

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

FAI W. WONG
(CRD No. 2596128),

Respondent.

Disciplinary Proceeding
No. 2005000464401

Hearing Officer – Andrew H. Perkins

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: June 8, 2006

INTRODUCTION

NASD Disciplinary Proceeding No. 2005000464401 was filed on March 7, 2006, by the Department of Enforcement of NASD ("Complainant"). Respondent Fai W. Wong ("Respondent") submitted an Offer of Settlement ("Offer") to Complainant on May 26, 2006. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order is now issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of

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Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

From on or about June 3, 2002, through on or about September 10, 2004, Respondent was an "associated person" of NASD member firm Fox-Pitt Kelton, Inc. (BD No. 10485) ("FPKI"), as that term is defined in Article I, paragraph (dd) of the NASD By-Laws. During his employment at FPKI, Respondent was responsible for, *inter alia*, reconciling trade discrepancies between FPKI and executing broker-dealers; opening new accounts; initiating and approving wire transfers; assisting traders in placing orders; supervising a staff of Operations Analysts; preparing general daily error reports for senior management; and acting as a liaison between FPKI and its clearing and trading systems providers.

Respondent is neither currently registered with NASD, nor associated with any NASD member firm. Nevertheless, pursuant to Article V, Section 4 of NASD By-Laws, Respondent remains subject to the jurisdiction of NASD in that the Complaint was served and filed on March 7, 2006, which was less than two years from the date of his termination of as an associated person.

Respondent does not have any disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

1. From on or about March 8, 2004, through on or about June 7, 2004, Respondent converted approximately \$2,175,000 from FPKI for his own use and benefit without the firm's prior knowledge, authorization or consent.

2. Specifically, Respondent effected five wire transfers of funds from FPKI bank accounts to his personal overseas bank accounts without the knowledge, authorization or consent of FPKI.

By reason of the foregoing, Respondent violated NASD Rule 2110.

3. By letter dated March 22, 2005, sent to Respondent pursuant to and in accordance with NASD Procedural Rule 8210, the staff of NASD's District No. 10 office (the "Staff") requested that Respondent appear for an on-the-record interview ("OTR") on April 12, 2005. On April 12, 2005, Respondent failed to appear for the scheduled OTR.
4. Additionally, by letter dated April 12, 2005, sent to Respondent pursuant to and in accordance with NASD Procedural Rule 8210, the Staff requested that Respondent appear for an OTR on April 26, 2005. On April 26, 2005, Respondent failed to appear for the scheduled OTR.

By reason of the foregoing, Respondent violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

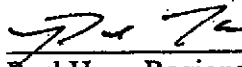
It is ordered that Respondent be:

- barred from associating with any NASD member in any capacity.

Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this Order by the NAC.

SO ORDERED.

By:


Paul Hare, Regional Attorney
Signed on behalf of the Director of
ODA, by delegated authority