

IN THE MATTER OF PETER JOHN LAWSON, solicitor, and
SECOND RESPONDENT [NAME REDACTED], solicitor's clerk

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

Mr J C Chesterton (in the chair)
Mr D Glass
Mr S Howe

Date of Hearing: 14th and 15th March 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 George Marriott, solicitor and partner in the firm of Gorvins, 4 Davy Avenue, Knowlhill, Milton Keynes, MK5 8NL on 14th July 2006 that Peter John Lawson of Lawsons, Samuels, Capaldi, 32 White Gate Drive, Blackpool, Lancashire, FY3 9AQ, 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.

A further application was duly made on behalf of the Law Society by George Marriott on 14th July 2006 that an Order be made by the Tribunal directing that as from a date to be specified in such order no solicitor shall, except in accordance with permission in writing granted by the Law Society for such period and subject to such conditions as the Society may think fit to specify in the permission, employ or remunerate in connection with the practice as a solicitor the Second Respondent [NAME REDACTED] of Lawsons, Samuels, Capaldi, 32 White Gate Drive, Blackpool, Lancashire, FY3 9AQ, a person who is or was a clerk to a solicitor, or that such other order might be made as the Tribunal should think right.

The allegations against the First Respondent (hereinafter referred to as "Mr Lawson") were that he was guilty of conduct unbecoming a solicitor in that he:

1. acted contrary to Solicitors Practice Rule 1 in that his actions impaired his independence or integrity, his duty to act in the best interest of his clients, his good repute or that of the solicitors' profession his proper standard of work;
2. acted in conflict of interest situations;
3. acted for seller and buyer contrary to Rule 6(2) of the Solicitors Practice Rules 1990;
4. acted for lender and borrower contrary to Rule 6(3) of the Solicitors Practice Rules 1990;
5. failed to supervise adequately or at all his clerk contrary to Rule 13 of the Solicitors Practice Rules 1990;
6. took advantage of his clients for himself and/or others and failed to act towards them fairly;
7. accepted gifts from clients without ensuring that the client was independently advised (including gifts to his family);
8. failed to disclose all relevant information to his client.

The facts in support of the second application in respect of the Second Respondent were contained in the statement which accompanied the application.

The applications were heard at the Court Room, 3rd Floor, Gate House, 1 Farringdon Street, London, EC4M 7NS on 14th and 15th March 2007 when George Marriot appeared as the Applicant. Mr Lawson appeared in person and the Second Respondent was represented by Mr Walsh of Counsel.

The evidence before the Tribunal included the Report of the Law Society's Forensic Investigation Unit ("FIU") dated 20th June 2005 and the oral testimony of Mr Robert Freeman of the FIU. Mr Lawson also gave oral testimony and admitted allegations 2, 3 and 5. The Second Respondent admitted matters as set out in the Rule 4 statement dated 14th July 2006. The Second Respondent's written statement was before the Tribunal and also statements from Mr Martin Block and Ms Caron Bridson.

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

The Tribunal Orders that the Respondent Peter John Lawson of Lawsons, Samuels, Capaldi, 22 White Gate Drive, Blackpool, FY3 9AQ, solicitor, be suspended from practice as a solicitor for an indefinite period to commence on the 15th day of March 2007 and they further Order that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £21,000.

The Tribunal Orders that as from 15th June 2007 no solicitor, Registered European Lawyer or incorporated solicitor's practice shall, except in accordance with permission in writing granted by the Law Society for such period and subject to such conditions as the Society may think fit to specify in the permission, employ or remunerate in connection with the practice as

a solicitor, Registered European Lawyer or member, director or shareowner of an incorporated solicitor's practice [SECOND RESPONDENT – NAME REDACTED] of Lawsons, Samuels, Capaldi, 22 White Gate Drive, Blackpool, FY3 9AQ a person who is or was a clerk to a solicitor.

