

## SFC Suspends Yan Chi Ping for Deceiving His Employer

18 Nov 2005

The SFC has suspended Mr Yan Chi Ping for four months from 18 November 2005 to 17 March 2006 for deceiving his employer (Note 1). The suspension is the result of a settlement between the SFC and Yan.

An SFC investigation found that Yan had acted dishonestly in conducting his own securities trading, without his employer knowing, through an account opened in the name of his friend, and in the process, earning bonuses from his employer to which he was not entitled.

Yan's employer operated a bonus scheme which rewarded account executives on the basis of turnover generated in the accounts of their clients. However, turnover generated from an account executive's own trading activities did not count for the purpose of the bonus scheme. Through his own trading activities in his friend's account between January 2002 and March 2003, Yan received about \$260,000 in bonuses. In doing so, he also deprived his employer of the opportunity to monitor his trading activities.

Further, in opening the trading account in his friend's name, he provided false information about his friend's background. Yan said his friend was a merchant when in fact he was a janitor, and exaggerated his friend's income. By opening the account in these circumstances, Yan deceived his employer about the identity of the ultimate beneficial owner of the account. He hid from his employer the fact that he owned and controlled the account, and recorded wrong information about his friend.

The SFC concludes that Yan has been guilty of misconduct and his fitness and properness has been called into question. In deciding the penalty, the SFC has taken into account Yan's admission of responsibility and his agreement to resolve the disciplinary action by settlement, which saved the SFC's resources. The SFC considers the settlement to be in the interest of the investing public and in the public interest.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "We must protect the financial markets from the potential harm that dishonest licensees pose. Clients entrust their investments with their account executives. Complete honesty is expected. Dishonesty in any form or shape casts doubts on a licensee's reliability and will not be tolerated. Had Yan failed to fully co-operate in our investigation, the suspension would have been lengthier."

Ends

Notes to Editor:

1. Yan is a deemed licensed representative of Get Nice Investment Limited and is licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities.

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