

## SFC Reprimands Mak Wing Tak and Kuo Wai Lan Peggy

12 Mar 1998

The Securities and Futures Commission announced that it had publicly reprimanded Mr Mak Wing Tak (Mak) and Ms Kuo Wai Lan Peggy (Kuo) for misconduct. The reprimands stem from an investigation by the SFC covering the period March 1994 to June 1997 into the securities businesses of Chintron Securities Limited (Chintron) and CAF Securities Company Limited (CAF). Mak and Kuo both had been registered dealer's representatives of Chintron. They left Chintron around 5 December 1996 and joined CAF and became its dealer's representatives on 6 December 1996. Chintron was subsequently taken over by new management and is now known as Tse's Securities Limited. The investigation found that:

- Mak had engaged in short-selling activities through nominee accounts at Chintron between the period October 1995 and December 1995 and at CAF between the period December 1995 to February 1996, contrary to section 80 of the Securities Ordinance.
- Kuo had engaged in short-selling activities through nominee accounts at CAF between the period December 1995 to February 1996, contrary to section 80 of the Securities Ordinance.

On 4 November 1997, both Mak and Kuo pleaded guilty at Western Magistracy to three and two summonses of short selling respectively for contravening section 80 of the Securities Ordinance. They were fined \$12,000 and \$8,000 respectively.

In addition, the investigation found that Mak, whilst employed by CAF, had conducted securities transactions through nominee accounts at CAF resulting in no actual change of beneficial ownership in the shares. Such practices can jeopardise the entire settlement process.

As a result of the above findings, the SFC has concluded that Mak and Kuo were guilty of misconduct and their fitness and properness to be registered as dealer's representatives had been impugned. The SFC has therefore decided to publicly reprimand them.

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