The facts are set out in paragraphs 1 to 41 hereunder:-

1. Mr Lawson, born in November 1941, was admitted as a solicitor in December 1972. His name remained on the Roll of Solicitors but he had ceased to practise with effect from 1st October 2006 because of difficulty in obtaining professional indemnity insurance. He had been articled to his father in his father's firm of JK Lawson at the age of 17 and the Second Respondent had joined the firm as a secretary in 1966 at the age of 19. Mr Lawson had practised as a sole practitioner from the time of his father's retirement in or around 1983 until June 2000 when his firm had merged to form Lawsons, Samuels and Capaldi practising from 32 White Gate Drive, Blackpool, FY3 9AQ. This firm is now known as LSC and the Second Respondent remains employed by it and is now supervised by another partner, Mr Martin Block.
2. The FIU commenced inspection of Lawson, Samuels and Capaldi on 10th February 2005. The inspector was Mr Robert Freeman. It was found that Mr Lawson and the Second Respondent had acted for clients of the firm (and the predecessor firm) in situations where there were conflicts of interests. Client funds under their control had been lent to other clients without appropriate steps having been taken to deal with the conflict of interest. In particular loans had been made, and properties under their control sold, to a client company called Ventroday Limited ("Ventroday"). Ventroday was a company in which Mr Lawson's son, Nick, owned 101 of the 102 issued shares and was the sole director. Mr Lawson's wife was the company secretary. Ventroday's business was "the purchase, renovation and resale of properties". The FIU also found that Mr Lawson and his staff had benefited under clients' wills without appropriate steps having been taken.

Loans advanced to Ventroday Limited by estates/trusts controlled by Mr Lawson and the Second Respondent

3. Mrs S and Mr C were clients of Mr Lawson's firm. Mrs S died on 7th September 2000 and Mr C on 5th March 2002. Mr Lawson and the Second Respondent were named as the two executors in both Mrs S's and Mr C's will and probate was granted to them on 15th November 2000 and 16th April 2002 respectively. Mr Lawson and the Second Respondent under the terms of the wills were instructed to invest the estates' funds. They advanced loans to Ventroday as follows:

Estate/Trust	Date	£
i) Mrs S	17th June 2002	75,000.00
	17th January 2003	30,000.00
	11th March 2003	90,000.00
	7th January 2005	100,800.00
ii) Mr C	14th June 2002	75,000.00

4. By the time of the FIU inspection, the first 3 loans from Mrs S's estate had been repaid. The loan of £100,800 was outstanding and it was not until after the inspection that the loan was on 17th February 2005 registered at Companies House. The loan from Mr C's estate had been outstanding when Ventroday in June 2002 purchased a property from Mr C's estate for £50,000. The Tribunal accepted Mr Lawson's explanation that the loan of £75,000 had been made to Ventroday to assist in the purchase of another property.
5. Mr Lawson told the FIU inspector that the loans were a good investment of the funds as the interest rate earned, generally 8% but sometimes more, was higher than those achieved on bank deposits. He said, and the Tribunal accepted, that Ventroday's requests for loans were not always met. When a request was made, Mr Lawson and the Second Respondent, as trustees, would consider the request and make a loan if funds were available. Funds were only advanced when the deeds for the property being purchased by Ventroday were held by the firm and a signed "IOU" was obtained.
6. Mr Lawson and the Second Respondent, when asked by the FIU inspector who would be the loser if a loan "went bad" and any security held by the practice was insufficient to repay the estate/trust, said the trustees would have to bear the loss. Mr Lawson said the question was hypothetical because he would underwrite any loan to his son. Mr Lawson told the FIU inspector that he and the Second Respondent had acted in separate capacities - he for the trustees and the Second Respondent for the other party - because they "had separate functions within the office".

Loans advanced by Mrs I

7. Mr Lawson and the Second Respondent had known and acted for Mrs I for approximately 16 years. Mrs I was a land agent. Mrs I's funds, held in client account, were lent to the firm's other clients and to third parties. Mr Lawson said that in respect of these loans Mrs I acted on her own behalf and that, should she need advice, she had other solicitors in Manchester from whom she could obtain it. Mrs I, by letter dated 12th September 2005 to Mr Lawson, confirmed that Mr Lawson had told her to take independent legal advice and that she did so when she felt it necessary.

i) Loans to Ventroday

8. Loans advanced by Mrs I to Ventroday were as follows:

<u>Date of loan</u>	<u>£</u>
13th February 2002	10,000.00
8th April 2002	10,000.00
19th July 2002	150,000.00
8th March 2000	95,000.00

