

IN THE MATTER OF PHILLIP JOHN GRIFFITHS, solicitor

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

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Mr W M Hartley (in the chair)  
Mr N Pearson  
Ms A Arya

Date of Hearing: 24th July 2007

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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 Law Society by Ian Ryan, solicitor and partner in the firm of Bankside Law Solicitors, Thames House, 58 Southwark Bridge Road, London, SE1 OAS on 13<sup>th</sup> March 2007 that Philip John Griffiths, solicitor of Emstrey Lodge, 3 Emstrey, Atcham, Shrewsbury, Shropshire, SY5 6QP might be required to answer the allegation contained in the statement which accompanied the application and that such Order might be made as the Tribunal should think fit.

The allegation was that the Respondent had been guilty of conduct unbecoming a solicitor in the following particulars:

- (i) that he had been convicted of failing to make a required disclosure, contrary to Section 330(1) of the Proceeds of Crime Act 2002 and sentenced to a term of six months imprisonment; the details of that offence being that in the course of his business in the regulated sector, he knew or suspected, or had reasonable grounds for knowing or suspecting, that other persons, namely Leslie Duncan Pattison, Peter Duncan Davis and Donna Louise Davis were engaged in money laundering.

The application was heard at the Court Room, Third Floor, Gate House, 1 Farringdon Street, London, EC4M 7NS on 24<sup>th</sup> July 2007 when Ian Ryan appeared as the Applicant and the Respondent did not appear and was not represented.

The evidence before the Tribunal included a statement made by the Respondent dated 18<sup>th</sup> July 2007 in which he indicated by offering mitigation that he admitted the allegation.

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

The Tribunal Orders that the Respondent, Phillip John Griffiths of Emstrey Lodge, 3 Emstrey, Atcham, Shrewsbury, Shropshire, SY5 6QP, 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 £2,350.00.

**The facts are set out in paragraphs 1 to 9 hereunder:**

1. The Respondent, born in 1961, was admitted as a solicitor in 1985. His name remained on the Roll of Solicitors. At the material times the Respondent practised on his own account under the style of LawCare Solicitors at Atcham, Shrewsbury, Shropshire.
2. The Respondent had been charged on indictment with an offence of failing to make a required disclosure contrary to Section 330(1) of the Proceeds of Crime Act 2002. On 26<sup>th</sup> July 2004 Peter and Donna Davis were sentenced to twelve and seven years in prison respectively for their part in a drug trafficking conspiracy.
3. It had emerged that in June 2004 Mr and Mrs Davis had disposed of their primary asset, a property at Yardley, Birmingham, valued at the time at about £150,000. It was thought this was an attempt to thwart confiscation proceedings.
4. Mr and Mrs Davis purchased the property in late 2001 for £83,000. £43,000 was funded by way of a mortgage advance.
5. Notwithstanding that in June 2004 the property had a market value of about £150,000, Mr and Mrs Davis had sold it to Leslie Pattison, an estate agent, for £43,000 (the approximate sum required to redeem the mortgage).
6. The Respondent had previously acted for Mr and Mrs Davis in 2001 when they sold another property. In September 2002 the Respondent had been served with a Drug Trafficking (1994) Production Order in relation to that transaction in order to establish the whereabouts of the proceeds of sale. It had been the prosecution case that as early as September 2002 the Respondent had known that Mr and Mrs Davis were being investigated for drug trafficking but nevertheless he subsequently acted in the transfer of the property at Yardley, Birmingham at a gross undervalue. In the case summary that was before the Tribunal it was recorded that the Respondent when accepting instructions had accepted the explanation given to him by Mr and Mrs Davis and the purchaser that they had got into difficulties with their mortgage and the purchaser was helping them out.
7. The Respondent was convicted on an offence of failing to make a required disclosure at Warwick Crown Court on 19<sup>th</sup> June 2006 and he was sentenced to a total of fifteen months imprisonment on the same date.
8. The Respondent appealed against that sentence and his term of imprisonment was reduced by the Court of Appeal from fifteen months to six months on 6<sup>th</sup> September 2006.

