
Enforcement News

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13 December 2010

Ali Lau Ka Lung reprimanded and fined for improper audit trail

The Securities and Futures Commission (SFC) has issued a reprimand to Mr Ali Lau Ka Lung and fined him \$50,000 for failing to maintain a proper audit trail of his clients' orders (Note 1).

Between June and July 2009, Lau was given an identical discretionary order to trade a stock by three Mainland Chinese clients. The SFC found that Lau failed to keep a proper audit trail of the discretionary trades and systematically allocate the trades to the three clients, resulting in uneven allocations of shares to the three clients.

In deciding to reprimand and fine Lau, the SFC took into account that:

- Lau did not act dishonestly;
- there is no evidence that the clients had been prejudiced by Lau's conduct;
- Lau agreed to resolve the disciplinary action by consent; and
- Lau's otherwise clear disciplinary record.

End

Note:

1. Lau is a responsible officer of Cheong Lee Securities Limited and is licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the Securities and Futures Ordinance.

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