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## Enforcement News

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21 May 2004

### SFC Revokes the Licence of Chow Yuk Wah for Misappropriation-

The SFC has revoked the licence of Mr Chow Yuk Wah, trading as Teil Stock Investment Company, for misappropriation.-

The SFC found that, between 1998 and early 2001, Chow, without his clients' consent, had:

- pledged his clients' securities to a bank as security for a loan of about \$500,000 to meet his personal financial needs, in breach of the Securities Ordinance; and
- sold his clients' securities and misappropriated the proceeds of sale of about \$1,500,000.

To conceal his misappropriation, Chow created false transactions records.

The SFC concludes that Chow has been guilty of misconduct and his fitness and properness to remain licensed has been called into question, and decides to revoke his licence.

To protect the interests of Chow's clients and creditors, in May 2002, the SFC obtained an order in the Court of First Instance to appoint Mr Derek Lai and Mr Darach Haughey as administrators of the property of Mr Chow Yuk Wah trading as Teil Stock Investment Company (Note 1). Chow has subsequently bought back the securities he took from his clients for distribution to them through the administrators.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Although Chow has compensated his clients by buying back securities for distribution to them, misappropriation is extremely serious misconduct. Only revocation can have the appropriate punitive and deterrent effect. The SFC will have no hesitation in revoking any registered/licensed persons who steal clients' money or securities."

"The SFC chose to apply for the appointment of administrators, instead of taking immediate disciplinary action against Chow, as it was in the best interest of Chow's clients and creditors. Now that the administrators have substantially completed their work, Chow's licence should be revoked," Mr Linning added.

Ends

Note:

1.- Please refer to the [SFC's press release issued on 8 May 2002 regarding the appointment of administrators](#).