9. Signed "IOUs" had been obtained for each of these loans and all four loans had been repaid. A Land Registry search dated 16th August 2002 recorded that a charge had been placed on a property in respect of the loan of £150,000 and this had also been registered at Companies House. An authorisation for the loan of £95,000 signed by Mrs I stated "I [Mrs I] hereby agree to the loan of £95,000 to Ventroday Limited @

8% pa against the security of 21 Pinewood Avenue, Thornton Cleveleys". A Land Registry search dated 26th April 2004 showed no charge was registered against 21 Pinewood Avenue, Thornton Cleveleys in respect of the £95,000 loan. Mr Lawson said that registration depended on whether Mrs I had instructed him to register the charge. Mr Lawson did not know whether the two loans of £10,000 each had been secured.

ii) Loan to the Second Respondent

10. On 16th April 2002 and 14th June 2002, the amounts of £40,000 and £10,000 respectively were transferred from Mrs I's client ledger account to one in the Second Respondent's name. This was to enable the Second Respondent to purchase a property. An "IOU" agreement had been signed by the Second Respondent but the loan had not been secured. The Second Respondent had acted for herself and Mrs I had acted for herself. Mrs I confirmed in her letter dated 12 September 2005 that the loan had been a private matter between friends and no security had been sought. Repayment of the £50,000, with interest, was made to Mrs I by the Second Respondent on 8th July 2002. Mr Lawson had been aware generally of the transaction and had viewed it as a private matter.

Loans from the estate/trust of Mrs R

11. Mrs R died on 28th October 2001. The Second Respondent had drafted her will which Mrs R had signed on 19th October 2001. This stated that the residue of her estate should be retained at the discretion of her trustees, named in her will as Mr Lawson and the Second Respondent, and used for the benefit of her children and, after their deaths, for the benefit of the grandchildren. The will conferred wide investment powers on the trustees.
12. Mr Lawson and the Second Respondent, as trustees, made loans to Mrs I (the land agent) and to a Mr RAR.

i) Loan to Mrs I

13. Mrs R's client ledger account recorded that on 18th May 2004, 21st May 2004 and 30th September 2004, the sums of £10,500, £4,537.93 and £5,381.79 were transferred from the client ledger account of Mrs R's estate to client ledger accounts in Mrs I's name. The transfers were unsecured loans. Mrs I had signed "IOUs" for the loans and these recorded the rate of interest payable. The loans were repaid.

ii) Loan to Mr RAR

14. On 6th January 2005, the sum of £15,000 was transferred from Mrs R's client ledger account to a client ledger account in the name of Mr RAR. On the same date £14,250 was paid by CHAPS transfer to Mr RAR leaving a balance of £750 on his client ledger account as at the inspection date. A memo dated 5th January 2005 on Mrs R's file stated that Mr Lawson had arranged to lend £15,000 from Mrs R's trust for a period of three months at 15% to Mr RAR. The loan had not been secured. The loan remained outstanding at the inspection date but was repaid. Mr Lawson mentioned the obtaining of independent legal advice before entering into the loan agreement but there was no evidence of this on the file.

Property transactions with estates/trusts

15. Seven properties from estates/ trusts for which Mr Lawson and/or the Second Respondent were the executors/trustees were sold variously to Mr Lawson and his wife; his mother-in-law, Mrs P; and his son's company, Ventroday .

(i) 7 B Road, Blackpool

16. An elderly client, Mr M, had moved into a residential home. On 28th October 1999 estate agents valued Mr M's property, 7 B Road, Blackpool "for a sale within three months" at £46,950 with consideration to be given to unconditional offers in excess of £42,000. Mr M died on 29th January 2000 and on 1st March 2000 Mr Lawson and the Second Respondent obtained probate as the two executors named in his will.
17. On 9th May 2000 the Second Respondent wrote to the agents: "We have received an offer of £44,000 without the necessity of incurring any sales expenses. In the present circumstances would you recommend acceptance?". The agents replied on 10th May 2000: "We are of the opinion that providing the offer received is unconditional and a sale can be completed within, say, four to six weeks, you should proceed at the figure of £44,000. We would have to achieve at least £44,900 to equal that figure if we were to offer it for sale on behalf of the estate".
18. The offer to purchase the property had been received from Ventroday. The sale completed on 27th July 2000 at a price of £44,000. The purchase consideration did not pass between the respective clients' ledger accounts until 1st August 2000. On 1st September 2000 a Mr and Mrs S bought the property from Ventroday at a price of £59,000. Mr Lawson said, and the Tribunal accepted, that the property was sold on by Ventroday for £59,000 because his son had had access to property before completion "to do it up".

