



SECURITIES AND FUTURES COMMISSION
證券及期貨事務監察委員會

**RESPONSES TO THE FOLLOW-UP QUESTIONS
RAISED BY THE SUBCOMMITTEE ON 7 JULY 2009**

10 July 2009



1. **With reference to the 168 cases which involved a settlement agreement as stated in paragraph 82 of W13(C), where practicable, please provide information on the amount received by each investor as an average percentage of their principal investment.**
 - 1.1 The substantial majority of these cases do not involve misselling and so cases do not involve payment of compensation to customers. Instead they deal with other forms of remediation e.g. enhancement of systems and controls combined with a probationary suspension of license. As well, many cases of misconduct do not cause direct financial loss or damage to the investing public. In other cases, where there may have been loss or damage, the loss or damage may have already been remedied by the firm or by an insurer. Where loss or damage has been remedied, it is a substantial factor mitigating against stiffer disciplinary penalties being imposed and, in exceptional cases, the return of the remediation to investors may justify no further action being necessary. In any event, each case is different and it is difficult to make comparisons or to use one case as a precedent for another, each case dealing with different kinds of misconduct and different products, customers and market conditions.
 - 1.2 For this reason, it is not practicable to provide this information nor, given what I have said above, is the exercise likely to be helpful in a consideration of current issues.



2. **Based on the findings of the inspections/surveys conducted by the Securities and Futures Commission, please provide information on the range of commissions received by intermediaries from the sale of Lehman Brothers-related equity-linked notes.**
 - 2.1 We do not have information on the range of commission received by intermediaries from the sale of Lehman Brothers-related equity-linked notes from our thematic inspection reports (published in 2004 and 2006) and from the findings from various surveys conducted by us.