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SFC Prosecutes Tong On Jimmy for Mishandling Clients' Securities

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The SFC has successfully prosecuted Mr Tong On Jimmy, a responsible officer and the sole proprietor of Chung Tak & Co, for pledging clients' securities without obtaining prior approval from clients.

An SFC investigation revealed that on three occasions between November 2001 and July 2002, Tong had transferred clients' securities to Chung Tak's bank account in order to secure overdraft facilities provided by the bank. Tong did so without the clients' knowledge and without obtaining their prior approval.

Tong pleaded guilty to three summonses today before Mr WK Kwok, a Magistrate at Kwun Tong Magistracy. Tong was fined a total of \$60,000 and ordered to pay investigation costs of \$26,181 to the SFC. The Court also heard that the SFC had initiated disciplinary inquiry against Tong.

An SFC spokesman said: "Pledging clients' securities without their knowledge and approval puts their interests at risk. We take this opportunity to remind all market participants that the SFC will not hesitate to take action against such serious misconduct."

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