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## Enforcement News

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10 December 2007

### **SFC Bans Ip Shu Kun for Life**

The SFC has banned Mr Ip Shu Kun, a licensed representative of Man Lung Hong Securities Limited, from re-entering the industry for life (Note 1).

The action follows an SFC investigation which led to the imposition of a restriction notice and the appointment of administrators to Man Lung Hong as well as injunctions freezing the assets of Ip and his wife (Note 2).

The SFC found that Ip had misappropriated clients' securities and monies since as early as 1991. In attempting to conceal the misappropriation of clients' assets, Ip:

- falsified bought and sold notes, stockholder's statements and stock receipts;
- used his wife's account at Man Lung Hong to facilitate the misappropriation;
- failed to act in accordance with clients' order instructions;
- traded clients' securities without authorisation and used the sale proceeds to conceal the shortfall of client monies;
- changed clients' correspondence addresses to circumvent Man Lung Hong's circularisation exercise; and
- forged clients' signatures in the circularisation reply forms.

In deciding to ban Ip, the SFC has taken into account all the circumstances including that the misappropriation had continued over a lengthy period. The SFC also wishes to acknowledge that he co-operated with the investigation.

Ends

Notes:

1. Ip was licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) regulated activity. He is currently not accredited to any licensed corporation.
2. Please see SFC [press releases dated 31 August](#), [5 September](#), [7 September](#) and [21 September 2007](#) for details of the action taken against Man Lung Hong and Ip.

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