

SFAT Upholds SFC Decision to Ban Lee On Ming Paul

13 Nov 2007

The Securities and Futures Appeals Tribunal (SFAT) has upheld the SFC's decision to ban Mr Lee On Ming Paul for deceiving his employer and operating secret accounts (Note 1).

An SFC investigation found that Lee had deceived his employer by opening two nominee accounts in false names and concealing his personal trades. In doing so, Lee also forged the signatures of his sister-in-law on the account opening documents as well as on cheques issued for settlement.

The SFC's decision to ban Lee was reviewed by the SFAT, which rejected an argument that Lee had merely been "foolish" or "sloppy" in the manner in which he had conducted his affairs. The SFAT was satisfied that "... the findings plainly were borne out by the evidence, and could not reasonably be criticized, far less set aside by this tribunal." (Note 2)

Although the SFAT upheld the SFC's reasoning, it varied the period of Lee's ban from life to 18 months. Lee will be prohibited from re-entering the industry from 9 November 2007 to 8 May 2009.

Mr Mark Steward, the SFC's Executive Director of Enforcement, said: "We will continue to take action against operators of secret accounts as well as traders who operate through false or sham nominees as part of a concerted strategy to tackle market abuse." (Note 3)

Ends

Notes:

1. Lee was formerly licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) regulated activity as a representative of Fulbright Securities Limited. Lee left the industry in January 2006 and is currently not accredited to any licensed corporation.

2. Lee lodged an application to the SFAT on 31 July 2007 to review the SFC's decision against him. The SFAT was chaired by the Honourable Mr Justice Stone. It issued the determination on 9 November 2007, following a contested hearing on 29 October 2007. The determination will be available on the SFAT's website at www.sfat.gov.hk. The quoted passage is taken from the SFAT's decision at paragraph 78.

3. The SFC has taken action against a number of operators of secret accounts in recent months. Please see [Enforcement Reporter – October 2007](#) for details.

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