

# THE STRAITS TIMES

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CAD: Profitable Plots' liabilities exceed assets

By Francis Chan

AGGRIEVED clients of investment firm Profitable Plots yesterday gave a mixed reaction to details of a police probe that were unveiled for the first time in the High Court.

Most welcomed the news that the Commercial Affairs Department (CAD) was making headway in its investigation into the firm. Some, however, said it came as cold comfort, given that they were resigned to losing their money on British land and other investments made through the company.

'The latest update by CAD is good news, but is not of any consolation for me,' said Mr Jimmy Lim, who sunk about \$100,000 into land in Britain after a sleek sales pitch by Profitable Plots a few years ago.

'It's about time the CAD made some progress - it's been a long time but the worry now is that if the company goes down because of the investigations, will I ever get my money back?' asked another investor who bought into \$125,000 worth of products from the firm.

On Tuesday, details of the CAD investigation were made public for the first time during a High Court hearing related to a complaint by Profitable Plots about the seizure of its bank accounts by the police.

White-collar crime detectives had raided Profitable Plots' Stanley Street offices in August and seized cartons of documents.

They also took the firm's directors in for questioning and froze the firm's three bank accounts, which held \$277,590 in total.

The High Court has since ordered a partial release of the firm's accounts held by the CAD, and directed the Attorney-General's Chambers (AGC) to foot Profitable Plots' legal bill for the case.

The CAD was also asked by Justice Lee Seiu Kin to provide an update of its investigations on Dec9, so the court can decide if it should retain custody of Profitable Plots' bank accounts.

A report dated Oct 12 - submitted by the CAD as part of court proceedings - showed that 106 complaints related to \$9.5 million worth of investments were made against the firm.

The CAD report revealed that Profitable Plots' liabilities and obligations to its clients far exceeded its assets, giving the police grounds to suspect that the firm's investment schemes were 'introduced to defraud its clients'.

Set up in 2005 by a group of British expatriates, Profitable Plots became known for its TV commercials featuring former professional footballers urging viewers to 'Buy UK land'.

Business was brisk in its early years, with the firm holding regular roadshows at major shopping malls and advertising extensively on cable TV football channels.

But things went sour last year after some investors began complaining that returns from their investments were either delayed or held back.

A group of 12 investors stormed Profitable Plots' premises in May to demand answers on when they could get their money back, while another 40 turned up at Speakers' Corner in June to protest against the firm.

Initially the firm's directors brushed off the complaints, reportedly saying they came from people who did not understand the complexities of land investing and Britain's land laws.

Lawyer Wendell Wong of Drew & Napier, who is representing Profitable Plots in the matter against the AGC, told The Straits Times yesterday that his client was not facing any criminal charges from the CAD at this time.

'We took up an application to review the freezing order... no charges were filed (against Profitable Plots) yet,' said Mr Wong.

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