(ii) 68 G Avenue, Blackpool

19. Mrs FMW died on 6th October 1999 and Mr Lawson obtained probate as the sole surviving executor named in her will on 1st November 1999. Mrs FMW had owned a property at 68 G Avenue, Blackpool. On 27th April 2000 estate agents, Sutcliffes, were instructed to value the property. Sutcliffes initially advised offering the property at £23,000 but subsequently, because there had been no progress due to the condition of the property, recommended reducing the price to £21,500.
20. The Second Respondent, acting on behalf of Ventroday, wrote to Mr Lawson on 24th August 2000: "Nick [Lawson] has looked round this property and is prepared to offer £21,500. Will you accept?". Nick Lawson was Mr Lawson's son. Mr Lawson on behalf of the estate accepted the offer. The file was incomplete as to the date Ventroday purchased the property but the purchase consideration was transferred between the respective ledgers on 28th September 2000. The District Land Registry recorded that Ventroday was the "registered proprietor" of the property on 18th October 2000.
21. An application was received by the Land Registry on 6th November 2000 transferring the property from Ventroday to Nick Lawson. On 15th December 2000 Nick Lawson sold the property at a price of £39,950 to a third party. the Second Respondent acted for Nick Lawson in the transaction. The explanation for the

increase in value was renovation.

(iii) 27 C Avenue, Blackpool

22. Mr Lawson was granted power of attorney over the affairs of Mrs MW on 12th June 2000. At that time Mrs MW owned 27 C Avenue, Blackpool. On 22nd February 2001 a certificate of value was obtained from Sutcliffes in the figure of £44,000. Mr Lawson forwarded the certificate to the Public Trust office which confirmed the sale price of the property at not less than £44,000.
23. On 7th March 2001 Mr Lawson wrote to the Second Respondent instructing her to “prepare the transfer, to I believe, Mrs P”. Mrs P (Mr Lawson’s mother-in-law) was represented by the Second Respondent. Mrs P’s purchase of this property at £44,000 was largely financed by funds received from Nick Lawson. A contract for the sale was not on file. However, the transfer of the property from Mrs MW to Mrs P was registered at the Land Registry and the date of transfer was recorded as 9th May 2001. The purchase consideration did not pass from Mrs P to Mrs MW’s trust’s client ledger account until 18th July 2001 due to oversight on the Second Respondent’s part.
24. On 11th May 2001, the sale of the property to a Mr and Mrs C was agreed at a price of £69,500. The increase in value was again attributable to the fact the property had in the meantime been renovated by Ventroday.

(iv) 12 B Road, Blackpool

25. The Second Respondent had power of attorney for Mrs MC who owned 12 B Road, Blackpool and who lived in a residential home. The property was valued by Sutcliffes on 5th December 2001 at £34,000 and was subsequently marketed at that price. On 21st January 2002 Ventroday’s offer at that price was accepted and a 10% deposit paid. The balance of the purchase consideration was transferred from a client ledger account in the name of Ventroday to Mrs MC’s client ledger account on 18th March 2002. On 26th March 2002 Sutcliffes wrote to the Second Respondent with a valuation of the property of £62,500 and on 22nd May 2002 Ventroday completed the sale of the property to a Mr J for £60,000.

(v) 22 E Drive, Blackpool

26. Mr JAC lived in a residential home and Mr Lawson had power of attorney over his affairs. Mr JAC died on 5th March 2002 and on 16th April 2002 Mr Lawson and the Second Respondent obtained probate as the two executors named in his will. Sutcliffes on 26th March 2002 valued 22 E Drive, a property owned by Mr JAC, at £50,000. The property was sold to Ventroday for £50,000. The date of sale was not evident from the file.
27. The property was sold on by Ventroday to a Ms N for £60,000. The completion date for this sale again was not evident on the file but an application to register Ms N as the proprietor was received by HM Land Registry with effect from 17th June 2002. On 21st June 2002 Ms N sold the property to a Ms H for £82,500.