The Proceeds of Crime Act 2002

9. (1) A person commits an offence if each of the following three conditions is satisfied.
- (2) The first condition is that he:
- (a) knows or suspects; or
- (b) has reasonable grounds for knowing or suspecting that another person is engaged in money laundering.
- (3) the second condition is that the information or other matter:
- (a) on which his knowledge or suspicion is based; or
- (b) which gives reasonable grounds for such knowledge or suspicion, came to him in the course of a business in the regulated sector.
- (4) The third condition is that he does not make the required disclosure as soon as is practicable after the information or other matter comes to him.

**The Submissions of the Applicant**

10. The Respondent had previous knowledge of Mr and Mrs Davis having acted for them on the sale of a property in 2001. In September 2002 he had been served with a Drug Trafficking (1994) Production Order in relation to that transaction in order to establish the whereabouts of the sale proceeds.
11. The Respondent was therefore on notice of police concerns about the activities of Mr and Mrs Davis when in June 2004 he effected the transfer of the Davis's property at Yardley, Birmingham to a purchaser at an undervalue. It was clear from documents extracted from the conveyancing file that the Respondent would have been aware at the time of the sale of the discrepancy between the original purchase price and the price paid by the purchaser, a co-defendant in the criminal proceedings.
12. In his sentencing remarks at the Crown Court at Warwick His Honour Judge Marten-Coates had said:

"Phillip Griffiths, I am not at all surprised at the jury's verdicts in your case. And I know what the consequences would be and I have been told what the professional consequences have been to you. You have let yourself down, you have let your profession down, and simply because, as far as I could see, you were unable to say no to Mr Pattison, with whom you had had a close relationship on and off for a number of years.

I am satisfied that you would have had much less to gain from this transaction than he stood to gain. But the fact is that you know the rules and society demands a high degree of professionalism from solicitors.

You took a chance and you were discovered. I cannot give you credit for a plea of guilty or for an expression of remorse. I take the view that because of your connection with Pattison, you closed your eyes to what would otherwise have been the clearest of evidence staring you in the face.

13. In hearing the appeal against sentence in the Court of Appeal. Mr Justice Leveson said:

"The case of Mr Griffiths is somewhat different. In a lengthy letter to the court he has recounted the consequences of his conviction, although we underline that these are consequences brought entirely upon himself. Most significantly, he was acquitted of the more serious offences based on knowledge and suspicion and was convicted of failing to disclose to the authorities when he had reasonable grounds for knowing or suspecting that this transaction involved money laundering. Further, he was not making any great profit. The consequence: his practice as a solicitor is lost and he has suffered all the financial consequences of cessation and the difficulties that he will inevitably face seeking to earn a living. Rightly, he will be struck off the Roll of Solicitors. Without going into any further detail, the impact on his health and personal life has also been very dramatic. Having said all that, however, again we agree with the learned judge when he observed that society demands a high degree of professionalism from solicitors. They are one of the door keepers of financial probity in connection with this legislation and it is one of the obligations to which each one will be required to measure up to the hilt. In that regard, we also agree that a custodial sentence was equally inevitable."

14. The Applicant wished to make clear that The Law Society's case was based on the Respondent's conviction and that it was the second limb of the offence, namely that he had "reasonable grounds for knowledge or suspicion" not that he had actual knowledge.
15. It was a serious matter for a solicitor convicted of an offence relating to the money laundering legislation. For a solicitor to have such a conviction served to damage the good reputation of the solicitors' profession. Indeed the Respondent had not discharged his duty as a solicitor.

**The Submissions of the Respondent  
(contained in his beforementioned statement dated 18<sup>th</sup> July 2007)**

16. During his legal career the Respondent had worked in many sectors of the profession including private practice and as a solicitor for a local authority. For seven years he was a sole practitioner dealing with litigation when he was a court and police station duty solicitor. Having experienced difficulties in compliance with the procedural and documentary requirements of legal aid franchising and difficulties with his health, the Respondent closed his practice at the end of December 2000.
17. From January 2001 he worked as a locum and as an assistant solicitor until he started practice in partnership as LawCare Solicitors in January 2002. He continued to practise in partnership until October 2005 when, due to the criminal charges which

had been laid against him, the Respondent had no option other than to retire from practice.

