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KLSE TO INVESTIGATE CASE AGAINST OCBC SECURITIES AFTER SUBMISSION OF CLAIMS

KUALA LUMPUR, May 27 (Bernama) -- Kuala Lumpur Stock Exchange executive chairman Datuk Nik Mohamed Din Nik Yusof said the KLSE will pursue a complaint made by remisier Yong Chong Keong against OCBC Securities (Melaka) Sdn Bhd over the alleged refusal by the stockbroking firm to return RM468,677.39 of Yong's money.

The investigations would be carried out after Yong had submitted a statement of claims to the exchange.

The Member of Parliament for Kota Melaka, Encik Lim Guan Eng, alleged that the KLSE did not demand the statement of claims from Yong in 1994 because according to its Nik Mohamed Din, OCBC Securities had notified the exchange at that time that it would be able to resolve the matter with Yong.

"That is why the matter has prolonged for nearly three years. Apparently the KLSE did not hear Yong's side of the story because OCBC Securities did not give the correct picture," Lim alleged in a press conference here after a meeting lasting almost half an hour with Nik Mohamed Din on the matter here today.

The last correspondence between KLSE and Yong was dated Nov 26, 1996, Lim alleged.

After the submission of the statement of claims to the KLSE, Nik Mohamed Din assured Lim that the matter would be investigated at a normal pace, he added.

The basis of Yong's claim was that OCBC Securities refused to refund the money to him, although his client, Yap Nee Seng, had already paid the amount to the company which claimed that Yap still had not repaid the stockbroking firm.

However, Lim and Yong admitted that there was no attempt by them to contact Yap, who was the central figure in the case, or his lawyer to confirm whether Yap has paid the amount to OCBC Securities on reason that Yap cannot be contacted despite the fact that they know that Yap is still staying in Malacca.

Lim said Yong had relied on a reply given by Prime Minister Datuk Seri Dr Mahathir Mohamed in Parliament on Dec 16, 1995 to a question by Lim that Yap had paid the money and that the prime minister should be telling the truth when he spoke in Parliament.

If there was no payment by Yap, then it would be a serious mistake for the police as they were responsible for determining the matter, Lim alleged.

Dr Mahathir, who is also the Home Affairs Minister, had said that the investigation on the case closed on Sept 5, 1995 because Yap, through his lawyer, said that he had paid back the amount to OCBC Securities.

According to Yong's version of the case, when Yap bought a total of 70 lots of shares worth RM562,875.60 on June 20, 1994, the cheque he had used to pay for the shares was returned to OCBC Securities on July 4, 1994 on grounds of insufficient funds.

However, on June 30, 1994, before the cheque was cleared, OCBC Securities delivered the share certificates to Yap.

On July 5, 1994, a day after the cheque was returned to OCBC Securities, the stockbroking company lodged a police report.

Lim said if the cheque was not cleared and the company delivered the share scrip, it was expected that the company would be responsible for the

matter and not the remisier, unless the remisier told the company to clear the scrip.

He pointed out that under the KLSE regulations, a member company of the exchange shall have the right, at all times, to withhold delivery of securities until such time as the client's cheque has been cleared and the proceeds were credited into the company.

After OCBC Securities' police report, Yap returned 30 lots of the shares which he had bought for a total of RM168,296.65 and these were sold for RM94,208.21, which meant that OCBC incurred a total of RM468,667.39 losses because Yap did not return the remaining shares and had to incur losses on the shares that were returned.

As such, OCBC Securities asked remisier Yong to bear the losses which he claimed that he was forced to pay under duress for fear that the company would suspend him as a remisier.

No action was taken against Yap by the police while OCBC Securities also did not appear to be actively carrying out its civil suits against Yap to recover the monies, Yong had claimed.

Yong then lodged a police report against Yap on Oct 7, 1995, at the Bandar Hilir Police Station, Malacca.

After Dr Mahathir's reply in Parliament, Yong said he demanded OCBC Securities to repay the money but the company claimed that Yap had still not repaid the monies although Dr Mahathir had said Yap had done so in his written reply.

Yong said after the matter was publicised on April 7, 1997 in the newspapers, OCBC Securities through a letter dated April 10, had acted to reduce his trading limit by half to RM875,000.

Despite the pending issue with OCBC Securities, Lim said Yong is still one of about 90 remisiers working at OCBC Securities and does not appear to have any intention to move out of the company. -- BERNAMA

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