

IN THE MATTER OF CHRISTAKIS PITTORDOU, solicitor

- AND -

IN THE MATTER OF THE SOLICITORS ACT 1974

Mr. W. M. Hartley (in the chair)
Miss T. Cullen
Mr. M. G. Taylor CBE

Date of Hearing: 4th December 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 a partner in the firm of Gorvins of 4 Davy Avenue, Knowlhill, Milton Keynes MK5 8NL on the 2nd April 2007 that Christakis Pittordou of C. Pittordou & Co, 230 High Street, Barnet, Hertfordshire EN5 5TD 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.

The allegations were that the Respondent had been guilty of conduct unbecoming a solicitor in that he:-

- i. Failed to keep proper accounting records to show accurately the position with regard to the money held for each client (Rule 1(f) and 1(g) The Solicitors' Accounts Rules 1998 (SAR));
- ii. Allowed client money to be mixed and used for matters other than for that client (Rule 1(d) SAR 1998);
- iii. Improperly transferred funds from Client Account to Office Account, contrary to Rule 22 SAR 1998 and Rule 7 SAR 1991;

- iv. Failed to comply with the Accounts Rules in breach of Rule 6 SAR 1998 and Rule 1(f) SAR 1998;
- v. Failed to remedy breaches of the rules or to replace money improperly withdrawn from client money promptly upon discovery (Rule 7(1) SAR 1998);
- vi. Improperly maintained debit client balances, contrary to Rule 22 SAR 1998;
- vii. Improperly withdrew clients account funds from one client and transferred those funds to another, unrelated, client in breach of Rule 22 SAR 1998;
- viii. Improperly withdrew monies for his costs from client funds without sending a bill of costs or other written notification to his client, contrary to Rule 19(2) SAR 1998;
- ix. Improperly utilised client monies for his own benefit.

The application was heard at The Court Room, 3rd Floor, Gate House, 1 Farringdon Street, London EC4M 7NS when George Marriott appeared as the Applicant and the Respondent was represented by Gregory Treverton-Jones of Queen's Counsel.

The evidence before the Tribunal included the admissions of the Respondent and the oral evidence of Mrs Pittordou, Mr. Lapperton and a Barclays Bank statement was handed up by the Respondent.

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

The Tribunal Orders that the Respondent CHRISTAKIS PITTORDOU of C Pittordou & Co, 230 High Street, Barnet, Hertfordshire, EN5 5TD, solicitor, do pay a fine of £20,000.00, such penalty to be forfeit to Her Majesty the Queen, and it further Orders that he do pay the costs of and incidental to this application and enquiry to be subject to a detailed assessment unless agreed between the parties to include the costs of the Investigation Accountant of the Law Society.

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

1. The Respondent, born in 1954, was admitted as a solicitor in 1980.
2. On the 26th January 2005 an investigation officer of The Law Society (the IO) began an inspection of the books of account at the Respondent's firm where he was a sole practitioner. The IO produced a report dated the 23rd May 2005 which was before the Tribunal.
3. The IO found that the books of account were not in compliance with SAR.
4. A list of liabilities to clients as at the 31st December 2004 was produced for inspection which, after adjustment, totalled £206,402.34. The items in the list were in agreement with the balances shown in the clients' ledger. Further liabilities to clients existed in the sum of £8,577.50 which were not shown by the books leading to a cash shortage

of that sum. On the 16th February 2005 that shortage was corrected by a transfer of £8,577.50 from office to client bank account.

5. The shortage arose in two client matters. In one between the 31st December 1998 and 25th January 1999 £13,000 was transferred from client to office bank account to pay for disbursements. After the payment of disbursements a balance of £4,700 remained in office account. The Respondent confirmed that he had benefited from holding £4,700 of client money in his office bank account for approximately six years.
6. In the other matter a transfer of £15,045 had been made from client to office account on the 6th April 2003 in relation to costs and disbursements. The actual costs were £2,937.50 and the disbursements paid from office account totalled £8,230. The balance of £3877.50 remained in the office bank account until the 16th February 2005 when it was corrected by a transfer from office to client bank account, some 21 months later.
7. Prior to the inspection date there had been a cash shortage of £57,220.86 as at the 22nd December 2004. This figure was made up of debit balances on eighteen client ledgers ranging from £8 to £19,000. The Respondent confirmed with the IO that he would have been aware of each debit balance as his bookkeeper provided him with a list of client ledger balances on a monthly basis. The debit balances had been corrected on the 23rd December 2004 by way of transfers from the client ledger in the name of H Deceased to the unrelated client ledgers where debit balances had arisen. The Respondent explained that the portion of the client money standing to the credit of the ledger of H Deceased was due to him in costs. The Respondent explained that such money had not been transferred into office bank account and this was an error. The Respondent had raised bills "in preparation" but they had not been entered on the H Deceased ledger. The bills were dated 16th February 2005 and related to the administration of the H trusts from April 2004 to April 2005. The transfers correcting the debit balances took place, in December 2004.
8. The largest debit balance of £19,000 arose when a client provided a cheque for £19,000 which was paid into client bank account on the 20th May 2002. On 6th April 2003 £19,000 was debited to the client ledger as the client cheque had not been cleared. The Respondent confirmed with the IO that he had been reminded of that debit balance each month when his bookkeeper supplied him with a client matter listing. It had also been brought to his attention by the report of his own accountant dated 28th September 2004. The Respondent acknowledged that it had been The Law Society's inspection which had prompted him to investigate the matter.
9. In another client matter the Respondent was a co-executor. He had calculated the interest due to the Estate on 30th April 2001 at £5,746.08. He explained that he had intended to transfer that amount from office to client account on 30th April 2001, the day when the main payments were made to beneficiaries. Because that transfer had not been made and there had been subsequent transactions, as at 22nd December 2004 the client ledger recorded a debit balance of £8,093.27. The Respondent acknowledged that the shortage had been created when payments made to beneficiaries were in excess of the credit balance on the ledger.
10. A "sundry bills" ledger had been created on the 3rd May 1990 and at the start of the IO's inspection consisted of 107 pages. The Respondent had described it as a