18. Throughout his legal career the Respondent sought to provide an efficient and personal service to clients. He was not aware of any claims made by clients which had been settled against him. The Respondent had not had any criticism from The Law Society save for a warning when he filed an Accountant's Report one day late.
19. The Tribunal was invited to consider a number of points in mitigation in which were:
  - (i) The Respondent's career prior to this matter had been distinguished and unblemished.
  - (ii) The Respondent operated an efficient and worthwhile service to the public, initially to disadvantaged clients and then in the property sector. He believed he had and still had skills to offer to the profession.
  - (iii) The offence was not one of dishonesty. The findings of the jury in acquitting the Respondent of actual knowledge in the more serious allegation and convicting him only of the alternative charge confirmed this.
  - (iv) The offence was committed in the course of practice but the Respondent had complied in all respects regarding the advice offered by The Law Society in the "Green Card" which was in operation at the time of the offence. He was well acquainted with his client and the legitimacy of the source of the funds used to finance the transaction. The jury found that he had been wrong in his professional judgement as to the reason for and legitimacy of the transaction.
  - (v) The Respondent had been punished harshly by the court. The original sentence had been reduced from fifteen months to six months by the Court of Appeal. The Respondent served three months in custody.
  - (vi) Following his arrest the Respondent suffered depression and received counselling and medication. This continued through the court proceedings and during imprisonment.
  - (vii) The Respondent's wife and family had suffered emotionally, psychologically and financially from the court procedure and his imprisonment.
  - (viii) The Respondent and his wife were initially forced to remortgage their home and later to sell it. They had lived there for nine years. They would have to rent a property. The Respondent's wife was employed part time and the Respondent was employed full time as a project manager by Support Help and Advice for the Friends and Relatives of Prisoners (SHARP). Their combined income was sufficient to pay their mortgage and buy food only. Any costs awarded against the Respondent would result in severe hardship.
  - (ix) Since his release from prison the Respondent had devoted himself to his work for charity since he had been employed as a project manager for SHARP. The Respondent had set up a network of court helpdesks in Crown Courts across

the West Midlands. The helpdesks provided help, support and advice to families of defendants in court, advice and support following a prison sentence, support to families during the sentence and advice and help upon release and during resettlement. He had recruited and trained volunteers.

- (x) The Respondent had sought to have his name voluntarily removed from the Roll but this had not been permitted.
- (xi) The Law Society had failed in its duty to assist members in difficulty. The Respondent had felt isolated and abandoned. There had been a certain level of support for the Respondent's position by other members of the profession.
- (xii) The Tribunal was invited to adopt leniency and make no order for costs against the Respondent.

### **The Findings of the Tribunal**

- 20. The Tribunal found the allegation to have been substantiated, indeed it was not contested.
- 21. The Tribunal has taken into account the mitigation placed before it by the Respondent. The Tribunal recognised that he and his family have suffered in a number of ways following his arrest and conviction. Nevertheless he had been convicted of a serious criminal offence under the Proceeds of Crime Act. The Tribunal noted that it had been found only that he had reasonable grounds for knowledge or suspicion that another person was engaged in money laundering and not that he had actual knowledge. Nevertheless the Tribunal recognised that the fortunes of an individual solicitor are less important than the collective good reputation of the solicitors' profession. The Tribunal, mindful of its duty to protect the public and the good reputation of the solicitors' profession, concluded that it was both proportionate and appropriate to Order that the Respondent be struck off the Roll of Solicitors.
- 22. The Applicant had explained to the Tribunal that his costs were probably in the region of some £4,000. He had agreed to accept the sum of £2,000. The Tribunal took into account the representations made by the Respondent with regard to costs, but concluded that it was right in all of the circumstances that the Respondent pay the Applicant's costs and in order to save the expenditure of time and further costs the Tribunal fixed the costs in the figure agreed by Mr Ryan to be acceptable, namely £2,000 plus VAT.

Dated this 27<sup>th</sup> day of September 2007  
On behalf of the Tribunal

W M Hartley  
Chairman