

Recovery agent and solicitor jailed for offences
related to maintenance and champerty

A recovery agent was sentenced to 16 months' imprisonment today (July 9) in the District Court for conspiracy to commit maintenance and an additional charge of champerty. Conspiring to commit maintenance with the recovery agent, a solicitor was also sentenced to 15 months' imprisonment.

The Department of Justice reminded the public to beware of the activities of recovery agents who often claim in their advertisements that they would assist persons injured in an accident to pursue their claims for a fee chargeable only when they are successful in recovering damages.

The spokesman said that such champertous agreements may jeopardise the interest of victims in personal injury cases as their legal rights to compensation may not be fully protected.

In the above case, the victim's son was permanently disabled in a traffic accident. She was lured into an illegal champertous agreement with the recovery agent who assisted in the claiming of damages for her son. The victim paid a service fee of about \$860,000, amounting to 25% of the damages received. The solicitor acted for the victim in the legal proceedings with the knowledge of the champertous agreement.

The spokesman advised anyone injured in accidents, including employees injured at work and victims of traffic accidents, to seek proper legal advice or assistance from solicitors or relevant government departments such as the Legal Aid Department, the Labour Department and the Social Welfare Department.

Under the laws of Hong Kong, unlawfully maintaining or sharing the profits of legal proceedings may constitute criminal offences, which are punishable by a fine and up to seven years' imprisonment.

Ends/Thursday, July 9, 2009