

## Complaints statistics concerning Lehman-related investment products (Up to 30 Dec 2009)

Product type	No. of complaints received	Investigatory process in progress <sup>1</sup>		Investigatory process completed			Disciplinary process in progress			Disciplinary sanctions imposed	Cases received by the HKMA which have been resolved by settlements under s.201 of SFO <sup>5</sup>	Cases received by the HKMA which have been resolved by enhanced complaint handling procedures pursuant to s.201 agreement
			Prima facie cases referred to the SFC <sup>2</sup>	Insufficient prima facie evidence or disciplinary grounds <sup>3</sup>	Preliminary decision to impose sanction	Preparation of proposed disciplinary notice in progress	Proposed disciplinary notice or decision notice issued <sup>4</sup>	Appeal to SFAT in progress				
Minibonds	14,004	786	N/A	236	181	55	55	-	-	-	12,922	60
CLNs referenced to Lehman	4,714	3,111	133	1,576	1,251	325	25	299	-	1	-	27
ELNs issued by Lehman	2,715	947	113	1,355	1,318	37	37	-	-	-	-	413
Others	337	167	-	169	168	1	1	-	-	-	-	1
<b>Total</b>	<b>21,770</b>	<b>5,011</b>	<b>246</b>	<b>3,336</b>	<b>2,918</b>	<b>418</b>	<b>118</b>	<b>299</b>	<b>-</b>	<b>1</b>	<b>12,922</b>	<b>501</b>
	(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	=(b)+(c)+(j)+(k)			=(d)+(e)		=(f)+(g)+(h)+(i)						

(For details on the various stages under the enforcement process (comprising the investigatory process and the disciplinary process), please refer to the flowcharts at [http://www.info.gov.hk/hkma/eng/new/lehman/enforcement\\_process.pdf](http://www.info.gov.hk/hkma/eng/new/lehman/enforcement_process.pdf))

### Note

- <sup>1</sup> The Hong Kong Monetary Authority (HKMA) formally registers each complaint and reviews and decides for each case (a) whether additional information is being obtained from the complainant and the registered institution to facilitate the HKMA's consideration of whether to open a case for investigation or (b) considered to have sufficient grounds for opening cases for investigation.
- <sup>2</sup> These are cases where the HKMA has decided, after a preliminary investigation, that there is prima facie evidence to support a referral to the Securities and Futures Commission (SFC) for consideration of whether there has been a failure at the bank level. The HKMA will continue its investigation into these cases to establish if there has been a failure by the relevant individuals concerned.
- <sup>3</sup> These are cases in which (a) there is a lack of prima facie evidence for investigation, (b) the HKMA's investigation has not found sufficient evidence or grounds to proceed with the relevant individuals concerned or (c) investigations are unable to proceed further because the complainants have declined to provide further information to the HKMA. However, investigations at the bank level, if any, will continue. Investigation into these cases may be re-opened if more information is received.
- <sup>4</sup> These are cases in respect of which (a) proposed disciplinary notices have been issued and representations were pending, (b) representations have been received and are being reviewed, or (c) disciplinary decision notices have been issued and the persons concerned have been given 21 days to consider whether to appeal to the Securities and Futures Appeals Tribunal.
- <sup>5</sup> These are cases where settlement agreements have been reached by the SFC and the banks under section 201 of the SFO following the investigatory process and, in some cases, disciplinary process of the HKMA. Unless dishonesty, fraud or other criminal elements are involved, it is not the intention of the HKMA to take any disciplinary or enforcement action in relation to these cases.