

IN THE MATTER OF GRAHAME SIMON BLOOM, solicitor

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

Mr D J Leverton (in the chair)
Mr K Duncan
Mr J Jackson

Date of Hearing: 8th February 2007

FINDINGS

of the Solicitors Disciplinary Tribunal
Constituted under the Solicitors Act 1974

An application was duly made on behalf of The Law Society by Gerald Malcolm Lynch solicitor and partner in the firm of Drysdales of Cumberland House, 24-28 Baxter House, Southend on Sea, Essex, SS2 6HZ on 4th July 2006 that Grahame Simon Bloom of Edgware, Middlesex, 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:-

- (1) He dishonestly misappropriated clients' funds and utilised the same for his own benefit alternatively for the benefit of clients not entitled thereto.
- (2) In facilitating the said dishonest misappropriation he had been guilty of the forgery of a client's signature.
- (3) Had failed to act in accordance with the provisions of the Solicitors Accounts Rules 1998 in the following particulars:-
 - (i) In breach of Rule 7 had failed to remedy breach of the Rules.

- (ii) In breach of Rule 22 withdrew from clients' account moneys other than in accordance with the provisions of the said Rule.
 - (iii) In breach of Rule 30 directed and/or allowed the transfer of moneys between clients' accounts other than in accordance with the said Rule.
 - (iv) In breach of Rule 32 directed and/or allowed the preparation of inaccurate/fraudulent client account records.
- (4) By virtue of each and all of the aforementioned 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 8th February 2007 when Gerald Malcolm Lynch appeared as the Applicant and the Respondent was represented by Stuart Jacobs, solicitor of Lucas McMullan Jacobs, Law Chambers, 258 High Road, Loughton, IG10 1RB.

The evidence before the Tribunal included the admissions of the Respondent. A bundle of references in support of the Respondent was handed to the Tribunal at the hearing.

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

The Tribunal Orders that the Respondent Grahame Simon Bloom of Edgware, Middlesex, 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 £10,040.41 inclusive.

The facts are set out in paragraphs 1 to 11 hereunder:-

1. The Respondent, now aged 50, was admitted as a solicitor in 1981 and his name remained on the Roll of Solicitors. The Respondent's Practising Certificate was terminated on 16th December 2005.
2. At the material times the Respondent was a partner in the firm of E.D.C. Lord & Co., of Link House, 1200 Uxbridge Road, Hayes, Middlesex, UB4 8JD, and of Sinclair House, The Avenue, Ealing, London, W13. The Respondent resigned as a partner of the firm on 22nd September 2005 following the discovery by the firm of irregularities shown on clients' ledger accounts in respect of matters conducted by the Respondent.
3. The firm reported its concerns to The Law Society following which the Forensic Investigation Department of The Law Society carried out an inspection of the books of account of the firm commencing on 3rd October 2005. A copy of the resulting Report dated 10th February 2006 was before the Tribunal. The Report noted the matters set out at paragraphs 4 to 9 below.
4. The books of account were not in compliance with the Solicitors Accounts Rules as they contained false entries, numerous improper payments, improper personal payments and improper cash withdrawals from client bank account and improper inter-ledger transfers all made at the instigation of the Respondent.

5. As a result of the above there was a minimum cash shortage at 31st August 2005 in the sum of £162,973.98. The cash shortage had been replaced as a result of a payment by the Respondent of £90,000.00 and the balance by transfers from office bank account.
6. Improper payments totalled £93,668.74 and the Report highlights two examples. In each case the Respondent confirmed that the transfers were at his request and direction and were improper.
7. There were improper personal payments of £33,192.51. The Respondent agreed that these had been made at his direction and moneys utilised for his own benefit.
8. In one case highlighted by the Report the Respondent had endorsed upon a letter to a client, Miss B, an alleged direction to pay the sum of £1,573.16 to “my uncle, D.S.G”. The Respondent had admitted that the signature purporting to be that of the client had in fact been written by him and was a forgery. The Respondent confirmed that D.S.G was not Miss B’s uncle and that he had simply made this up to support the payment of £1,573.16 to D.S.G from Miss B’s money.
9. Asked by the Forensic Investigator why he had made payments to himself from clients’ funds, the Respondent explained that he had a gambling problem, that he was undergoing psychiatric treatment and that he had attended Gamblers Anonymous twice per week.
10. On 2nd March 2006 The Law Society wrote to the Respondent seeking his explanation. Following a reminder and a consultation by the Respondent with a representative of the Solicitors Assistance Scheme the Respondent wrote on 20th April 2006 confirming the accuracy of the Forensic Investigation Report. He said that he had been working under severe stress resulting in illness and had not intended permanently to deprive clients of money. He said he would repay the balance. He further wrote:-

“I realise that I have done wrong and apologise to both The Law Society and E.D.C. Lord & Co.

