## IN THE MATTER OF CHRISTOPHER ANDREW DUDZINSKI, solicitor

- AND -

#### IN THE MATTER OF THE SOLICITORS ACT 1974

Mr J N Barnecutt (in the chair) Mr D Potts Lady Bonham Carter

Date of Hearing: 27th March 2008

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# **FINDINGS**

of the Solicitors Disciplinary Tribunal Constituted under the Solicitors Act 1974

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An application was duly made on behalf of The Solicitors Regulation Authority ("the SRA") on 5<sup>th</sup> October 2007 by Jonathan Richard Goodwin, of Jonathan Goodwin, solicitor advocate, 17e Telford Court, Dunkirk Lea, Chester Gates, Chester, CH1 6LT that Christopher Andrew Dudzinski of Headlingly, Leeds, West Yorkshire, solicitor, might be required to answer the allegations set out in the statement which accompanied the application and that such Order might be made as the Tribunal should think fit.

The allegations against the Respondent were that the Respondent had been guilty of conduct unbefitting a solicitor in each of the following particulars namely:

- (i) that he withdrew money from client account in breach of Rule 22(1) of the Solicitors Accounts Rules 1998 ('the 1998 Rules');
- (ii) that he improperly utilised clients funds for the benefit of other client(s) in breach of Rule 22 (1)(a) of the 1998 Rules;
- (iii) that he made a claim(s) for costs which he knew he could not justify;

- (iv) that he failed to act in accordance with his client(s) instructions;
- (v) that he deliberately misled a client(s);
- (vi) that he made a representation in a letter dated 19<sup>th</sup> November 2004 which was misleading and/or inaccurate;
- (vii) that he failed to carry out his professional work diligently and promptly;
- (viii) that he failed to comply with a professional undertaking;
- (ix) that he made a secret profit contrary to Rule 1(a), (c), (d) and/or Rule 15 of the Solicitors Practice Rules 1990.

[For the avoidance of doubt the Applicant confirmed that (i), (ii), (iii) and (v) were allegations of dishonesty]

The application was heard at The Court Room, 3<sup>rd</sup> Floor, Gate House, 1 Farrington Street, London, EC4M 7NS on 12<sup>th</sup> March 2008 when Jonathan Richard Goodwin appeared as the Applicant and the Respondent was represented by Peter Johnson of Counsel.

## The Evidence Before the Tribunal

The evidence before the Tribunal included the admissions of the Respondent both as to the facts and the allegations and included an admission on his part that his behaviour had been dishonest.

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

The Tribunal Orders that the Respondent, Christopher Andrew Dudzinski of Headingley, Leeds, West Yorkshire, 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 £21,000.

# The facts are set out in paragraphs 1 - 80 hereunder:-

- 1. The Respondent, born in 1958, was admitted as a solicitor in 1987. His name remained on the Roll of Solicitors.
- 2. At the material times the Respondent practised in partnership under the style of Zermansky & Partners from offices at 10 Butts Court, Leeds, Yorkshire.
- 3. Following notification to The Law Society by Zermansky & Partners of concerns about some client matters conducted by Mr Dudzinksi, an Investigation Officer of The Law Society ("the IO") began an inspection of that firm on 28<sup>th</sup> June 2006.
- 4. The IO's met with Mr Dudzinski on 20th July 2006 and made detailed notes of the Respondent's responses to questions asked of him in the Report.

- 5. The inspection was limited to a brief review of the books of account and a detailed examination of the relevant matters of which Mr Dudzinski had conduct. The IO's Report dated 19<sup>th</sup> October 2006 was before the Tribunal.
- 6. The Report revealed the following matters.
- 7. The IO ascertained that the firm's books of account were not in compliance with the Solicitors Accounts Rules as a shortage of clients' funds of £25,927.48 had existed before the inspection. £21,439.73 of the shortage had been rectified after the resignation of Mr Dudzinski and before the inspection date, the remaining £4,487.75 was rectified after the inspection date. The shortage arose in the following way and had been caused by Mr Dudzinski.

