

SFC Suspends the Registration of Ms So Wai Yin Irene, as a Dealing Director and Investment Adviser Director under the Securities Ordinance (SO) and as a Commodity Dealer's Representative under the Commodities Trading Ordinance (CTO)

4 Oct 2001

The Securities and Futures Commission (SFC) announced today that it had suspended the registrations of Ms So Wai Yin Irene (Ms So), as a dealing director and investment adviser director under the SO and as a commodity dealer's representative under the CTO for a period of 9 months.

The suspension follows an inquiry by the SFC into the granting of credit facilities by Mansion House Capital Limited (MHC) and Mansion House Securities (F.E.) Limited (MHS) to relatives of Ms So from early 1997 to February 2000. During this time Ms So was an executive director of Mansion House Group Limited (MHG), the managing director of MHS and an executive director of MHC. She was also on the credit committees of both MHS and MHC.

Following the inquiry (with which Ms So fully co-operated) the SFC determined that Ms So had:

- granted credit limits to relatives accounts in 1997 in breach of MHC's credit policies;
 - allowed these accounts to trade over their respective credit limits in breach of MHC's credit policies; and
 - allowed these accounts to continue to trade when these accounts were significantly undermargined.
- During the time when the credit facilities were granted by MHC to these accounts, Ms So did not disclose to directors of MHG, MHS and MHC her relationship to the account holders.

The SFC also determined that in October 1998 (without disclosing her relationship with the account holders) Ms So voted in favor of MHC granting the relatives accounts loans totalling approximately \$100 million. To repay part of these loans, Ms So approved, between March 1999 and February 2000, drawdowns totalling \$21.6 million from relatives margin accounts at MHS.

The SFC determined that Ms So:

- did not appreciate that there was a conflict of interest such that she should have removed herself from the decision making process in relation to her relatives accounts in particular from credit assessments, the enforcement of credit and margin policies and the re-financing of margin debits; and
 - should have taken more care to observe the credit and margin policies of MHS and MHC.
- The Commission regards Ms So's conduct as serious and as reflecting on her integrity as a registered person.

In deciding on the period of suspension the SFC took into account that Ms So had agreed to give up her involvement in all credit and loan approvals in the securities business of MHG and its subsidiaries, including her membership of the credit committee of MHS, for a period of 2 years, her full co-operation with the SFC during its investigations and her previous unblemished record going back over 25 years.