

IN THE MATTER OF VICTOR JOHN ODDY, solicitor

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

Mr R J C Potter (in the chair)
Mr A G Gibson
Mr D E Marlow

Date of Hearing: 19th October 2006

FINDINGS

of the Solicitors Disciplinary Tribunal
Constituted under the Solicitors Act 1974

An application was duly made on behalf of The Law Society by Geoffrey Williams of Queen's Counsel, 2a Churchill Way, Cardiff, CF10 2DW on 10th February 2006 that Victor John Oddy whose address for service was c/o Richard Nelson Nelson Business Defence Solicitors, North Star House, 6 The Midway, Nottingham, NG7 2TS 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 were that the Respondent had been guilty of conduct unbefitting a solicitor in each of the following respects namely that he had:

- (a) failed to maintain properly written up books of account contrary to Rule 32 of the Solicitors Accounts Rules 1998;
- (b) transferred or caused to be transferred monies held in client bank account to office bank account contrary to Rule 19 of the Solicitors Accounts Rules 1998;
- (c) misapplied clients' funds for the improper benefit of his firm.

The application was heard at the Court Room, 3rd Floor, Gate House, 1 Farringdon Street, London, EC4M 7NS on 19th October 2006 when Geoffrey Williams of Queen's Counsel appeared as the Applicant and the Respondent was represented by Richard Nelson of Richard Nelson Business Defence Solicitors, Nottingham.

The evidence before the Tribunal included the admissions of the Respondent. A bundle of written references in the Respondent's support was handed up at the hearing.

At the conclusion of the hearing the Tribunal made the following Order:

The Tribunal Orders that the Respondent, Victor John Oddy of c/o Richard Nelson Business Defence Solicitors, North Star House, 6 The Midway, Nottingham, NG7 2TS, solicitor, be Struck Off the Roll of Solicitors and it further Orders that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £8,250.

The facts are set out in paragraphs 1 to 34 hereunder:

1. The Respondent was admitted as a solicitor on 15th June 1974 and his name remained on the Roll of Solicitors. He was born on 27th August 1948.
2. At all material times the Respondent carried on practice as a solicitor in partnership under the style of Richmonds Solicitors at Doncaster, South Yorkshire. The firm also maintained offices at Retford and Worksop.
3. Upon notice duly given an inspection of the books of account and other documents of Messrs Richmonds was carried out by a Forensic Investigation Officer of the Law Society ("the FIO"). An extract from the FIO's Report dated 14th March 2005 was before the Tribunal and it revealed the following matters.
4. The Respondent acted for Mr W in a purchase of land for £10,000.
5. On 14th August 1990 the Respondent gave a written undertaking to the sellers' solicitors to be responsible for their reasonable costs relating to the transaction, irrespective of whether the matter proceeded to completion.
6. On 16th October 1992, the sellers' solicitors wrote to the Respondent setting out their previous costs at £600 plus VAT plus a disbursement of £1.50 and £1,000 plus VAT for the work done, and to be done, up to completion.
7. On 9th November 1992 the relevant account in the clients' ledger was credited with a receipt of £1,881.50 identified as "Solicitors Costs (Kennedys) from Clients".
8. On completion the sellers' solicitors sent the firm an invoice for only £176.25 which the Respondent paid on 15th April 1993.
9. On 27th April 1993 the Respondent wrote to his client enclosing a bill of costs for £1,072.16 for work done stating that only £700.16 was due as £360 had been received on account from the client.

10. A review of the relevant account in the clients' ledger revealed that by 14th May 1993 the firm's costs had been paid leaving a balance of £1,886.56, which represented the balance of costs payable to the sellers' solicitors together with accrued interest.
11. On 8th May 1996, the relevant account in the clients' ledger was charged with a transfer to a client's deposit account of £1,901.68 representing the entire balance being held at that date.
12. On 28th March 2003 the balance on the deposit account, £2,178.30 inclusive of interest was transferred to the firm's general client bank account.
13. On 28th March 2003 the relevant account in the clients' ledger was charged with a client to office bank transfer of £2,178.30 in the purported settlement of a bill of costs dated 28th March 2003 of an equivalent amount. The narrative in the bill stated "to professional charges in connection with your affairs-Partner engaged". The bill had not been delivered to the client.
14. When asked why he had adopted this course of action, the Respondent explained that there was pressure on him to meet billing targets. He added that vanity also played a part in the sense that as he had achieved his billing target as the senior partner, other employees would be encouraged to achieve theirs.
15. The Respondent acted for the landlord client in the extension of a lease.
16. On 15th August 2003 the Respondent wrote to his client as follows:

"I enclose a copy of my account dated the 17th July 2003. Under the terms of the Lease I am due to recover £722.50 from the tenant's solicitors have [sic] I have been trying to chase this for a considerable period of time. Can you please attend to the payment of my account and I will reimburse you as and when I receive the money from the tenant's solicitors".
17. The "account" dated 17th July 2003 totalled £840 and the client paid it in full on 19th August 2003.
18. On 3rd October 2003 the tenant's solicitors wrote to the firm sending their cheque for £722.50 in respect of the firm's costs. On 8th October 2003 the Respondent replied:

"We should be obliged if you would kindly accept this letter as receipt of the sum of £722.50 being a contribution towards our client's total cost of £840."
19. On 10th October 2003 the Respondent wrote to his client informing him that the transaction had been completed and that post completion matters were being dealt with. This letter did not mention the receipt of £722.50 from the tenant's solicitors.
20. A review of the client matter file and associated client's ledger revealed that on 9th February 2004, £722.50 was transferred from client bank account to office bank account in the purported settlement of a bill of costs contemporaneously dated and for an equivalent amount.

21. The narrative in the bill was “in connection with the lease of 12/14 H Street, Bawtry, Doncaster”.
22. On 23rd August 2004 the client wrote to the Respondent enquiring if the £722.50 had been received from the tenant’s solicitors for reimbursement.
23. On 13th September 2004 the Respondent sent him a cheque for £722.50 in reimbursement.
24. The Respondent told the FIO that he had forgotten that he had been paid by the client and that he had only realised that the firm had been paid twice when he reviewed the client’s matter file upon receiving the client’s request for reimbursement. He had “no idea” why he had failed to reimburse the client when the tenant’s solicitors paid his costs of £722.50: he stated that his actions in this matter were “devoid of any criminal or dishonest intent”.
25. As the result of the improper transfers made at the instigation of the Respondent from client to office account in respect of the two bills of costs which had not been delivered to the clients a cash shortage of £2,900.80 arose on client account.
26. Mr P ascertained that the Respondent acted for a corporate client in relation to the purchase of land. The client was required to pay the seller’s solicitors’ costs of £800.
27. On 9th October the Respondent wrote to his client enclosing a copy of his firm’s bill of costs dated 9th October 2003 for £2,508.88 together with a completion statement which identified the seller’s solicitor’s costs to be £940 (£800 plus VAT of £140). The completion statement requested a balance of £3,268.88 from the client which the client remitted on 27th October 2003.
28. On 31st October 2003 the Respondent wrote to the seller’s solicitor stating, inter alia:

“On the basis that your Client’s [sic] are registered for VAT our Clients have advised us that only £800 should be payable to you. Please confirm that this will acceptable.”
29. On 30th March 2004 the Respondent wrote to his client enclosing a copy of his final account dated 30th March 2004 for £1,374.75 and requested early payment.
30. The FIO observed that the final account was settled by two separate client to office bank account transfers of £920.13 and £454.62 effected on 8th April 2004 and 29th April 2004 respectively. The first transfer cleared the balance held on the client’s ledger at that date and the second transfer was effected after the client had paid £454.62 directly into client bank account on 28th April 2004.
31. On 19th July 2004 the seller’s solicitors wrote to the firm agreeing that only £800 was payable in respect of their costs and requested payment.
32. On 27th September 2004, following the Respondent’s resignation, the member of the firm who took over conduct of the matter wrote to the seller’s solicitors enclosing a

cheque for £800 in settlement of their costs which was funded by an office to client bank transfer effected on 16th September 2004.

33. On 28th September 2004 the firm wrote to the client enclosing a cheque for £155.85 representing the balance due to the client, inclusive of interest, which again was funded mainly by an office to client transfer effected on 27th September 2004. The Respondent said that he had forgotten that the balance on the client's ledger account of £920.13 comprised the costs payable to the seller's solicitors and he had forgotten that the monies were due to the seller's solicitors.
34. The Respondent said that his actions in this matter were "devoid of any criminal or dishonest intent."