	Client	<u>Amount</u>
		$\underline{\mathfrak{t}}$
Costs transferred in	Mr and Mrs McA	7,637.50
respect of which bills	Mr A	5,875.00
were not delivered	Mr B	3,964.62
	Mr G	2,350.00
	Ms R	1,321.88
	РН	81.50
	L Ltd	
	Mr and Mrs McA	4,426.98
	Ms R	270.00
		£ $25,927.48$

# Events leading up to the resignation of Mr Dudzinski on 29<sup>th</sup> March 2006

- 8. On 17<sup>th</sup> March 2006 the firm received a letter from another firm of solicitors requesting Ms R's file. Ms R had instructed Mr Dudzinski in a property matter which had been completed on 1<sup>st</sup> Feb 2005. Ms R had not received a completion statement, bill or evidence of completion. Mr Dudzinski had not been able to explain to his partners what had happened. On 20<sup>th</sup> March 2006 the partners met and requested Mr Dudzinski to take immediate leave and took other appropriate steps.
- 9. On 21<sup>st</sup> March 2006 Mr Dudzinski passed some hand-written notes about his problem files to a partner. The partner's examination of those files and a Report from the firm's accountants led them to expel Mr Dudzinski from the partnership with immediate effect on 28<sup>th</sup> March 2006. Mr Dudzinski resigned on 30<sup>th</sup> March 2006 and the firm accepted his resignation.
- 10. The IO's met with Mr Dudzinski on 20<sup>th</sup> July 2006 when he confirmed that he had "made mistakes" and "errors of judgement". He accepted that legal work had not been done and there had been probate matters on which he "did not send bills raised to the executors" but he had "never raised a bill for work that had not been done." With regard to non-payment of stamp duty he said that he knew that penalties for late payment would be due and that these would have to be paid from office bank account.

11. Mr Dudzinski's hand-written note to his former partners detailed problem files to which he wished to draw attention. He referred to six probate matters and six conveyancing matters in which he had caused improper payments to be made, there had been delays and failures to pay stamp duty land tax and he had failed to register property transfers. The IO's summarised such matters as follows:-

"Client Name	<u>Description</u>	Problems Identified by Mr Dudzinski	
D	Probate	Used "Sm" money to pay beneficiary	
McA/Sm	Probate	Need to invest inheritance until beneficiary entitled	
C G	Probate Probate	Delay - need to invest residue for minors Delay - need to distribute to residuary beneficiary	
T R	Probate Purchase	Need to send money and to draft account Used client money to pay land registry fees for another client	
RA Ltd PH Ltd Gr	Lease Lease Probate	Failure to stamp and register Failure to stamp and register Delay - need to progress appointment of receiver	
A C	Purchase Purchase	Failure to register Failure to register	
В	Lease	"original lease stamping?"	

- 12. Three further problem files of which Mr Dudzinski had conduct were also identified.
- 13. Paragraphs 14 to 80 below summarise the matters exemplified in the IO's Report.

# Mr D - Probate

- 14. Mr Dudzinski acted for Mr D, a co-executor with a partner in the firm, and a beneficiary of the late Mrs B. In her will Mrs B left Mr D's mother a life interest in her estate (which included half of the proceeds of the sale of Mrs B's property) and on the death of his mother these funds were to pass to Mr D.
- 15. Probate was granted on 27<sup>th</sup> June 1996 and the sale of Mrs B's property was completed on 12<sup>th</sup> July 1996.
- 16. In a letter of 15<sup>th</sup> July 1996 Mr Dudzinski wrote to Mr D with a completion statement and a cheque for his share of the estate seeking his instructions as to the investment of his mother's share of the sale proceeds of £11,148.85. Mr Dudzinski repeated his request for instructions in a letter of 2<sup>nd</sup> May 1997.

- 17. Telephone conversations and letters were exchanged with regard to the investment between November 1998 and November 2000.
- 18. On 20<sup>th</sup> February 2001 Mr Dudzinski wrote to Mr D saying "I am not able to supply you with statements verifying the investment...... I will be able to explain what money there is and how it is invested."
- 19. On 23<sup>rd</sup> March 2001 Mr Dudzinski wrote to Mr D enclosing a statement of account which showed the "capital sum invested and the interest received from July 1996 to date." The statement showed a capital sum of £11,148.85 "placed on deposit 12<sup>th</sup> July 1996" and "interest received during 1996/1997/1998/1999/2000" giving a total of £13,369.02 as at 31<sup>st</sup> December 2000. The statement also showed "interest accrued but not credited of £118.29".
- 20. No interest had been credited to the client ledger of Mr D which at 23<sup>rd</sup> March 2001 still recorded a balance of £11,148.85.
- 21. In his letter of 23<sup>rd</sup> March 2001 Mr Dudzinski stated:

"the income produced has been more than competitive...... the present investment is delivering a return of 1% below bank base rate.... the money is invested in a special account with Co-operative Bank plc which is our firm's bank and it is in an account not open to the general public".

