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SFC Suspends Lui Yee Ying, Candy for Facilitating Suspicious Trading

18 Mar 2005

The SFC has suspended the licence of Ms Lui Yee Ying, Candy for four months from 18 March 2005 to 17 July 2005, for facilitating suspicious trading activities.

Lui was a securities dealer representative of Eureka Securities Limited in 2002 (Note 1). She had been instructed by Eureka's responsible officer (Note 2) to sign as a witness on the account opening documents of several clients, although she had not met them.

Between July and September 2002, Lui followed the instructions of a third person to place orders to trade the shares of a stock in the accounts of these clients. That third person was the wife of the responsible officer. She had in turn taken instructions from another person. Lui was instructed to allocate the trades to the clients' accounts after the market close. Lui did not obtain any authorisation from these clients for the third party to trade in their accounts.

During this period, Lui was aware that the pattern of those trades was abnormal; that the volume of share trading was large and trading was frequent; that the same shares were sold and bought on the same day at the same price; and that the orders were usually met promptly by the same few brokers. Lui did nothing to stop this apparent case of manipulation which she recognized, and continued to carry out the instructions.

The SFC concludes that the fitness and properness of Lui has been called into question and decides to suspend her licence.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "A licensed person is not only accountable to their employer, but should also act with due skill, care and diligence, in the best interests of the clients and the integrity of the market. Signing account opening documents without knowing the clients, allowing a third party to trade in clients' accounts without clients' authorisations, and turning a blind eye to suspicious trades are acts that call into question a licensee's ability to perform efficiently and fairly. A suspension is warranted in this case."

Ends

Notes:

1. Eureka ceased business from 8 April 2004. Lui is at present a representative licensed to carry on business in Type 1 (dealing in securities) regulated activity, accredited to Hing Wong Securities Limited.

2. The responsible officer notified the SFC that Eureka ceased business from 8 April 2004, therefore, his licence was also revoked on 8 April 2004.

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