

**TANRICH FINANCIAL HOLDINGS LTD:
FORMER CLIENT CLAIMS HIS ACCOUNT WAS CHURNED**

The Battle Commences

A Hongkong manufacturer of garments has accused a subsidiary of a publicly listed finance and stockbrokerage company of churning his account, causing him to lose millions of dollars.

Mr Chan Yock Nam, also known as Mr Chan Yin Chan, is the Plaintiff in Action Number 281, which has, recently, been lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The First Defendant in this Action is Tanrich Futures Ltd, which is a wholly owned subsidiary of Tanrich Financial Holdings Ltd, publicly listed on the Main Board of The Stock Exchange of Hongkong Ltd, being Stock Code Number 812.

Mr Chan Yock Nam has, also, enjoined 2 other parties in this Action, one, an existing employee of Tanrich Futures Ltd, and one, seemingly, having left the company.

The Statement of Claim, attached to Writ of Summons Number 281, is 15 pages long (excluding the 13 Pages of appendices) and was drafted by a high-priced barrister, strongly suggesting that Mr Chan Yock Nam means business.

Tanrich Financial Holdings has let it be known that it will fight, tooth and nail, rather than cave in to the allegations of the Plaintiff.

The gist of the complaint of Mr Chan Yock Nam is that he was introduced to a Mr Lam Wing Chit, the Second Defendant, who is described as an investment consultant in the employ of Tanrich Futures Ltd, and Ms Ip Pui Lan, the Third Defendant, who is described as the Vice President of the Asset Management Division of Tanrich Futures Ltd, by a business partner of his, a Mr Chan Wai Kin.

The first introduction, it is alleged, took place on April 24, 2003, at which time, it was allegedly suggested by Mr Lam Wing Chit and Ms Ip Pui Lan that Mr Chan Yock Nam should make an investment of about \$HK6.68 million in the following investment products:

- a. \$HK1.68 million in foreign currencies, representing 25 percent of the investment; and,
- b. \$HK5 million in futures and/or commodities, including red beans, coffee and corn, etc, representing 75 percent of the investment.

The investment involved some risk, the Statement of Claim states, because the investment proposal included margin trading.

Mr Chan Yock Nam alleges that the Second and Third Defendants explained that his fears were not well founded because *'the proposal could spread and/or reduce risk to a significant level by trading not in a single item, but a*

basket of items in different markets, including the Japanese and the States markets. ' (Paragraph 2.(2)(b)(ii) of the Statement of Claim)

Mr Chan Yock Nam met Ms Ip Pui Lan in the company of Mr Lam Wing Chit on a number of occasions between April 24, 2003, and May 13, 2003, for the express purpose of discussing investment strategies. (Paragraph 3)

It is alleged that Mr Chan Yock Nam explained, during his meetings with Ms Ip Pui Lan and Mr Lam Wing Chit, that he had never had any business relationship '*with any financial institution of the nature of the 1st Defendant (Tanrich Futures Ltd)*', having previously traded through licensed banks and maintained accounts with those banks. (Paragraph 4.(1))

Mr Chan Yock Nam ... [CLICK TO ORDER FULL ARTICLE](#)

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