

## Suspended Jail Term for Market Manipulator

5 Sep 2007

A former account executive of a securities firm was sentenced today to four months' imprisonment, suspended for 12 months, and fined \$12,400 for market manipulation (Note 1).

The SFC has successfully prosecuted Mr Chan Tit Yuen for three counts of creating a false or misleading appearance of market demand for three securities between 26 October and 31 October 2005, contrary to section 295 of the Securities and Futures Ordinance.

The SFC alleged that Chan, in order to facilitate his sale of shares in three securities, placed large buy orders for those securities. His purpose was to give the market the false impression that the three securities were in hot demand. The artificial buy orders had inflated the existing demand by over 100% in one stock and by more than 450% in another. As soon as he completed his sell orders, he cancelled the artificial buy orders.

Chan pleaded guilty today before Mr Wahab Abu Baker bin, a Magistrate at Eastern Magistracy, to each of the three charges. In addition to the suspended imprisonment sentence and fine, Chan was ordered to pay the SFC's investigation costs of \$16,650.

Mr Mark Steward, SFC's Executive Director of Enforcement, said: "Falsifying demand is blatant manipulation. In this case, the falsification was intentional and designed for personal profit. This result follows a number of suspended jail sentences for market misconduct cases in recent months, confirming that market misconduct is a serious crime and jail terms will apply. " (Note 2)

Ends

Notes:

1. Chan was licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities, accredited to ICEA Securities Limited.
2. Chan is the third convicted person in this quarter given a suspended jail sentence for market manipulation. Please see SFC press release dated [26 July 2007](#) for details of the most recent case.

Page last updated : 1 Aug 2012