“depository of small ledgers.” As at 22nd December 2004 the sundry bills ledger recorded a client debit balance of £6,038.02. Part of the client debit balance could be attributed to the withdrawal of cash from the client bank account on the 27th June 2003. The Respondent confirmed that he had withdrawn £1,000 in cash from the client bank account for his own use. He explained to the IO that he had done so in error and that he must have given the bank the wrong account number. The Respondent had not realised his mistake until it was brought to his attention during the IO’s inspection. The Respondent had not been able to provide an explanation for the remainder of the client debit balance of £5,038.02.

11. In his oral explanations and in letters written to The Law Society the Respondent explained that he suffered from a medical condition, obstructive sleep apnoea, a condition which caused, often unbeknown to the sufferer, fitful sleep and could result in daytime sleepiness, irritability and poor concentration. He had been diagnosed with the condition early in 2002 and began CPAP therapy in March 2002 which he said resulted in an “immediate resolution of his symptoms.”

The Submissions of the Applicant

12. The Applicant did not allege dishonesty on the part of the Respondent, rather there had been a systemic breach of the Solicitors’ Accounts Rules. The Applicant accepted that matters had been put right. There had, however, been a picture for a number of years of a reckless disregard for the SAR. Those rules were in place for the protection of the public and all solicitors were expected to abide by them without deviation.
13. The Respondent had placed a great deal of blame for what had occurred on the medical condition from which he suffered, obstructive sleep apnoea.
14. Letters written to The Law Society indicated that the Respondent had been diagnosed with the condition early in 2002. He began therapy in March 2002 which resulted in “an immediate resolution of his symptoms.” On 29th January 2003 the Respondent noted a “dramatic improvement in his lifestyle.” And by 15th April 2004 he was “typically sleeping 7 hours a night” and was “coping well with CPAP therapy.” A report of the 4th March 2005 confirmed that the Respondent’s condition was “entirely satisfactory on CPAP therapy.” The Respondent’s wife wrote a statement in July 2005 which suggested that her husband slept properly and enjoyed his work. The Respondent appeared to have continued to progress well until his condition deteriorated later in 2005, some months after The Law Society’s inspection.
15. The medical evidence indicated that the Respondent had been able to enjoy a normal lifestyle almost from the moment that his condition was diagnosed in March 2003 and during the 21 months before The Law Society’s inspection of his accounts.
16. The Respondent had told the IO that he had been aware of debit balances when his bookkeeper provided him with client listings on a monthly basis. This had not led him to investigate or correct debit balances promptly.
17. In correspondence the Respondent had provided a number of explanations as to why debit balances had arisen for example he had made overpayments to or on behalf of clients, he had paid a disbursement which had not been entered on to the ledger until

sometime later when it was entered in a different amount. The funds had either not been received from clients or clients had provided insufficient amounts to discharge all outgoings and mistakes had been made on the ledger entries.

18. The Tribunal was invited to note that the errors, many of which occurred after March 2002, had been when the Respondent was in receipt of therapy and was enjoying normal sleep patterns. The Respondent had transferred monies from one client ledger to another unrelated client ledger to correct a shortfall. His case had been that his firm was entitled to the money by way of costs. That being the case the money should have been transferred from client to office account when, of course, it would have been open to the Respondent to use his own money to rectify any shortfall.
19. The Respondent had explained that he had not intended the sundry bills ledger to grow to 107 pages. He submitted that it had been misused by his bookkeeper but as sole principal the Respondent was responsible for keeping the books of his firm in order.
20. The Respondent had submitted that the debit balances on client account resulted from a series of “honest mistakes” which had been caused by his obstructive sleep apnoea condition.
21. The Respondent was the principal of his firm and had been aware of the growing problem with his accounts. He had failed to heed warnings from his bookkeeper and his accountant.
22. The Respondent’s claimed mitigating circumstances did not square with the medical evidence which suggested that the Respondent’s condition was under control and that he had been able to lead a normal lifestyle from the commencement of his therapy early in 2002.