- 22. In fact throughout the period from 12<sup>th</sup> July 1996 to 23<sup>rd</sup> March 2001 Mr D's mother's funds were held in the firm's general client bank account.
- 23. Mr D's mother died on 15<sup>th</sup> February 2006 when Mr D became entitled to the funds in which she held a life interest. On that date the balance of funds held on Mr D's client ledger, after having been reduced on 3<sup>rd</sup> July 2002 by a transfer of costs from client to office bank account of £293.75 was £10,855.10.
- 24. On 15<sup>th</sup> March 2006 Mr Dudzinski arranged for £15,282.08 to be paid from the ledger of McA/S (an unrelated client matter on which sufficient funds were held) by telegraphic transfer to Mr D.
- 25. At the meeting with the IO's on 20<sup>th</sup> July Mr Dudzinski confirmed that he had not invested the client's funds which had remained in the firm's general client account. He said that he had "failed to do what he should have done" and that he "kept putting it off". Mr Dudzinski admitted that he had lied to the client with regard to the investment of funds.

#### Mr and Mrs McA/Mr S - Probate

26. Mr Dudzinski acted for Mr and Mrs McA (both of whom were solicitors) in the estate of Mr S who died on 5<sup>th</sup> June 2003. Mr and Mrs McA were executors of Mr S's will. A grant of probate was made on 4<sup>th</sup> December 2003. Mr S's estate was to be held for the benefit of his son until "he reaches the age of thirty". The son would attain that age in 2012. £15,282.08 was paid from the late Mr S's ledger for the benefit of Mr D.

There was no connection between the client matters and the payment was not authorised.

- 27. At the meeting with the IO's on 20<sup>th</sup> July 2006 Mr Dudzinski said that the S funds "should have been placed on deposit, that he failed to do what he should have done and that he had no excuse" and that he knew that office to client transfers in respect of interest due on the D ledger had not been made. He said he "panicked and made the improper act ....... decided to use funds held for S to make up the shortfall on D as he knew that he could put it back when the firm's bank balance improved".
- 28. The client ledger for Mr and Mrs McA recorded that pension proceeds of £3,405.05 had been received on 22<sup>nd</sup> March 2004 and the receipt of property sale proceeds of £62,000 on 8<sup>th</sup> April 2004. No further client funds were received after that date.
- 29. Mr Dudzinski had drawn bills and made transfers of costs as from client account as follows:-

September 2004	£881.25
April 2005	3,525.00
June 2005	1,468.75
March 2006	£1,762.50
	£7,637.50

30. The firm's partners ascertained that there had been over-billing. Mr Dudzinski said that he had failed to deliver bills to his client and that he knew that he had done things improperly. He agreed that he had made improper transfers from client to office bank account in respect of bills. He said that he believed that his bills were justified. He had no recollection of substantive work done in respect of the later bills but that he had raised them because he had undercharged on earlier bills. He had put off raising bills, had failed accurately to record his time and had not generated file notes to evidence work carried out.

## Mrs C deceased - Probate

- 31. Mr Dudzinski acted in this matter. Two of the firm's partners were executors so that there was a controlled trust. Probate was granted on 5<sup>th</sup> May 1998.
- 32. Mrs C's will provided that the residue of her estate was to be held in trust for her grandchildren when they attained the age of twenty five years.
- 33. Draft estate accounts prepared in March 2002 showed that the amount held for the benefit of Mrs C's grandchildren was £157,948.94 and that interest of £23,021.04 had been earned during the period 5<sup>th</sup> March 1998 to 31<sup>st</sup> December 2001.
- 34. The partners checked the matter and ascertained that the daughter of the deceased had been pressing for some time to have the matter concluded. She wished to know where the funds were invested.
- 35. Monies held for Mrs C's grandchildren had been held in the firm's general client bank account from March 1998 to March 2006. In March 2006, immediately before the

money was placed on deposit, the sums held in general client bank account (as reduced by a transfer from client to office bank account) were £157,908.98.

