

**MIED lawsuit against 'MIC Top 8' to proceed
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The Court of Appeal today upheld a decision of a Kuala Lumpur High Court in giving the green light to MIC's educational arm, Maju Institute of Educational Development (MIED), to sue its chairperson and eight trustees for alleged mismanagement.

samy vellu mic agm 110710 03Justices Zainun Ali, Ramly Ali and Jeffery Kok Wha dismissed MIED's appeal to set aside the High Court's June 14 decision to grant leave to former MIC Youth chief A Vigneswaran to name the institute as the plaintiff in a suit against its trustees.

Under Section 181A of the Companies Act 1965, Vigneswaran, who is a member of MIED is required to get court's permission to name MIED as plaintiff in a proposed legal suit.

Following the granting of the leave, MIED had commenced a RM100 million suit against MIED chairperson S Samy Vellu (above) and seven MIED trustees over alleged mismanagement which it claimed caused the institute to incur financial losses.

In the statement of claim, MIED named Samy Vellu, M. Mahalingam, Dr T. Marimuthu, Dr SK Ampikaipakam, G Palanivel, Dr KS Nijhar, K. Kumaran, G Vadiveloo and a firm, Kumpulan Naga, as the defendants.

Injunction against Samy sought

In the suit, MIED claimed that all the defendants had breached fiduciary duties, breached statutory duties and failed to discharge responsibilities as trustees and auditors which caused MIED to suffer huge losses.

mic and mied education scandalIt is also seeking an injunction to restrain Samy Vellu from continuing to helm the institute, that he (Samy Vellu) be stripped of his membership in MIED and for him to return all monies or profits made from MIED either by himself or through family members and close friends.

MIED is also seeking a court order to make Samy Vellu compensate all the financial losses incurred by the institute in the time he had administered MIED as its chairperson.

The three-men panel chaired by Justice Zainun unanimously dismissed the appeal with costs of RM30,000 for proceedings at the Court of Appeal and High Court after it ruled that there was no reason to interfere with the decision of Judicial Commissioner Mah Weng Kwai.

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