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Case 3: *Former partner at Princess Diana's law firm faces jail for helping conman's £17.5m swindle' (Mail Online 2011).*

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### Former partner at Princess Diana's law firm faces jail for helping conman's £17.5m swindle

By DAILY MAIL REPORTER  
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A former partner at Princess Diana's law firm faces a long jail term for helping a conman pull off a 'spectacular' £17.5m fraud on a Swiss bank.

Kevin Steele used his position at Mishcon de Reya, the solicitors which represented the Princess of Wales in her divorce, to help a conman pull off the multimillion pound swindle.

He provided phoney paperwork stating Michael Shepherd, 50, had £76.4m in two accounts to trick a Swiss bank into paying out a huge loan.

A jury at Southwark Crown Court yesterday found Steele guilty of conspiracy to commit fraud by false representation and conspiracy to use false instruments.

He was also convicted of fraud by abusing his position at Mischon de Reya, convincing three partners to vouch for Shepherd, who used to own Claims Direct, the insurance website.

With the help of associate Mark Pattinson, 37, and Steele's false paperwork Shepherd obtained a loan from EFG Private Bank worth up to 22million euros - more than £17.5million.

The bank was told the cash would be used to fund the development of a luxury Turkish resort where England striker Wayne Rooney and Brazilian ace Ronaldinho had bought villas.

Shepherd and Pattinson had both admitted conspiracy to commit fraud by false representation and conspiracy to use false instruments before the trial began.

Remanding Steele on bail ahead of sentence next month, Judge Graham Wood QC said: 'As you know you face a substantial custodial sentence as a result of this involvement in a fraud and you position as a solicitor obviously makes it worse.

'I regret that I will have to impose a custodial sentence but think it right that I order a pre-sentence report.' Jurors heard Pattinson ran part of the fraud from a house in Preston, Lancashire, where he forged faxed documents purporting to be from Bank Julius Baer (BJB) at Shepherd's behest.

Four of the documents stated Shepherd was the beneficial owner of an account containing £51.4million.



Two further letters claimed he had access to a second account holding £25million.

Steele, who was named as having power of attorney for both accounts, helped draft two of the bogus faxes and provided an undertaking signed by three fellow Mischon de Reya partners guaranteeing Shepherd's wealth, There is no suggestion of any wrongdoing by the three partners.

Prosecutor David Aaronberg QC said: 'What Mr Shepherd did, assisted by another man called Mark Pattinson, was to pretend that he was a phenomenally successful business man enjoying huge personal wealth.

'The reality was that he had enjoyed some success in business and you will hear it appears that he achieved one particularly good deal, but he was not the multi-millionaire who he and Mark Pattinson pretended him to be.' Mr Aaronberg added that it was the 'spectacular use of these false letters' and the written undertaking which convinced EFG to hand over the loan to Shepherd.

'It was an undertaking which provided warranties as to the existence of the monies in the bank accounts which, as I've told you, never existed,' he said.

'The other three partners in Mischon de Reya were deceived in signing this document because each of them trusted Steele as a fellow partner.

'He prepared this document and each of them believed that he would not have said anything in it which was untrue and each of them was persuaded that in the circumstances it was perfectly proper to sign on the dotted line,' he added.

Giving evidence, financial consultant Miranda Khadr said Steele had told her that Michael Shepherd had more than £50m in a bank to use as security for the loan.

She said: 'I was told all these footballers had been purchasing the units that were going to be developed. We were told that there were negotiations with people like Wayne Rooney and Ronaldinho.' 'The key thing that I was told about on the day the loan was made was that the bank account was in existence, that it had been confirmed that it existed and that it held X amount of money and that was ultimately what we loaned on.

'All of that was confirmed by Kevin Steele.' Steele claimed he had been duped by Shepherd and the letters forged by Pattinson into believing the conman was worth at least £76.4m.

He said he had acted in good faith throughout his dealings with the businessman and had been 'devastated' when he discovered he had been tricked. 'I was totally and utterly shocked to the core,' he said.

Steele of Esher, Surrey, denied charges of conspiracy to commit fraud by false representation between July 20 and August 22, 2008, and conspiracy to use false instruments between May 8 and August 22 of the same year. Pattinson, of Preston, Lancashire, and Shepherd, of Lancaster, Lancashire, admitted the charges.

Steele also denied committing fraud by abusing his position at Mischon de Reya in the firm's dealings with Shepherd between October 10, 2007, and September 4, 2008. All three men will be sentenced on January 9, 2012.

