

## SFC Takes Action Against Mr Fong Kong Fai Eddie

8 Jul 2000

The Securities and Futures Commission (SFC) announced today that it has reprimanded Mr Fong Kong Fai Eddie (Fong), a registered dealer under the Securities Ordinance, in his capacity as a director of Everhot Securities Limited (Everhot).

The reprimand stems from an inquiry which revealed that from June 1997 to January 1998 Fong:

- allowed an account to be opened without taking all reasonable steps to establish the true and full identity of the client, its financial situation, investment experience and investment objectives;
- accepted third party cheques for the settlement of that client's trades; and
- granted extensive margin facilities to this account without properly checking the financial standing of the account holder.

In deciding to reprimand Fong, the SFC took the following into consideration:

- Fong has undertaken not to engage in any of the business of Everhot which requires his registration with the SFC for a period of 2 weeks;
- During the period in question trading was extremely active, involving Fong in extended working hours which was exacerbated by staff turnover; and
- Fong has ensured that Everhot has reviewed and improved its internal procedures to ensure future compliance with all relevant rules and regulations.

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