



**Press statement on the Intervention into the Practice of Messrs. Flora Lam & Co, Solicitors and Messrs Li & Associates by The Law Society of Hong Kong**

1. In a press conference in September 2021, the police reported its investigation of alleged fraudulent transactions involving properties worth over HK\$60 million.
2. It was revealed in the police investigation that Messrs. Flora Lam & Co, Solicitors (“Firm Lam”) and Messrs Li & Associates (“Firm Li”) were allegedly involved in handling these property transactions.
3. The Law Society of Hong Kong (“the Law Society”) thus conducted an investigation into Firm Lam and Firm Li (collectively “the two Firms”).
4. As a result of the investigation into Firm Lam,
  - (a) the Council had reason to suspect dishonesty on the part of the sole proprietor of Firm Lam who allegedly signed off on the conveyancing documents as the witness to the allegedly forged signatures of vendors who had already passed away at the time of the relevant property transactions, and the Council considered that the exercise of its statutory intervention powers is in the interests of the public or the clients of Firm Lam;
  - (b) the Council was satisfied that Firm Lam had allegedly committed breaches of the Solicitors’ Accounts Rules (Cap 159 sub leg) including, among others, allowing unqualified persons to be authorised signatories of client accounts, failure to pay clients’ money into client accounts, overdrawing client accounts, making improper transfer of clients’ money into its office accounts, failing to establish and maintain proper internal control over its accounting system and failing to keep proper books and accounts.
5. As a result of the investigation into Firm Li,
  - (a) the Council had reason to suspect dishonesty on the part of a former employee of Firm Li who allegedly signed off on the conveyancing and legal charge documents as the witness to the allegedly forged signatures of vendors and borrowers who had either already passed away or emigrated and not physically present in Hong Kong at the time of the relevant property transactions, and the Council considered that the exercise of its statutory intervention powers is in the interests of the public or the clients of Firm Li;
  - (b) the Council was satisfied that Firm Li had allegedly committed breaches of the Solicitors’ Accounts Rules (Cap 159 sub leg) including, among others, making improper withdrawal of money from client accounts, failing to keep proper books

and accounts, and failing to establish and maintain proper internal control over its accounting system.

6. Taking into account the seriousness of the findings of the investigation of Firm Lam and Firm Li, the Council had no alternative but to exercise its statutory powers to intervene into the practice of the two Firms under sections 26A(1)(a)(i)/(ii) and 26A(1)(c) of the Legal Practitioners Ordinance Cap 159 for the protection of the clients of the two Firms and the public.
7. The intervention into the practice of the two Firms took place on 25 November 2021.
8. Messrs Deacons was appointed as the Intervention Agent in respect of the intervention into Firm Lam.

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9. Messrs Ronald Tong & Co were appointed as the Intervention Agent in respect of the intervention into Firm Li.

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10. The two Firms ceased practice immediately upon commencement of the intervention. No one including former principals, partners and staff from the two Firms can continue working on any matter on behalf of any of the two Firms for their former clients. All enquiries in relation to the intervention into the practice of the two Firms should be directed to the respective Intervention Agents.
11. In the meantime, the respective Intervention Agent will contact clients appearing on the records of the relevant firm to advise them of the situation and the steps they need to take in relation to their matters including the need to engage alternative solicitors and how to lodge claims for the return of money they have paid to any of the two Firms.