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OCBC Securities welcomes probe

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STOCKBROKING house OCBC Securities (Melaka) Sdn Bhd welcomed Kuala Lumpur Stock Exchange (KLSE)'s investigations into a "baseless" complaint lodged by its remisier against the firm for allegedly withholding his monies worth some RM470,000.

In a brief letter to the Business Times, OCBC Securities (Melaka) board of directors said they welcomed KLSE's investigations and hoped that the "groundless complaint may be refuted and closed."

They were responding to an article in the Business Times dated May 28 1997 entitled "Probe against securities firm."

On Tuesday, Kota Melaka MP and DAP deputy secretary-general Lim Guan Eng had a brief meeting with KLSE executive chairman Datuk Nik Mohamed Din at the latter's office to discuss the complaint lodged by remisier Yong Chong Keong against OCBC Securities.

Nik Din, apart from informing Lim that the stock exchange will pursue the investigations on the matter, had requested Yong to submit a statement of claim.

The complaint by Yong, who has served with OCBC Securities for four years and continues to do so, involves the refusal of OCBC Securities to return his monies which he alleged he was forced to pay under duress in December 1994.

Yong's client Yap Nee Seng had delivered a "bounced" cheque to OCBC Securities for the purchase of 70 lots of shares of Multi Purpose Holdings Bhd, Mulpha, Landmark and CASH for RM563,000.

According to Yong, the cheque was rejected due to insufficient funds and subsequently Yap had returned 30 lots of MPH, Mulpha and CASH (10 lots each) which were sold for about RM94,000, after having incurred contra losses of about RM74,000.

Yong claimed that it was unfair for him to bear the loss arising from the situation as OCBC Securities (Melaka) had delivered the scrip to Yap without first clearing the cheque.

However, OCBC Securities in the statement added that it is the policy of stockbroking firms to require their remisiers to be fully responsible for the trades of their clients which is "clearly provided in our Remisier's Handbook as well as our Internal Circulars to our remisiers."

In Yong's case, the company added that "his client had failed to pay up the full sum due and accordingly, he was required to make good the shortfall." On Tuesday, Lim after the meeting with Nik Din had also told reporters that he had taken up the case in Parliament and had received a written reply from Prime Minister Datuk Seri Dr Mahathir Mohamad dated December 16 1996.

Dr Mahathir, as Home Affairs Minister had replied that the investigation into the case had been closed on September 1995 following the return of the monies by Yap through his lawyers, to OCBC Securities. However, the firm in the statement issued yesterday, stressed that "Yong's client, Yap Nee Seng, has still not made payment for the shortfall" to OCBC Securities (Melaka) as alleged by Yong.

"Our solicitors have also confirmed this to Yong," the company said, adding that Lim has also been apprised of this situation and the solicitors had made the same confirmation to him.

"Despite this confirmation, Yong insists on claiming that payment of the shortfall had been made by Yap and that he is entitled to be refunded,"

the company added.

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