

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
... CLG050016

TO: Department of Market Regulation
NASD

FROM: Chantha Owen Lueung



CRD No. 2839141

Pursuant to Rule 9216 of NASD Code of Procedure, I, Chantha Owen Lueung ("Lueung"), submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. I submit this AWC on the condition that, if accepted, NASD will not bring any future actions against me alleging violations based on the same factual findings.

I understand that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Market Regulation and National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
3. If accepted:
 - a. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against me;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about my disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and

- d. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects my testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

I also understand that my experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

I first became registered with NASD in 1996 with H.J. Meyers & Co., Inc. with whom I was registered until 1997. From 1997 to 2001, I was registered with CIBC World Markets, Josephthal & Co., Inc., and PHD Capital. From October 2001 until May 2004, I was registered with Delta Asset Management, Inc.; from June to September 2004, I was registered with Great Eastern Securities, Inc. I have not been registered with a firm since September 2, 2004, when Great Eastern terminated my registration by filing a Form U5.

I have no relevant disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the *ex parte* prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

II.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the allegations or findings, 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, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by NASD:
1. Beginning in about 2002 and continuing until about 2004, while registered with Delta Asset Management, Inc. ("Delta"), Lueung fraudulently recommended and sold the securities of Alfa International Corp. ("Alfa") to at least 40 customers. Delta was the placement agent for a private offering of units of Alfa common stock and preferred stock beginning in 2002. Each unit was sold for \$20,000; an eighth of a unit was sold for \$2,500. Lueung sold either whole units or parts of units to customers.
 2. Alfa was a speculative, low-cost security, whose common stock traded on the Over-the-Counter Bulletin Board under the symbol "TYBR." According to its SEC filings, Alfa operated a sports apparel business, through a wholly owned subsidiary, Contact Sports, Inc., acquired in 2001. According to SEC filings, Alfa also developed real estate through Journey of Light, Inc., an affiliate acquired in 2003, through which Alfa claimed it had a contract to develop commercial property in the State of Qatar. In 2002, Alfa's stock traded between a low of about \$.06 and a high of about \$.17; in 2003, it traded between about \$.06 and about \$.40. Alfa's Form 10-KSB for the year ended December 31, 2001 — the most recent Form 10-KSB available at the time of the private offering was first made — stated that Alfa's net losses were \$558,493, its retained earnings deficit was \$5,803,728, while total revenues were \$37,538. According to its Form 10-KSB for the year ended December 31, 2002, Alfa's net losses increased to \$789,511, its retained earnings deficit rose to \$6,610,254, and total revenues for the year were \$53,687. According to its Form 10-KSB for the year ended December 31, 2003, Alfa's net losses were \$706,801, its retained earnings deficit rose to \$7,444,392, and total revenues dropped to \$17,514. The 2001, 2002, and 2003 Forms 10-KSB each contained a going-concern clause.

3. Lueung marketed the Alfa private placement as separate investments in securities of Contact Sports and Journey of Light when in fact customers received shares of Alfa. Lueung told his clients that the private offering was an initial public offering of securities of Contact Sports and Journey of Light. Lueung relied solely on the issuer's representations in recommending the securities to his customers. Lueung held himself out to his customers as having conducted an appropriate investigation and reasonable due diligence into Alfa, but he failed to do so. In recommending Alfa, Lueung made material misrepresentations about the company's securities and failed to disclose material adverse facts that he was or should have been aware of, including the company's financial condition. Lueung did not disclose the company's financial condition, as set forth in its Forms 10-KSB, for example, nor that Alfa was the subject of a going-concern clause in its financial statements for each of three years from 2001 through 2003. Lueung made statements about Alfa and its business, including stock price projections and guarantees, for which he had no basis. He told one customer that he should mortgage his house to come up with the money to buy the stock. He said that the sports and sports apparel industry was recession-proof. Lueung compared investing in Journey of Light's development project in Qatar to investing in Las Vegas decades ago because both were located in deserts. Lueung also told at least one investor that he could ignore the risk disclosures in Alfa's private placement memorandum because they had nothing to do with Contact Sports and Journey of Light's business prospects.
4. The conduct described above constitutes violations of NASD Conduct Rules 2110 and 2120, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

B. I also consent to the imposition, at a maximum, of the following sanction:

A permanent bar from associating in any capacity with any member firm.

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

III.

OTHER MATTERS

- A. I understand that I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement

does not constitute factual or legal findings by NASD, nor does it reflect the views of NASD or its staff.

- B. I understand that if I am barred or suspended from association with any NASD member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any NASD member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1.)

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce me to submit it.

1/10/05
Date


Chantha Owen Lueung

Reviewed by:

Counsel (if applicable)

Accepted by NASD:

2/8/05
Date


Cameron K. Funkhouser
Senior Vice President
Department of Market Regulation

Signed on behalf of the Director of ODA, by
delegated authority