36. On 13<sup>th</sup> November 2000 Mr Dudzinski wrote to Mrs C's daughter saying:-

"I regret the length of time that it has taken to give you this report...... in rough summary form approximately £165,000 will be invested for the grandchildren under your late mother's will".

37. In a letter to her of 19<sup>th</sup> October 2001 he said:-

"I am sorry but I am still not able to send you the estate accounts..... I will give the matter priority...... In the meantime I confirm that your children's inheritance is invested".

- 38. On 22<sup>nd</sup> March 2002 Mr Dudzinski sought advice as to investment of this money.
- 39. On 28<sup>th</sup> March 2002 Mr Dudzinski wrote to Mrs C's daughter saying:-

"I apologise once again for the delay ...... I enclose the trust accounts showing the money that is deposited on behalf of the beneficiaries".

40. A letter dated 20<sup>th</sup> May 2005 from independent financial advisers stated:-

"I look forward to receiving from you the application form, a cheque for the trust investment and a cheque for £1,000 for my fee".

- 41. At the meeting with the IO's on 20<sup>th</sup> July 2006 Mr Dudzinski said that he knew that Mrs C's monies had not been placed on deposit. He said it was "my failure, I should have done it, I was going to do it but I was too busy". He said he "had a client who was complaining and he did not want to say again that the funds were not invested".
- 42. Mr Dudzinski admitted to the IO's that he had deliberately misled the client with regard to the investment of the funds held.

## Mr G deceased - Probate

- 43. Mr Dudzinski acted for the executors, one of whom was a partner in the firm. Probate was granted on 14<sup>th</sup> August 2002.
- 44. Mr G's will provided that the residue of his estate be held for the benefit of Donisthorpe Hall. After payment of pecuniary legacies and the firm's costs and disbursements as at 21<sup>st</sup> November 2003 the residuary estate was £162,392.52. Draft estate accounts were sent to the executors, prior to a sale in July 2003 of property in the estate, which informed the client of bills raised up to that date.
- 45. On 11<sup>th</sup> March 2005 Mr Dudzinski raised a bill for £2,350 and transfer from client to office bank account of that amount was made on that day. The last letter on file was dated 17<sup>th</sup> November 2003 and the previous bill of 30<sup>th</sup> June 2003 was stated to cover "all work done up to and including the completion of the administration."

46. At the meeting with the IO's on 20<sup>th</sup> July 2006 Mr Dudzinski said that he raised the bill for transfer of the costs but "very little work had been done between November 2003 and March 2005". He had been "motivated to raise the bill having reviewed previous work". The bill was addressed to "The executors of the estate of G deceased. There was no evidence on the client file that a copy of the bill was sent to Mr G, the non-partner executor, who confirmed that it had not been delivered.

## Mr T deceased - Probate

- 47. Mr Dudzinski acted in this matter where he and a partner were joint executors and which therefore constituted a controlled trust. Probate was granted on 26<sup>th</sup> September 2003.
- 48. Mr T's will provided that the residue of his estate be held for the benefit of his niece Mrs B, who lived in Poland and who did not speak English.
- 49. On 19<sup>th</sup> November 2004 Mr Dudzinski wrote to Mrs B apologising for the "long delay" and informing her that she was the residuary beneficiary. He further said that he should be able to "send money to you within two or three weeks of me receiving your reply". Mrs B replied by letter dated 12<sup>th</sup> December 2004, received by the frm on 4<sup>th</sup> January 2005.
- 50. On 3<sup>rd</sup> March 206 Mr Dudzinski raised a bill for £1,762.50 and this amount was transferred from client to office bank account on that day. This bill was delivered to the firm for the attention of the executors.
- 51. On 17<sup>th</sup> March 2006 Mr Dudzinski replied to a letter from Mrs B's solicitors apologising for the delay and "enclosing an estate account" showing the "final figure due to Mrs B.