The Submissions of the Applicant

35. The Respondent was an experienced solicitor specialising in conveyancing transactions. He was the firm's senior partner. In the matter where the Respondent acted for a client in the purchase of land, in May 1996 he transferred the entire client account balance to a designated deposit account. The amount transferred was made up of monies due or at least potentially due to the other side in the transaction and also included interest. In March 2003 the funds held on the designated deposit account were brought back into the firm's general client bank account and on the same day the Respondent transferred the funds to office bank account ostensibly to pay a bill which he had created but had not sent to the client. The "fees" claimed by the Respondent equated exactly to the funds held. Such coincidence would have been unlikely and the bill gave no proper indication of the work in respect of which it had been drawn.
36. In the second matter in August 2003 the Respondent had been aware that his firm's fees had been paid in full. The sum of £722.50 expected from the other side was to be utilised to reimburse the Respondent's own client. Two days after receipt of payment from the other side the Respondent wrote to his client but omitted to mention the payment so recently received. Four months later the Respondent was responsible for a transfer from client bank account to office bank account in the purported payment of a fee note. Once more the fees taken equated exactly to the amount held. The bill drawn contained an inadequate narrative and had not been sent to the client. When the Respondent's client enquired as to the position the Respondent paid him. No such payment would have been due to the client had the fee note discharged by transfer been a proper and genuine one.
37. In both of these matters the Respondent had indulged in the "sweeping up" of client account balances for costs. He knew what he was doing and he must have known that what he was doing was wrong.
38. The Applicant did put the conduct of the Respondent in these two matters as conduct involving dishonesty on his part.
39. With regard to the purchase of land by the Respondent's corporate client, the Applicant did not put the matter as one involving dishonesty. However the £800 received by the Respondent from his client had been provided for the specific purpose of discharging the costs of the other party to the transaction. Whilst the funds were

properly paid into client bank account and the March 2004 bill was genuine, the sum of £800 was not properly required by the Respondent.

The Submissions of the Respondent

40. The Respondent admitted the allegations and admitted that he had been dishonest. The Respondent was realistic as to the outcome following the conclusion of the disciplinary proceedings.
41. The Respondent had attended the hearing out of respect to the Tribunal and the solicitors' profession. He wished to face the consequences of his actions in person.
42. The Respondent had been anxious to establish that he had been guilty of a single act of dishonesty and had accepted that he was responsible as a partner for the other items although he had not been personally responsible.
43. In the second incident cited by the Applicant, the client had been a personal friend of the Respondent and the transaction had been going through the office at the time. The Respondent could not recollect having involvement in that transaction but he accepted his responsibility as a partner.
44. The Respondent had enjoyed 30 years of unblemished practice as a solicitor. He was well thought of both within the legal profession and within the community.
45. He had inherited the role of senior partner but had found it difficult. He had suffered stress and had been treated for hypertension. In addition he has suffered a series of bereavements both in his own and his wife's family.
46. As soon as matters came to light the Respondent's behaviour was entirely honourable. He went into the office and made sure that all of his client files were in order. He then resigned telling his partners what had occurred.
47. The Tribunal was invited to note the esteem in which the Respondent was held by those who had written testimonials in his support despite their having been told what had happened.
48. The Respondent accepted that he must meet the costs of the application and enquiry and had agreed a figure with the Applicant.

The Findings of the Tribunal

49. The Tribunal found the allegations to have been substantiated, indeed they were not contested. The Respondent had utilised moneys held by him for payment of costs of the other side in a transaction for payment of a non-genuine bill in order to meet his costs target. The Respondent himself agreed that such an action was dishonest.
50. The Tribunal gave the Respondent credit for his long and unblemished career in the profession, his cooperation with The Law Society and his admission as well as his attendance at the Tribunal hearing. Despite recognising that the Respondent's behaviour had been what might have been expected of him after the incident, the Tribunal concluded that it was both appropriate and proportionate in order to protect

the good reputation of the solicitors' profession and to ensure that the public's confidence in the integrity of that profession was not damaged, that the Respondent should be struck off the Roll of Solicitors. The Tribunal noted that the Respondent had agreed to meet the Applicant's costs and that the quantum of such costs had been agreed. The Tribunal therefore further ordered that the Respondent pay the Applicant's costs fixed in the agreed sum.

Dated this 4th day of December 2006
on behalf of the Tribunal

R J C Potter
Chairman

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ERRATUM

of the Solicitors Disciplinary Tribunal
Constituted under the Solicitors Act 1974

The Applicant alleged only that the Respondent's action referred to at paragraph 35 was dishonest and that was admitted by the Respondent. Other actions were not alleged to have been dishonest.

DATED this 11th day of January 2007

on behalf of the Tribunal

S. C. Elson
Clerk