28. Mr Lawson had acted on behalf of the estate in its sale of the property and the Second Respondent had acted on behalf of Ventroday and Ms N in respect of their purchases and sales of the property. All purchase consideration and sale proceeds in respect of the property were transferred between the relevant client ledger accounts on 21st June 2002. The files were again incomplete records. The increase in value of the property was attributable to renovations.

(vi) 133 C Grove, Blackpool

29. Mr FT lived in residential home and Mr Lawson had a power of attorney over his affairs. Mr FT died on 20th October 2002 and the Second Respondent, as one of the executors named in his will, obtained probate on 29th October 2002. Mr FT owned 133 C Grove, Blackpool at the time of his death.
30. Initially Sutcliffes marketed the property at £68,000 but in early January 2003 said that there had been no interest in it at £68,000 and recommended reducing the price to £65,000. Mr Lawson's son's company then offered £63,500 for the property and Mr Lawson by memorandum to the Second Respondent said he thought the offer should be accepted. He said his son had already given him an undated cheque for a 5% deposit. Sutcliffes advised the Second Respondent "The offer from Ventroday is therefore the best we have had ... we would advise you accept this offer" and the Second Respondent duly accepted the offer.
31. There was no dated contract on file but on 4th April 2003 an application to register Ventroday as the proprietor of the property was received by HM Land Registry. The purchase consideration from Ventroday to the estate of Mr FT did not pass between the parties until 2nd June 2003. The Second Respondent had "tendered the transfer slip late". On 16th April 2003 a Mr and Mrs A agreed to buy the property from Ventroday at a price of £98,000. Ventroday completed the sale at this price on 30th May 2003.
32. Mr Lawson explained, and the Tribunal accepted, that the value of 133 C Grove had increased from £63,500 to £98,000 during Ventroday's period of ownership. The property had been the home of a very old man and had been derelict. Thus there had been no interest in it. Ventroday had fitted a new bathroom and kitchen and had had the property rewired and replumbed.

(vii) 16 - 22 H Road, Blackpool

33. Mr AP died on 12th March 2003 and probate was obtained by Mr Lawson and the Second Respondent who were named as the executors in his will. Mr AP had owned 16 - 22 H Road, Blackpool which was valued by Bentley Higgs, surveyors, on 26th June 2003 at £200,000. Bentley Higgs recommended that the property should be marketed at "offers over £235,000".
34. Mr Lawson asked the Second Respondent if he personally could buy the property from the estate at the probate value of £200,000 and she had agreed. Mr Lawson and his wife purchased the property for £200,000 on 17th November 2003 and the purchase consideration was transferred between the respective client ledger accounts on 19th November 2003.

Benefiting from estates

35. Three instances were identified by the FIU in which Mr Lawson, the Second Respondent and her secretary had benefited from wills prepared by the firm (or the predecessor firm).

i) Mrs P and Mr T

36. Mr Lawson prepared a will on behalf of a Mr M which was signed on 7th April 1994. Under the terms of his will, Mr M left half his estate to Mr and Mrs P, who were his neighbours and long-standing friends and also Mr Lawson's parents-in-law. Mr M died on 29th January 2000 and Mr Lawson and the Second Respondent were appointed executors. They obtained probate on 1st March 2000. On 6th September 2000, the sum of £31,659.14 was transferred from Mr M's estate's client ledger account to that of Mr T. Mr T was Mr Lawson's brother-in-law. The funds due to Mrs P (Mr P had by this time died) were paid to Mr T on Mrs P's authority. Mr Lawson believed Mr M had taken independent legal advice in respect of the bequest to Mr and Mrs P but there was no evidence of this on the file.

ii) The Second Respondent and Ms TJP

37. The Second Respondent prepared Mr T's will and Mr T's signature was witnessed on 13th March 2002. Mr T died on 20th October 2002 and the Second Respondent, as executor jointly with a Dr L, obtained probate on 29th October 2002. Under the terms of Mr T's will the Second Respondent and her secretary, Ms TJP, were each to receive a bequest of £1,000 plus one quarter of Mr T's residual estate. The Second Respondent and Ms TJP each ultimately received £10,405.22 from the estate.
38. Mr Lawson said, and the Tribunal accepted, that Mr T had been orally advised to obtain independent legal advice in respect of the proposed gifts to his employees and he had orally confirmed that he had done so. There was however on file no evidence that Mr T had been advised to take, and had taken, independent advice.

