
Enforcement News

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SFC Bans Ching Chun Kuen for Life

The SFC has banned Mr Ching Chun Kuen from re-entering the industry for life (Note 1).

The disciplinary action follows an SFC investigation into the report made by King Fook Securities Company Limited that one of its directors might have misappropriated about \$25 million worth of client assets.

The SFC found that Ching, King Fook's responsible officer and manager of King Fook's Mong Kok Branch:

- had used his daughter's account held at King Fook to conduct his own trading. In order to settle his trading transactions, Ching forged client signatures to withdraw stock holdings from client accounts and sold the shares;
- had misappropriated the stock holdings in King Fook's client accounts as early as 1999 when he was also an accounting officer at King Fook;
- had manipulated King Fook's computer records to transfer clients' stock holdings to his daughter's account; and

Ching admitted that he used other client accounts to conduct his trading and falsified statements of account to conceal the appropriation of their shares.

In deciding to ban Ching, the SFC has taken into account all the circumstances including that Ching had no disciplinary history and co-operated with the SFC's investigation.

Mr Mark Steward, SFC's Executive Director of Enforcement, said: "Theft and forgery are very serious misconduct that will not be tolerated. We will usually impose a life ban from the industry to protect the investing public and to deter such misconduct from happening."

Ends

Note:

1. Ching was licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities. He is currently not accredited to any licensed corporation.

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