

Complaints statistics concerning Lehman-related investment products (Up to 13 Aug 2009)

	No. of complaints received	Stage 1 & 2 Registration and establishment of allegations completed ¹	Stage 3 Preliminary assessment completed ²	Stage 4 Actions following preliminary assessment						Stage 5 Actions following detailed investigation		
				Insufficient prima facie evidence	Seeking further information ³	Preliminary investigation in progress ⁴	Preliminary investigation completed	Of which referred to SFC ⁵	Detailed investigation in progress ⁶	Cases with no further action ⁷	Cases under disciplinary consideration	Disciplinary action taken
Products arranged / issued by Lehman Brothers		16,988	16,874	1,211	9,580	1,707	4,376	476	3,273	213	890	0
- Minibonds ⁸		14,239	14,134	808	8,286	1,544	3,496	367	2,855	166	475	0
- Others		2,749	2,740	403	1,294	163	880	109	418	47	415	0
Products referenced to Lehman Brothers		4,283	4,263	530	2,290	239	1,204	25	1,107	57	40	0
Product type to be confirmed		135	131	35	96	0	0	0	0	0	0	0
Total:	21,612	21,406	21,268	1,776	11,966	1,946	5,580	501	4,380	270	930	0
			(a)=	(b)	(c)	(d)	(e)=		(f)	(g)	(h)	(i)
			(b)+(c)+(d)+(e)				(f)+(g)+(h)+(i)					

(For details on the various stages under the enforcement process, please refer to the flowchart at http://www.info.gov.hk/hkma/eng/new/lehman/enforcement_process.pdf)

Note

¹ The Hong Kong Monetary Authority (HKMA) formally registers each complaint and writes to each complainant to confirm receipt of his/her complaint, assigns a complaint number to facilitate subsequent communication and makes follow-up contact with each complainant (mainly by phone) to obtain or clarify details of allegations.

² The HKMA reviews and decides for each case (a) whether there is a lack of prima facie evidence for investigation, (b) whether further information should be sought or (c) whether there is prima facie evidence to open a case for investigation.

³ These are cases where additional information is being obtained from the complainant and the registered institution to facilitate the HKMA's consideration of whether to open a case for investigation. There are 3,221 cases in which it has, so far, proved impossible to obtain one or more types of necessary information from the complainants.

⁴ These are cases considered to have sufficient grounds for opening cases for investigation. The relevant registered institution will be required to provide, where necessary, additional information to facilitate investigation.

⁵ These are cases where the HKMA has decided, after a preliminary investigation, that there is prima facie evidence to support a referral to the Securities and Futures Commission for consideration of whether there has been a failure at the bank level. The HKMA will continue its investigation into these cases to establish if there has been a failure by the relevant individuals concerned.

⁶ These are cases which have gone through preliminary investigation but further information from the complainant and the registered institution is considered necessary to enable the HKMA to take the matter further.

⁷ These are closed cases where the HKMA's investigation has not found sufficient evidence or grounds to proceed with the relevant individuals concerned. However, investigations at the bank level, if any, will continue. These also include cases where investigations are unable to proceed further because the complainants have declined to provide further information to the HKMA. Investigation into these cases may be re-opened if more information is received.

⁸ A proportion of these cases are eligible for a repurchase offer under the Lehman Brothers Minibonds Repurchase Scheme (the "Scheme") announced by 16 Distributing Banks on 22 July 2009. The Distributing Banks started issuing offer letters to Eligible Customers under the Scheme on 7 August 2009. Unless dishonesty, fraud or other criminal elements are involved, it is not the intention of the HKMA to take any disciplinary or enforcement action under the Banking Ordinance in relation to the complaint of any Eligible Customer who accepts the offer under the Scheme. However, the HKMA will continue investigation into those cases involving customers who do not accept, or are not eligible for, the repurchase offer under the Scheme and whose complaints could not be resolved by the enhanced complaint handling systems introduced by the Distributing Bank.