
Enforcement News

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Retail investor convicted of market manipulation

The Securities & Futures Commission (SFC) today successfully prosecuted a retail investor, Mr Chan Wing Fai, who was convicted in the Eastern Magistracy after he was found guilty in relation to 12 summonses of creating a false or misleading appearance with respect to the market for shares of Everest International Investments Limited (Everest).

The court imposed a 12-month probation order on Chan on condition he receive psychiatric and/or psychological treatment as directed by his probation officer. The court also ordered him to pay investigation costs of \$13,500.00 to the SFC.

An SFC investigation found that from 3 July 2007 to 11 October 2007, Chan placed single board lot orders to buy Everest's shares at prices higher than the then prevailing market prices via the Internet before market close. Chan's share trading inflated the share price of Everest by up to 115%.

The SFC alleged that he intended to fix a higher closing price for the shares so that he could sell a larger parcel of the same shares at a higher price on the following day. By placing the orders in this way, Chan intended to create a false or misleading appearance with respect to the market for, or the price for dealing in Everest shares.

End

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