow his clients’ express instructions and he had not advised a client to take independent advice in a situation where the Respondent had been negligent.
37. Although dishonesty was not alleged on the part of the Respondent, the Tribunal had before it a catalogue of failures on the part of the Respondent which served only to

demonstrate that the public required protection from the Respondent and that the good reputation of the solicitors' profession was at risk.

38. The Respondent had indicated some difficulties suffered by him in the letter which he addressed to the Tribunal and the Tribunal has taken these into account. However the Tribunal concludes that the Respondent has been guilty of a complete abdication of his duty as a solicitor and concludes that such behaviour cannot be tolerated by the solicitors' profession.
39. The Tribunal ordered that the Respondent 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 £1,750 inclusive. Although the Respondent had not formally agreed that figure, the Tribunal concluded that it was a reasonable figure for costs, it was entirely right that the Respondent should be responsible for such costs and it was appropriate that they should be fixed to avoid the expense in terms of money and time of a detailed assessment which would be disproportionate to the figure requested by the Applicant.

Dated this 31st day of January 2005

On behalf of the Tribunal

A G Ground
Chairman