

**PRC-DOMICILED BANK SUES
D.S. CHEUNG AND COMPANY
FOR \$HK11 MILLION**

It pays to be very careful when commissioned to assist in conveyancing matters because if something goes wrong, it can go terribly wrong.

As the solicitors' firm of D.S. Cheung and Company () has just discovered.

D.S. Cheung and Company, the solicitors' firm with offices in the Central Business District of Hongkong Island, the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is the Lone Defendant in High Court Action, Number 194 of 2008, the Plaintiff, being Industrial and Commercial Bank of China (Asia) Ltd ([]) (Code: 349, Main Board, The Stock Exchange of Hongkong Ltd).

The Plaintiff is seeking from the Defendant \$HK10,950,406.87, plus damages and interest, and costs of the Legal Action.

On scanning the Statement of Claim, attached to Writ of Summons, Number 194, it is apparent that a carefully crafted scheme had been concocted by 2 Chinese females, their obvious intent, being to defraud Industrial and Commercial Bank of China (Asia) out of the best part of \$HK11 million.

This must be the case because, at Paragraph 20 b. (xii) of the Statement of Claim, it is alleged that the Hongkong Police had become involved in this matter, having obtained a search warrant and executed the same, seizing documents which, inter alia, proved that a fraud had, indeed, been perpetrated.

As a direct result of the investigations by the Hongkong Police, a Ms Liu Wai Chun () *'was charged with, among other things, conspiracy to defraud by inducing the Plaintiff to grant a mortgage in respect of 41D (Flat 41D, Block 2, Le Sommet, Number 28, Fortress Hill Road, the HKSAR). On or about November 2006, following her own guilty plea, LIU was sentenced to 44 months imprisonment.'* (Paragraph 19 a. (i) of the Statement of Claim)

But the co-conspirator to the fraud, named in Statement of Claim as being Ms Ting Lee, is still at large and the Hongkong Police are desirous to talk to her.

Where the solicitors' firm of D.S. Cheung and Company have become involved in this matter is that, according to the Plaintiff, this firm was commissioned and retained by the PRC-domiciled bank to act in the matter with regard to 2 mortgage applications and, as such, to exercise *'the care and skill to be expected of reasonably competent conveyancing solicitors in performing their duties pursuant to the retainer.'* (Paragraph 12 of the Statement of Claim)

Taking up the Statement of Claim from Paragraph 4:

'The 40D Mortgage Loan

- '4. By mortgage loan application dated on or about February 2006, purportedly signed by a female claiming to be TING Lee ("TING") as borrower, TING applied for a loan of HK\$ 5.5 million to be secured against a property known as Flat 40D, Block 2, Le Sommet, 28 Fortress Hill Road, Hong Kong ("40D"), whose sole registered owner was stated to be TING.*

- '5. By letter dated 20 February 2006 (the "**1st Offer Letter**") the Plaintiff approved in principle a mortgage loan for HK\$ 5.5 million "subject to the formal facility letter... and the completion of documentation and formalities as and when required by us."
- '6. By letter dated 24 February 2006 ... [CLICK TO ORDER FULL ARTICLE](#)

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