#### Ms Rh - conveyancing matters

- 52. Mr Dudzinski acted for Ms Rh in the transfer of a freehold title and creation of a leasehold interest completed on 1<sup>st</sup> February 2005. The firm also acted for Ms R in her connected matrimonial matter.
- 53. On 13<sup>th</sup> June 2005 Ms Rh wrote to Mr Dudzinski requesting a completion statement for the above transfer. In a letter dated 1<sup>st</sup> July 2005 Mr Dudzinski acknowledged receipt and he stated "I shall let you have a comprehensive reply by the end of next week". He did not.
- 54. On 21<sup>st</sup> June 2005 land registry fees of £270 were paid from client bank account and debited to the Ms Rh's client ledger. The fees were in respect of the unrelated matters of Mr L. Ms Rh did not authorise such payment. On this date £59.36 was held for Mr L and this was transferred from client to office bank account on 15<sup>th</sup> July 2005 on account of costs.

- 55. Mr Dudzinski said that there was "no rational explanation" why he paid land registry fees for Mr L out of funds held on behalf of Ms Rh. He said that it was an "error of judgement" and that the payment was "improper".
- 56. On 30<sup>th</sup> June 2005 Mr Dudzinski raised a bill for £1,321.88 on Ms Rh's matter. This bill was not delivered, but £1,321,88 had been transferred from client to office bank account on 8<sup>th</sup> July 2005.

# RA Ltd - purchase of leasehold property

- 57. Mr Dudzinski acted for RA Ltd in its purchase of a leasehold interest which was completed on 22<sup>nd</sup> April 2002.
- 58. On 28<sup>th</sup> June 2002 Mr Dudzinski raised a bill which included in the disbursements, stamp duty of £7,700. No funds were held on the client ledger for the payment of the stamp duty. On 27<sup>th</sup> June 2005 Mr Dudzinski wrote to the Manchester Stamp Office advising that stamp duty of £7,700 was due on the above transaction and apologising for the late submission of the lease which was due to "an oversight arising from pressure of work" He did not make payment. Mr Dudzinski did not correspond further with the Stamp Office on this matter.
- 59. Stamp duty formalities were completed by the firm in May 2006, when the client provided £7,700 for the payment of stamp duty and the firm paid the penalty incurred for late stamping.
- 60. Mr Dudzinski told the IO's that there was "no rational explanation" why the stamp duty had not been paid. He said that he had a "pile of things to do" that he was "always going to do it but he did not."

## PHL Ltd - purchase of car parking spaces

- 61. Mr Dudzinski acted for PHL Ltd in the purchase of car parking spaces which was completed on 7<sup>th</sup> September 2001.
- 62. On 28<sup>th</sup> June 2002 Mr Dudzinski raised a bill for £1,547.25 which included stamp duty and land registration fee, £4 in respect of a land registry search and £23.50 in respect of a bank transfer fee. £109 was held on the client ledger and this amount was transferred from client to office bank account on the same date. The bill had not been delivered to the client.
- 63. The stamp duty and land registration fees were not paid until after Mr Dudzinski's resignation when the client provided £1,150 for payment of stamp duty and the land registration fee. The firm paid the late submission penalty and interest due.

# Mr A deceased - probate

64. Mr Dudzinski acted on behalf of Mr A's sole executor, a partner in the firm. The matter therefore constituted a controlled trust. Probate was granted on 6<sup>th</sup> June 2001.

- 65. Mr A's will provided that each of his four children were to receive equal shares in the residue of his estate upon reaching the age of eighteen.
- 66. On 5<sup>th</sup> March Mr Dudzinski prepared estate accounts which were sent to three of the four beneficiaries. The whereabouts of the fourth beneficiary could not be established. His share of £22,401.55 was retained in client bank account. It was not placed on deposit.
- 67. By 3<sup>rd</sup> May 2006 the funds held on this client ledger had been reduced to £15,978.07 in the main by the payment of further bills raised as follows:-

28 <sup>th</sup> June 2005	£881.25
30 <sup>th</sup> June 2003	882.25
11 <sup>th</sup> March 2005	2,350.00
3 <sup>rd</sup> March 2006	1,762.50
	£5,875.00

- 68. The last letter out on the file was dated 5<sup>th</sup> March 2002.
- 69. On 24<sup>th</sup> March 2006 the client monies held were transferred to a deposit account. The partners in the firm did not consider that work had been undertaken that justified the bills raised by Mr Dudzinski and drew a credit note for £5,875 on 25<sup>th</sup> May 2006 when an appropriate transfer of office funds was made.
- 70. Mr Dudzinski told the IO's that he had "never raised a bill that was not justified" but that he had "no recollection why he was entitled to raise further bills" on this matter.

