
Enforcement Actions

To save a copy for future reference, right click [here](#) and select "Save Target As..."

31 May 2006

Administrator Appointed for Whole Win Securities Limited

Mr John Lees, of John Lees & Associates Ltd, has today been appointed by the Court to administer the property of Whole Win and property it holds on behalf of clients.

The SFC applied for the appointment of an administrator under section 213 of the Securities and Futures Ordinance.

This action follows a restriction notice that was issued by the SFC against Whole Win on 26 May 2006. The restriction notice prohibits Whole Win from carrying on the business of dealing in securities and from dealing with or disposing of its property and property held on behalf of clients.

The administrator has been appointed principally to protect the interests of Whole Win's clients. The Court has granted the administrator wide powers including the power to investigate Whole Win's affairs, to verify clients' claims and, subject to first obtaining a direction from the Court, to return client assets.

The SFC has asked the administrator to first focus on establishing the position of cash clients and returning their securities.

The application for appointment

In addition to the serious deficiency in Whole Win's liquid capital and the provision of false and misleading financial returns to the SFC, the ongoing investigation by SFC staff has revealed evidence to suggest that Whole Win has pledged the stock of some cash clients to its banks without due authorisation, in breach of the Securities and Futures (Client Securities) Rules.

There is also evidence to suggest that Whole Win has failed to keep cash clients' money in a segregated account at all times, in breach of the Securities and Futures

(Client Money) Rules.

In view of the serious nature of these breaches and Whole Win's financial position, the SFC does not consider it to be in the public interest or in the interest of the investing public to permit Whole Win and its management to verify clients' positions and handle the return of client assets.

In light of its findings, the SFC considered it expedient and prudent to apply for the appointment of an administrator. The appointment is likely to assist and speed up the task of identifying whether any client assets are missing.

The administrator will also take such steps as he considers appropriate to protect the interests of clients who have applied through Whole Win for shares in the Bank of China IPO.

The order appointing the administrator is an interim order and the matter will come back to the Court for another hearing on Friday, 9 June 2006 at which time Whole Win will have the opportunity to oppose the continuation of the order and to present evidence and arguments.

Whole Win clients

The administrator will immediately contact Whole Win's clients and advise them the steps they need to take to establish their entitlements. The administrator will keep the clients informed of any significant progress.

Whole Win clients may contact the administrator at its telephone hotline (Mr William Fung; Tel: 2842 5005) between 9am – 6pm from Monday to Friday.

The SFC has alerted the Commercial Crime Bureau of the Police to the matter. Subject to his findings, the administrator will take appropriate action in this regard.

SFC's inquiries into the conduct of Whole Win and its management will continue.

The SFC and the administrator will make further announcements when appropriate.

Ends

Page last updated: 31 May 2006

undefined2006年7月20日