These actions are not within my normal character and I believe my clients and previous partners would confirm this.

I have not worked as a solicitor since I resigned, nor have I applied for renewal of my Practising Certificate”.

11. On 10th March 2006 the Senior Partner of E.D.C. Lord & Co. wrote to The Law Society confirming that the books of account had been put in proper order and all missing funds had been replaced.

The Submissions of the Applicant

12. The Respondent had admitted all the allegations. The breaches of the Accounts Rules were consequent upon the Respondent’s dishonest misappropriation of funds details of which were set out in the Report.
13. The Applicant sought his costs in the agreed sum of £10,040.41.

The Submissions on behalf of the Respondent

14. This was a very sad case. The submissions on behalf of the Respondent were a mixture of mitigation and personal reference by the Respondent's solicitor who had known him since he was a boy and had always considered him to be honest and typical of many thousands of hard working solicitors.
15. The Tribunal was given information regarding the Respondent's professional history and one internal sanction imposed by The Law Society in respect of a matter which involved the Respondent in a supervisory role only.
16. The Respondent had had a heavy workload but had received inadequate support and his complaints to partners had fallen on deaf ears.
17. In about 2003 the Respondent had broken under stress and resulting ill health. He had been taken by a client to a casino where he had won and he had subsequently become addicted to gambling as an escape from work pressures. A downward spiral had followed in which the Respondent had gambled his life savings, lied to his wife and partners, spent all his family's money and incurred £125,000.00 worth of debts. He had then taken money from clients in breach of fundamental rules.
18. Although gambling was an illness the Respondent had not at that time sought medical help.
19. The Tribunal was asked to note that the appendix to the Report setting out the cash shortages included an item dated May 2000 amongst matters with later dates. It was likely that this item should have been dated 2004. This was a small but important point as the Respondent's activity had taken place over 17 months not over 5 or 6 years. He had taken the money to fund his relentless gambling addiction.
20. The Respondent had pleaded guilty to criminal offences of false accounting and had been sentenced to prison for one year in September 2006. He had been released on 22nd December 2006 on probation and was currently tagged.
21. The Respondent's response to the firm's discovery had been exemplary. He had not sought to deny or excuse his conduct. He had been wholly cooperative and had made an immediate payment of £90,000.00 from the estate of his late father. Subsequently he had reached agreement with the firm to sell his house to fund the remaining shortage and had granted a charge to the firm over his house pending sale. The house was on the market and the firm would be repaid for the monies it had replaced. The Respondent had done everything the firm had asked to resolve matters.
22. There would be no loss to the profession, no insurance claim and no claim on the Compensation Fund.
23. The Respondent had been working as a chauffeur. He regularly attended Gamblers Anonymous and was on the way to a cure.
24. The Tribunal was asked to consider the Respondent's conduct since these matters came to light. The Respondent hoped that that conduct would persuade the Tribunal that he could in the future be employed in a solicitor's office in some capacity.

The Findings of the Tribunal

25. The Tribunal found the allegations to have been substantiated, indeed they were not contested.
26. This was a very sad case involving a 17 month period when the Respondent had taken considerable amounts of clients' money. He had also forged a client's signature. Because of pressure of work and ill health the Respondent had turned to gambling and had become addicted. He had spent his family savings, incurred considerable debts and had stolen money from his clients. He had not sought medical or other help at the time for his problems. The Tribunal had listened carefully to the submissions on behalf of the Respondent and had read the impressive references including the reference from E.D.C. Lord & Co. It was a very serious matter when a solicitor for any reason abused the trust placed in members of the profession. Clients' money was sacrosanct and the misuse of it was a clear breach of trust and damaging to the reputation of the whole profession. The Respondent had served a prison sentence for false accounting and had only recently been released. He was currently on probation. In all the circumstances in order to maintain public confidence in the profession the appropriate penalty was to strike the Respondent's name off the Roll. The Tribunal would also Order that he pay the agreed costs of the Applicant.
27. The Tribunal made the following Order:-

The Tribunal Orders that the Respondent, Grahame Simon Bloom of Edgware, Middlesex, 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 £10,040.41 inclusive.

DATED this 30th day of March 2007
on behalf of the Tribunal

D J Leverton
Chairman