## Mr B deceased - probate

- 71. Mr Dudzinski acted for a former and a current partner of the firm who were joint executors of Mr B's estate. This matter therefore constituted a controlled trust. Probate was granted on 8<sup>th</sup> June 1992.
- 72. In his will Mr B bequeathed pecuniary legacies of £2,000 to each of his six grandchildren upon attaining the age of eighteen. Four of the six legacies fell due and were paid during the period to 14<sup>th</sup> February 2003. The remaining £4,000 was required to be held on the client ledger.
- 73. Three sums had been transferred from client to office bank account since 14<sup>th</sup> February 2003, namely:-

<u>Date</u>	Description	<b>Payments</b>
		$\underline{(\mathfrak{t})}$
2 <sup>nd</sup> July 2003	Costs transfer	881.25
11 <sup>th</sup> March 2005	Costs transfer	1,175.00
8 <sup>th</sup> July 2005	Costs transfer	<u>1,908.37</u>
·		£3,964.62

- 74. On 25<sup>th</sup> May 2008 the partners raised a credit note for £3,964.62 as they considered that the bills should not have been raised. The monies held were to be distributed in accordance with the terms of Mr B's will.
- 75. Mr Dudzinski told the IO's that he thought that all the legatees had received the amounts due to them. He said that he "believed that he had undercharged the file" and that he "would not have done the additional bills if I knew that legacies were unpaid".

# Mrs R - probate

- 76. Mr Dudzinski acted for Mrs R in connection with her late mother's estate. Probate was granted on 13<sup>th</sup> September 2000. Mrs R died and her surviving daughters entered into a dispute about their grandmother's jewellery.
- 77. TSB which held the jewellery in a safe deposit box released its contents to the firm on the basis of an undertaking given by the firm that "it will not dispose of the contents of the package".
- 78. The firm had not been able to establish the whereabouts of the jewellery, which was understood to be of little monetary value but was of sentimental value for the grandchildren of the deceased.
- 79. Mr Dudzinski told the IO's that he believed that the jewellery was still held at the firm's offices but he did not know where. He had no recollection of having had the jewellery valued.

## <u>Telegraphic Transfer Charges</u>

80. The IO's Report identified the fact that Mr Dudzinski's firm charged clients £30 plus VAT in respect of telegraphic transfer fees, including that charge on the firm's bill as a disbursement. The firm's bank charged it between £6-£15.

# The Submissions of the Applicant

- 81. The firm's costs were transferred from client to office bank account by Mr Dudzinski without his first having delivered a bill or written intimation to the client/clients concerned in the cases of Mr and Mrs McA, Mr G. Ms Rh, PHL Ltd, Mr A deceased and Mr B deceased.
- 82. Client money was improperly and deliberately transferred by the Respondent to other unrelated client accounts without the consent of the clients to whom the money belonged in the case of Mr and Mrs McA and Ms Rh.
- 83. The Respondent made a claim for costs which he knew he could not justify in the case of Mr and Mrs McA, Mr G deceased, Mr A deceased and Mr B deceased.
- 84. In two probate files the Respondent had failed to follow his clients' instructions and subsequently misled the clients in an attempt to hide his failure to comply. That occurred in the case of Mr D and in the case of Mrs C deceased.

