

SOLICITORS' FIRM SUED FOR NEGLIGENCE AND BREACH OF DUTY

Another firm of solicitors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) has been taken to task by a former client.

This is the third time in the past month that various solicitors' firms of the HKSAR have been sued in respect of 1997 property deals, all of which went sour, for one reason or another, with each of the solicitors' firms, being sued for negligence and/or breach of contract/duty.

(Please see [TARGET Intelligence Report, Volume VI, Number 186](#), published on September 30, 2004)

This time, it is the turn of T.L. Ip and Company, which has been sued in the HKSAR District Court in respect of a property deal, which fell apart in 1997.

According to Mr Wong Kit Chung, T.L. Ip and Company was negligent in the handling of the sale of the Ground Floor of Lot Number 2798 in Demarcation District Number 130 in or about March 1997.

The Statement of Claim, attached to District Court Action Number 4967, tells the story as far as Mr Wong Kit Chung is concerned.

Mr Wong Kit Chung was (and, presumably, still is) the Registered Owner of the property and, on March 19, 1997, he contracted to sell it, with completion scheduled to take place on May 20, 1997.

Messrs T.L. Ip and Company was retained to act for and on behalf of Mr Wong Kit Chung, it is alleged.

Paragraph 7 of the Statement of Claim alleges that, on May 1, 1997, the purchaser of the property 'by way of requisition on title, asked for, inter alia, the original or certified copies of Certificate(s) of Exemption for building works, site formation works and drainage works ("the Requisition"); and a few letters referring to the Requisition were then exchanged between the Defendant (T.L. Ip and Company) and MF.' (Messrs M.F. Ko and Dennis Wong, Solicitors for the Purchaser)

Paragraphs 8 to 13, then, allege:

- '8. *On the Completion Date, the Purchaser did not tender an Assignment and pay the balance of the purchase price to the Plaintiff. The Plaintiff held the Purchaser liable for breach of the Agreement and forfeited the deposit paid by the Purchaser in the sum of \$109,500 ("the Deposit") as liquidated damages.*
- '9. *On 13th May 2003, the Purchaser took out proceedings in the Court of First Instance under HCMP2028 of 2003 ("the Action") against the Plaintiff for, inter alia, compensation for its loss and damage.*

PARTICULARS

- (a) *Loss of the Deposit*

- (b) *Loss of the sum of \$3,500 being expenses paid for rectification of electricity sockets for the purpose of re-connecting electricity supply to the Property, the sum of \$28,313 being the conveyancing expenses (including \$10,000 being stamp duty and other disbursements) payable by the Purchaser in the purchase of the Property, and the sum of \$30,000 being the estate agent fee paid (collectively “the Expenses”)*
 - (c) *Interest; and*
 - (d) *Cost of the Action.*
- ‘10. *On 16th April 2004, The Hon. Mr Justice Tang ruled that the Requisition was properly raised and Defendant’s answers to the Requisition were misleading and insufficient. As a result, the Plaintiff was ordered to :-*
- (a) *return the Deposit to the Purchaser;*
 - (b) *indemnify the Purchaser for the Expenses;*
 - (c) *pay interest on the Deposit and \$43,500 of the Expenses calculated from 20th May 1997 and that on \$13,175 of the Expenses from 2nd December 1997, all at the rate of 1% per annum over the best lending rate of HSBC until judgment and thereafter at judgment rate (collectively “the Interest”); and*
 - (d) *pay the costs of the Action to the Plaintiff to be taxed if not agreed.*
- ‘11. *On 27th April 2004, the Plaintiff paid to the Purchaser a total sum of \$263,514.42 for the Deposit, Expenses and Interest.*
- ‘12. *The Plaintiff will have to pay the Purchaser’s cost of the Action after the Purchaser’s Bill of Costs is prepared and taxed.*
- ‘13. *The failure of the Defendant (T.L. Ip and Company) to answer the Requisition sufficiently and/or satisfactorily was caused by the negligence and/or breach of duty of the Defendant, its servants or agents ...’.*

The ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.