

## Complaints statistics concerning Lehman-related investment products (Up to 15 September 2011)

| 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 <sup>6</sup> |              |
|---------------------------|----------------------------|--|---------------------------------|--|---|---|---|----------------------------|--------------------------------|--|--|--------------|
|                           |                            |  | Pending decision <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                 | 13,838                     | 11   | 422                             | 10   | 390                                     | 22  | 22  | -                          | -                              | 13,074   | 331  |              |
| CLNs referenced to Lehman | 4,774                      | 43   | 1,868                           | 59   | 1,060                                   | 749   | 631   | 116                        | -                              | 2  | 1,305  | 1,558        |
| ELNs issued by Lehman     | 2,900                      | 44   | 795                             | 82   | 645                                     | 68  | 38  | 30                         | -                              | -  | 1,393  | 668          |
| Others                    | 312                        | 12   | 119                             | 2  | 115                                     | 2   | 2   | -                          | -                              | -  | -  | 181          |
| <b>Total</b>              | <b>21,824</b>              | <b>110</b>                                     | <b>3,204</b>                    | <b>153</b>   | <b>2,210</b>                            | <b>841</b>  | <b>693</b>  | <b>146</b>                 | <b>-</b>                       | <b>2</b>   | <b>15,772</b>  | <b>2,738</b> |
|                           | (a)                        | (b)  | (c)                             | (d)  | (e)                                     | (f)   | (g)   | (h)                        | (i)                            | (j)  | (k)  | (l)          |
|                           | =(b)+(c)+(k)+(l)           |  | =(d)+(e)+(f)                    |  |   | =(g)+(h)+(i)+(j)  |   |                            |                                |  |  |              |

(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.hkma.gov.hk/media/eng/doc/other-information/enforcement\\_process.pdf](http://www.hkma.gov.hk/media/eng/doc/other-information/enforcement_process.pdf))

### Note

- 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 concerned to facilitate the HKMA's consideration of whether to open a case for investigation or (b) whether there are sufficient grounds for opening cases for investigation. The HKMA then conducts investigation into opened cases.
- These are cases in respect of which investigation work has been completed and are going through the internal review process to decide (a) whether there are sufficient grounds for disciplinary actions or (b) whether the cases should be closed because of insufficient evidence or lack of disciplinary grounds
- 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 available.
- 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.
- 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.
- These cases includes 124 cases where the banks have offered to settle with the complainants under the enhanced complaint handling procedures pursuant to s.201 agreement and the offers are being considered by the complainants.