iii) Mr P J Lawson re: Mr W

39. Mr Lawson prepared Mr W's will. Mr W's signature was witnessed by the Second Respondent and her secretary Ms TJP on 12th September 2003. Mr W died on 22nd October 2003 and probate was obtained by Mr Lawson and a Mr G (the major beneficiary under the will), as the two executors named in the will, on 14th April 2004. The gross value of Mr W's estate was estimated at £852,682 and provided for a bequest of £10,000 to Mr Lawson. Mr Lawson received his bequest on 18th May 2004.
40. Mr Lawson had told Mr W to obtain independent advice in respect of the proposed gift to himself. Again, no evidence had been produced to demonstrate this. Mr Lawson, following the FIU Report, in November 2005 returned his bequest to Mr G. Mr G declined to accept saying "It was to my knowledge [Mr W's] intention to give you this money and I see no reason to go back on [Mr W's] wishes."

Mr S's complaint

41. Mr Lawson's firm was instructed in 2003 by a Mrs S in respect of her divorce. The matrimonial home was to be sold. The partner with responsibility for the matter was Ms Caron Bridson and the Second Respondent was given day-to-day conduct of the conveyancing aspects of the proceedings. Mr S did not agree to the firm acting for him in the conveyancing. Notwithstanding this, the Second Respondent wrote to the lender, a building society, to request the deeds. Her letter implied that she had authority to act from both parties. The Second Respondent had wrongly anticipated that Mr S would consent. Mr S complained to the Law Society and ultimately was awarded £300 compensation.

The Applicant's submissions

42. The Applicant relied upon the evidence before the Tribunal in support of his case. He did not contend that Mr Lawson or the Second Respondent had acted dishonestly.

The Respondents' submissions

Mr Lawson

43. Mr Lawson said that he had readily made all his files available to the FIU. He had sought to cover up nothing. No deficiencies had been found in his books of account. No client had made a loss from what he had done and no client had complained about his conduct. He had made loans from funds under his control at very good rates and only to those whom he knew were trustworthy. He had been right in this in that all loans had been repaid with interest. Mr Lawson said the loans were to the benefit of both parties. While it was the case that the borrower paid a high rate of interest, the loans were short term and instantly accessible and repayable and this suited some borrowers such as Ventroday.
44. Mr Lawson said he had endured "two years of hell" as a result of the investigation. He had lost a great deal of money. The FIU Report in his view was "contrived". Many of the quotes included in the FIU Report had been selected from conversations which if fully reported would have given rise to significantly different inferences. As a consequence of the Report, Mr Lawson had been unable to obtain professional indemnity insurance and thus in effect he had been unable to practise from October 2006. Mr Lawson said his means were now limited to a state retirement pension and a private pension of some £300 a month.

Mr Walsh for the Second Respondent

45. Mr Walsh said that the Second Respondent recognised that a Section 43 Order must be made against her. Mr Walsh reminded the Tribunal, however, that the purpose of a Section 43 Order was to regulate, in order to protect the public interest, and not to punish. The Second Respondent therefore asked the Tribunal to suspend that Order for a period of three months to enable her to put before the Law Society's appropriate committee the written reasons of the Tribunal so that that committee can properly determine whether it would be right to permit the Second Respondent to continue in her present employment with LSC. The Second Respondent was a competent and honest clerk and had done no more than she had been told to do by Mr Lawson. The Second Respondent was now supervised by Mr Block and the problems which gave

rise to these proceedings were very unlikely to recur.

46. The Second Respondent was now aged 59 years and lived with her husband who is retired from employment. The mortgage on their property is £700 per month and the Second Respondent's net income £1,600 per month. Mr Walsh asked that it be borne in mind when determining costs that the Second Respondent's breaches of the Rules were as a consequence of lack of training and supervision.

