
Enforcement News

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6 May 2008

Life Ban for Great Honest Couple

The SFC has banned Ms Lorraine Chung Yuet Sheung and her husband Mr Jimmy Mo Kwong Wai from re-entering the industry for life. They were both responsible officers and directors of Great Honest Investment Limited (Note 1).

The business of Great Honest was restricted on 12 November 2007 (Note 2).

The SFC's investigation into Great Honest's business revealed that assets worth about \$50 million of 90 Great Honest's clients were misappropriated.

The SFC found that Chung had misappropriated clients' securities and monies as early as 2003. In attempting to conceal the misappropriation of clients' assets, Chung:

- sent falsified monthly account statements to clients;
- hindered the circularization exercise intended to confirm balances in client accounts by falsifying client correspondence addresses and client replies; and
- provided the SFC with false and misleading information including falsified clients' written fund transfer instructions and client particulars.

Mo was found to have grossly neglected his duties as a responsible officer in managing the business affairs of Great Honest. He also turned a blind eye to his wife's misappropriation of client assets and failed to report the matter to the SFC when he became aware of it.

In view of the grave dishonesty involved, the SFC deems it necessary to impose a life ban on Chung and Mo.

Ends

Notes:

1. Lorrain Chung and Jimmy Mo are licensed under the SFO to carry on Type 1 (dealing in securities) regulated activity and accredited to Great Honest Investment Limited.
2. Please see the SFC's press releases dated [12](#), [16](#) and [23 November 2007](#) and [21 December 2007](#).

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