The Submissions of the Respondent

23. The Respondent recognised that his accounting system had not operated as efficiently as it should have done and he apologised to the Tribunal and to the profession for his shortcomings in that respect. The Respondent was ashamed to be appearing before his professional disciplinary Tribunal.
24. The Respondent was 53 years of age. He had graduated from the London School of Economics and had been admitted as a solicitor in 1980. He had worked in one firm until he became a sole practitioner many years ago. The Respondent loved his work and provided a good service to his clients.
25. The Respondent had come to the United Kingdom with his parents from Cyprus when he was a boy. Many of his clients had a similar background. The Tribunal was invited to give due weight to the testimonials written in the Respondent’s support all of which attested to his competence and integrity and would note expressions of thanks for the work undertaken by him which clients had made.
26. The Respondent undertook non-contentious business.

27. He was a married man with two daughters one of whom was midway through a medical degree. Both of them required some support from him.
28. The Respondent's first marriage had broken up and he had remarried. His current wife had two children from her earlier marriage.
29. Until the 1990s life had been kind to the Respondent and he had run a successful solicitors practice. He had been seriously affected by the condition of obstructive sleep apnoea. He did not seek completely to excuse his shortcomings by the fact that he suffered from this condition and he accepted that solicitors should have in place systems to prevent problems from arising in the case of ill health.
30. The condition was harmful because the Respondent became bad tempered. A person's judgement could be seriously affected by the condition. A lack of an ability to concentrate was also symptomatic as was falling asleep inappropriately for example when driving. The Respondent had suffered five minor road traffic accidents.
31. Whilst the treatment received by the Respondent had a marked degree of success his problem had not been resolved fully until he acquired a new CPAP machine in September 2005.
32. The Respondent's problems relating to his condition damaged his practice and nearly wrecked his marriage. Mrs Pittordou explained that the Respondent had changed from a kind gentle man with a happy personality but his personality had changed. He had always been very particular in the office and the etiquette in the office had changed. Mrs Pittordou worked as a secretary in the Respondent's firm. She confirmed that in March 2002 the CPAP machine made a big difference but he had not returned to the same person that he was before the onset of his medical condition. With the supply of the new CPAP machine things had greatly improved.
33. Mr. Lapperton who had great experience of keeping solicitors' accounts had been taken on by the Respondent in April of 2007. He had decided that the Respondent's software system was insufficient to provide full compliance with SAR. The Respondent had agreed without hesitation to replace the system.
34. Mr. Lapperton confirmed that the Respondent had a proper system, used slips for paying in and paying out monies and always gave full details of the transaction concerned. The Respondent had taken an interest and was fully informed about the firm's bookkeeping and accounts. The Respondent made sure that he did not draw on client account unless sufficient money was held to meet the payment.
35. The Respondent had only ever earned his living by practising within the solicitors' profession.
36. The subject matter of the disciplinary proceedings had been hanging over the Respondent's head for some three years.
37. It was hoped that the Tribunal would consider a global picture before imposing a sanction upon the Respondent. The Tribunal was invited to give him credit for making full admissions.

Costs

38. The Applicant sought the costs of and incidental to the application and enquiry. He had provided a schedule setting out his calculation of the costs. The Respondent accepted that he must bear at least some of The Law Society's costs and had made an offer to pay them in the sum of £9,000. The costs set out in the Applicant's schedule were rather greater than that.

The Findings of the Tribunal

39. The Tribunal have found all of the allegations to have been substantiated, indeed they were not contested.

The Tribunal's Decision and its Reasons

40. The allegations were supported by evidence of serious breaches of the Solicitors' Accounts Rules. There was an important obligation upon solicitors fully to comply with the Solicitors' Accounts Rules and thereby exercise a proper stewardship over clients' money. The Respondent had fallen down badly in this duty.
41. The seriousness of the breaches was aggravated by the Respondent's failure to remedy obvious breaches when they were drawn to his attention. The Tribunal noted the medical evidence and the effect that obstructive sleep apnoea had upon the Respondent. The condition had not prevented the Respondent from practising as a solicitor and it was noteworthy that a number of breaches had occurred after the Respondent's medical condition had been diagnosed and he had been in receipt of appropriate therapy which had rendered his condition less of a problem. Whilst the Tribunal accepted that the Respondent's medical condition might well have clouded his good judgement his complete failure to grasp the nettle and put right the breaches drawn to his attention was seriously inappropriate behaviour on the part of a solicitor. The Tribunal concluded that the Respondent's failures should be met with a substantial fine considering this sanction to be both appropriate and proportionate. The Tribunal Ordered that the Respondent pay a fine of £20,000.00 such penalty to be forfeit to Her Majesty the Queen and it was further right that the Respondent should pay the costs of and incidental to the application and enquiry. In view of the difference of view as to quantum existing between the parties the Tribunal considered that the right Order to make was that the Respondent should pay the Applicant's costs such costs to be subject to a detailed assessment unless agreed between the parties.

Dated this 7th day of February 2008
On behalf of the Tribunal

W. M. Hartley
Chairman