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## Enforcement News

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23 November 2009

### **SFC bans Allen Lam Kar Fai for life**

The Securities and Futures Commission (SFC) has banned Mr Allen Lam Kar Fai, a former director of investment banking at CLSA Equity Capital Markets Ltd (CLSA), from re-entering the industry for life (Note 1).

The disciplinary action follows Lam's conviction for insider dealing in July 2009 at the District Court (Note 2). Lam was sentenced to six months' imprisonment and ordered to pay a fine of \$69,000.

The SFC's investigation found that in 2005, in his position at CLSA, Lam accessed confidential and price sensitive information about a proposed takeover by JCDecaux Pearl & Dean Ltd of the controlling interests in Media Partners International Holdings Inc (Media Partners). Lam then tipped off Mr Ryan Fong Yen-hwung, a former portfolio fund manager at HSZ (Hong Kong) Ltd, before the public announcement was made.

Fong took advantage of the information and purchased Media Partners shares which he then sold at a profit after the announcement was made to the public. The misconduct involved coded emails between Lam and Fong designed to cover up the wrongdoing and prevent detection.

"The SFC expects licensees will safeguard confidential, price sensitive information, not exploit it. Lam's conduct violated the trust expected of him as a licensee. There is no place for licensees who misuse confidential information and enter into arrangements like this to deceive the market," said the SFC's Executive Director of Enforcement, Mr Mark Steward.

End

Notes:

1. Lam was licensed under the Securities and Futures Ordinance to carry on Type 6 (advising on corporate finance) regulated activity and had been accredited to CLSA since 2001. His licence was revoked in June 2006 and he does not currently hold an SFC licence.
2. Please see SFC press releases dated [7 July 2009](#) and [20 July 2009](#).

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