- 85. In the matter of Mr T deceased, where the Respondent acted as one of the executors, the Respondent had indicated to Mrs B, a beneficiary living in Poland, that he would send money within two or three weeks of receiving her reply and that was misleading and inaccurate.
- 86. The IO's Report identified instances where the Respondent failed to carry out his professional work diligently and promptly in the cases of Mr T deceased, Ms Rh, RAL Ltd and PHL Ltd. In the latter two client matters stamp duty had not been paid and penalties had been incurred.
- 87. In the matter of the late Mrs R he had not retained the package of jewellery obtained from Lloyds TSB Bank in accordance with the undertaking that he gave.
- 88. Where the firm charged £30 plus VAT in respect of telegraphic transfer fees as a disbursement when the firm was charged between £6-£15 by its bank for making such transfer, the firm had in effect made a secret profit as it had not notified the clients that there was a profit element for the firm in the charge shown as a disbursement. The total of such profit made by the firm for the year ending 30<sup>th</sup> June 2006 was £4,621. The Law Society had published guidance in April 2001 about such charges.
- 89. Mr Dudzinski had admitted being guilty of dishonesty at a late stage. Had he not done so the appropriate test to have been applied by the Tribunal was that in the case of Twinsectra Ltd v Yardley and Others [2002] UKHL 12. The Respondent had failed to meet the high standards required of members of the profession defined in the case of Bolton v The Law Society namely to demonstrate integrity, probity and trustworthiness and that solicitors must be capable of being trusted to the ends of the earth.
- 90. Mr Dudzinski had taken costs when he knew he was not entitled to do so. Solicitors do not lie to their clients. It did go to the credit of Mr Dudzinski that he had made frank admissions to the IO's in relation to a number of matters.
- 91. The Applicant invited the Tribunal to consider that this case fell into a very serious category. Where some of the allegations made were not to be regarded as allegations of dishonesty, they were still serious.
- 92. With regard to the secret profit made in connection with the firm's charge to the client for telegraphic transfer fees, the Tribunal was not invited to take the view that there was any sinister element to that. The firm had got it wrong but had formed no deliberate intention not to be entirely frank with clients.
- 93. Not only had Mr Dudzinski admitted the allegations, including those which were put as revealing dishonesty on his part, he had also agreed to bear the Applicant's costs fixed in the sum of £21,000 which included the costs of the IO's work, disbursements and VAT.

#### The Submissions of Mr Dudzinski

- 94. Mr Dudzinski admitted the allegations and was fully aware of the seriousness of them and the sanctions that were available to the Tribunal.
- 95. Mr Dudzinski had submitted a lengthy manuscript response to the Solicitors Regulation Authority in which he offered an explanation but made no excuse. He had been as candid as he could have been. He had not acted as he should have done while under considerable pressure. Not only had he been under pressure but he had, where using one client's money for the purposes of another, done so in a misguided attempt to help the clients.
- 96. The facts placed before the Tribunal had never been in dispute but Mr Dudzinski had found it hard to accept that he had been dishonest. It had taken some courage to make that admission before his professional disciplinary tribunal.
- 97. Mr Dudzinski's actions had cost him dear. Not only had he lost his partnership but strains had been placed on his marriage.
- 98. At the time of the hearing Mr Dudzinski was working in a solicitor's firm outside Leeds. He hoped to be able to continue to work in law. He understood the provisions of the Solicitor's Act and the steps that were likely to have to be taken by his employer. He recognised that in the light of his admissions the Tribunal would impose the ultimate sanction upon him.
- 99. The Respondent apologised to his clients, his colleagues and the profession.
- 100. The Tribunal was invited to give due weight to the testimonial written in Mr Dudzinski's support by his current solicitor employers.
- 101. Mr Dudzinksi recognised that he must meet the Applicant's costs and had agreed the figure. He was of limited means. His capital account at his partnership had been frozen and it was probable that he would not receive any payment in this respect. His financial state was parlous.

## The Findings of the Tribunal

- 102. The Tribunal found the allegations to have been substantiated, indeed they were not contested.
- 103. The Respondent's conduct had been at the serious end of the scale of misconduct and in the matters upon which allegations (i), (ii), (iii) and (v) were based, he had been dishonest. The Tribunal took into account Mr Dudzinski's explanation that he had been under pressure and the testimonial written in his support but because the Respondent had not exhibited the high standards of probity, integrity and trustworthiness required of a solicitor and over a long period of time had not demonstrated that he was a person who could be trusted to the ends of the earth the appropriate and proportionate Order to be made by the Tribunal, both with a view to fulfilling its duty to protect the public and to maintain the good reputation of the solicitors' profession, was that Mr Dudzinski should be struck off the Roll of

Solicitors. The position with regard to costs had been agreed between the parties and the Tribunal therefore Ordered Mr Dudzinski to pay the Applicant's costs fixed in the agreed sum. In so doing the Tribunal was aware that the Applicant and those instructing him would be minded to accept a reasonable offer to pay in instalments.

Dated this 4th day of June 2008 On behalf of the Tribunal

J N Barnecutt Chairman