

## SFC Suspends Chu Sung Hei for Failings in Relation to Operation of Client Account

20 Jul 2004

The SFC has suspended the licence of Mr Chu Sung Hei, a licensed representative of Stockwell Securities Limited, for 15 weeks from 20 July to 1 November 2004.

The suspension stems from an inquiry in which the SFC found that:

- Chu had signed on the account opening documents of a client to certify that he had witnessed the signing of the documents by the client, when in fact he had never met or known the client;
- Chu failed to take reasonable steps to verify the identity of the person who gave him trading instructions over the phone and accepted the instructions;
- Chu gave false or misleading information to the SFC during an interview in which he said he witnessed the account opening process and he knew it was his client who instructed him over the phone. He admitted later in the interview that it was not the case.

The SFC concludes that Chu has been guilty of misconduct and that his fitness and properness has been called into question.

Chu received a shorter suspension than the SFC originally intended to impose because he admitted his wrongdoing, co-operated with the SFC and did not dispute the need for suspension.

Mr Alan Linning, SFC's Executive Director of Enforcement said: "Opening an account for someone whom the account executive has never met, accepting instructions from someone whom he did not know, and giving false or misleading information to the SFC is serious misconduct. Chu's misconduct warrants a suspension, but his full admission shows his remorse, and we have therefore taken it into account in deciding the length of his suspension."

Ends