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SFC Suspends Li Fung Kuen, Maggy for Falsely Signing as a Witness and Facilitating Unlicensed Dealing by a Settlement Clerk

3 Jun 2004

The SFC has suspended Ms Li Fung Kuen, Maggy, a licensed representative of Selina & Co Limited (S&C), for six months until 3 December 2004.

In 2002, the SFC investigated a case of alleged misappropriation of S&C clients' assets and deception by a former settlement clerk of S&C. (Note 1)

The SFC investigation found, among other things, that the settlement clerk solicited clients for S&C, handled account opening, received orders from clients and passed orders to Li for execution from September 1997 to March 2000. All such acts required a licence but the settlement clerk was not licensed.

The SFC found that Li signed on the account opening forms of five such accounts solicited by the settlement clerk to certify that she had witnessed the signing of the documents by the clients, when in fact Li had never met or known the clients. S&C was therefore deceived by Li's false representation that she had acted in accordance with the account opening procedures requiring an account executive to handle account opening and a witness to certify the signing of the account opening documents by clients.

The SFC also found that Li knowingly facilitated the settlement clerk in dealing in securities for clients whilst not licensed by allowing the settlement client to book these accounts under Li's name as the account executive for these accounts, receive orders from these accounts and pass orders to her for inputting into the second terminal. Li received \$5,200 in commission generated by the trading in these accounts.

The SFC concludes Li has been guilty of misconduct and her fitness and properness has been called into question, and decides to suspend her.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Only licensed people may deal in securities on behalf of others to ensure only honest, competent and financially sound people handle others' securities investments. No licensed representative should undermine this regime. Li's acts undermined this regime and therefore paved the way for illegal activities. From the outset Li displayed dishonesty and showed no regard to standards expected of her as a licensed representative. The suspension is necessary."

Ends

Note:

1. The alleged misappropriation by the settlement clerk is under Police investigation. On 20 May 2004, the SFC severely reprimanded S&C and publicly reprimanded Ms Ko Tze Ha, Salina, the owner and director of S&C (see SFC press release). As Ko was not licensed by the SFC, under the law applying at the time, the SFC could only reprimand her. Also see press release issued today on SFC's suspension of Ms Chan Sin Yu, Millie, dealing director of S&C. This concludes SFC's action on this case.

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