

SFC Continues Crackdown on Secret Account

28 Aug 2007

The SFC has suspended Mr Ko Hay Tat Michael for seven months from 28 August 2007 to 27 March 2008 (Note 1).

An SFC investigation found that, from August 2004 to July 2005, Ko:

- secretly operated his friend's account at his firm for his personal trading (Note 2);
- signed as his friend on all the documents in relation to the account; and
- failed to disclose his personal trades and beneficial ownership of his friend's account to his employer.

In determining the penalty, the SFC has taken into account the fact that Ko signed the documents with his friend's consent and knowledge, his frank admission of his misconduct and his co-operative attitude during the investigation.

Mr Mark Steward, SFC's Executive Director of Enforcement, said: "This is the fourth recent case where the SFC has tackled licensees who operate secret accounts. There can be no good reason for this kind of activity which on its face suggests fraud and dishonesty. We will continue to take action against this kind of misconduct." (Note 3)

Ends

Notes:

1. Ko is licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) regulated activity. He is accredited to Excalibur Securities Limited.
2. Ko was convicted of shortselling in June 2006. Please see SFC [press release](#) dated 29 June 2006 for details.
3. Please see SFC [press release](#) dated 30 July 2007 for details.