The Findings of the Tribunal

47. The Tribunal, at the end of a two day hearing having heard The Law Society case and having heard both what Mr Lawson said in evidence and the way he gave his evidence was sure that Mr Lawson was honest in what he said and had been honest in what he had done. Mr Lawson had not denied the facts found by the FIU. He had disputed only the interpretation of those facts and the manner in which information provided by him and the Second Respondent had been used by the FIU inspector in his Report. The Tribunal accepted Mr Lawson's explanations. Even so, the allegations were on the facts, as set out above, all proved save that in respect of the first allegation the Tribunal found that while Mr Lawson's independence was impaired by what he had done, his integrity was not so impaired.
48. The Tribunal did not hear oral testimony from the Second Respondent but accepted the content of her written statement.

The Tribunal's decision and its reasons

Mr Lawson

49. While the Tribunal was satisfied that Mr Lawson had acted with integrity in what he had done, nevertheless his conduct was wholly wrong. He had acted outside the Solicitors Practice Rules time and time again. This was particularly so in relation to the Rules on conflict of interest. It was apparent from what Mr Lawson said to the Tribunal that he had had little knowledge of the relevant Rules and furthermore even at the conclusion of the hearing could not see what he had done wrong. These were not, as Mr Lawson suggested, "technical" breaches. Mr Lawson had closed his mind to the requirements of modern practice and it seemed to the Tribunal that his mind remained closed. It was the case, in relation to the property disposals from estates/trusts under his and the Second Respondent's control, that Mr Lawson could not be wholly sure that the manner of disposal had caused no disadvantage to those estates/trusts. Furthermore, Mr Lawson's practice of holding title deeds as security was nowadays of no value given the nature of land registration. Mr Lawson said, in his defence that he had an "idiosyncratic and old fashioned approach to a solicitor's practice". This was right and regrettably, dangerously so.
50. The Solicitors Practice Rules are in place to protect the public from unscrupulous practitioners. Mr Lawson, the Tribunal has found, was not an unscrupulous practitioner. No client had lost by reason of what he had done and no client had complained about what he had done. Indeed clients –for example, Mrs I and Mr G - confirmed their satisfaction with the manner in which Mr Lawson had conducted matters for them. Nevertheless the Rules also serve the purpose of protecting the reputation of solicitors as a whole. The Rules must be complied with. Mr Lawson in what he had done, albeit honestly, had repeatedly left himself wide open to the

suspicion of dishonesty. This was why he was before the Tribunal. These were serious matters both for him in particular and the profession as a whole.

51. Mr Lawson had a previous disciplinary hearing before the SDT in that there was a finding against him in 1990. It was a long time ago and the issue was entirely different.
52. The Tribunal considered that in all the circumstances the appropriate Order against Mr Lawson is that he be suspended indefinitely from practice. In order to return to practice, he must satisfy a later division of this Tribunal that he both understands and will comply with the Rules of professional conduct.

The Second Respondent

53. The Second Respondent had worked with Mr Lawson for 37 years. She had been trained by him and was supervised by him. She did as he told her. Mr Lawson acknowledged in respect of Mrs S's divorce, which led to Mr S's complaint to the Law Society, that the firm did not have in place sufficient systems to ensure that the Second Respondent could approach a partner for advice. The Tribunal has evidence before it that the Second Respondent is both competent in her work and honest. The Tribunal considers that she bears little blame in any of these matters and in these circumstances is content to make the Section 43 Order effective only from 15th June 2007 in order to give her legal team time and opportunity to address the appropriate committee on the merits of allowing her to continue in her present employment. Similarly, the Tribunal sees fit to impose no Order as to costs upon the Second Respondent.

Costs

54. As to costs generally, the Applicant urged the Tribunal to make a summary assessment today. The Applicant produced to the Tribunal a breakdown of his costs which totalled £35,000 inclusive of Law Society costs. Mr Lawson is not a man of substantial means at present. He considered the Applicant's costs to be high and asked for them to be assessed. The Tribunal in all the circumstances took the view that it was appropriate to impose a fixed costs order today and accordingly acceded to the Applicant's request and fixed costs in the lower sum of £21,000 in an attempt to create a balance between a perfectly proper prosecution and ability to pay.

DATED this 18th day of May 2007
on behalf of the Tribunal

J C Chesterton
Chairman