

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



NICHOLAS C. TAYLOR  
CHAIRMAN

JOHN R. MORGAN  
DEPUTY SECURITIES COMMISSIONER

JOSE ADAN TREVINO  
MEMBER

## State Securities Board

MAIL: P.O. BOX 13167  
AUSTIN, TEXAS 78711-3167

208 E. 10th Street, 5th Floor  
Austin, Texas 78701  
Phone (512) 305-8300  
FAX (512) 305-8310  
<http://www.ssb.state.tx.us>

KENNETH W. ANDERSON, JR.  
MEMBER

**SSB Docket No. 00-022**

IN THE MATTER OF LAWRENCE CHEUNG,  
THE DEALER REGISTRATION OF  
SUPERTRADE SECURITIES, INC.  
AND THE APPLICATION FOR  
AGENT REGISTRATION OF  
CHIU KEUNG WONG

§  
§  
§  
§  
§  
§

**Order No. CAF-1403**

To: Dennis Todd Lloyd Gordon, President  
Supertrade Securities, Inc. (File #301 18)  
10515 Bellaire Blvd., Suite M  
Houston, TX 77072

Lawrence Cheung  
6119 Gladewell Dr.  
Houston, TX 77072

Chiu Keung Wong (CRD # 3168172)  
Supertrade Securities, Inc. (File #301 18)  
10515 Bellaire Blvd., Suite M  
Houston, TX 77072

### DISCIPLINARY ORDER AND UNDERTAKING

Be it remembered that Supertrade Securities, Inc. ("Respondent Supertrade"), by and through Dennis Todd Lloyd Gordon, its President, Lawrence Cheung ("Respondent Cheung"), and Chiu Keung Wong ("Respondent Wong") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and Undertaking, and the Findings of Fact and Conclusions of Law contained herein.

### FINDINGS OF FACT

1. Respondents have waived (a) Respondents' right to notice and hearing in this matter; (b) Respondents' right to appear and present evidence in this matter; (c) Respondents' right to appeal this Order; and (d) all other procedural rights granted to Respondents by The Securities Act, TEX. REV. CIV. STAT. ANN. art- 581-1 et seq. (Vernon 1964 & Supp. 2000) ("Texas Securities Act"), and the Administrative

Procedure Act, TEX. GOV'T CODE ANN. §2001.001 et seq. (Vernon Supp. 2000) ("Administrative Procedure Act").

2. Respondent Supertrade has been registered with the Securities Commissioner as a securities dealer since March 10, 1999.
3. Respondent is a dealer which offers online and day trading services to its clients.
4. Respondent Cheung was registered with the Securities Commissioner as an agent of Respondent Supertrade from March 10, 1999 until May 11, 2000. At all times relevant to this Order, Respondent Cheung was the President, a Director and the only supervisory principal of Respondent Supertrade.
5. Respondent Wong applied for registration with the Securities Commissioner as an agent of Respondent Supertrade on February 22, 2000. Said application is currently pending before the Securities Commissioner.
6. At all times relevant to this Order, Matthew Tran (CRD # 3277207) was an employee of Respondent Supertrade.
7. Respondent Wong has acted as an agent of Respondent Supertrade without being registered with the Securities Commissioner as required by Section 12 of the Texas Securities Act.
8. Respondents Cheung and Supertrade failed to adequately and reasonably supervise the activities of Matthew Tran and Respondent Wong, in that they permitted Matthew Tran and Respondent Wong to act as agents without being registered with the Securities Commissioner as required by Section 12 of the Texas Securities Act.
9. Respondent Supertrade failed to maintain the records required by Rule 115.5 of the Rules and Regulations of the State Securities Board ("Board Rules").

#### UNDERTAKING

1. Respondent Supertrade agrees that it will have an NASD registered principal on the premises at all times during normal business hours.
2. Respondent Supertrade agrees that it will not permit its agents, excluding administrative support staff, to have contact with customers until they are properly registered with the Securities Commissioner.
3. Respondent Supertrade agrees to maintain complete records of its correspondence and customer transactions as required by Board Rules.
4. Respondent Supertrade agrees to forward all requests to transfer or remove funds from customer accounts directly to its clearing firm.

CONCLUSIONS OF LAW

1. The conduct described in Finding of Fact No. 8 constitutes an inequitable practice in the sale of securities in violation of Section 14.A(3) of the Texas Securities Act.
2. Pursuant to Section 14.A(3) of the Texas Securities Act, an inequitable practice in the sale of securities constitutes a basis for the issuance of an order reprimanding a dealer and an agent of a dealer.
3. Pursuant to Section 14.A(6) of the Texas Securities Act, each of the foregoing violations of the Texas Securities Act and Board Rules constitutes a basis for the issuance of an order reprimanding a dealer and an agent of a dealer.
4. Pursuant to Section 23-1 of the Texas Securities Act, each of the foregoing violations of the Texas Securities Act and Board Rules constitutes a basis for the issuance of an order assessing an administrative fine against Respondents Cheung and Supertrade.

ORDER

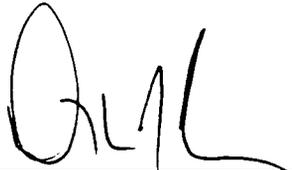
1. It is therefore ORDERED that Respondent Wong's application for registration as an agent of Respondent Supertrade is hereby GRANTED;
2. It is further ORDERED that Respondent Supertrade is hereby REPRIMANDED;
3. It is further ORDERED that Respondent Wong is hereby REPRIMANDED;
4. It is further ORDERED that Respondent Cheung is ASSESSED AN ADMINISTRATIVE FINE in the amount of Three Thousand Dollars (\$3,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Three Thousand Dollars (\$3,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order;
5. It is further ORDERED that Respondent Supertrade is ASSESSED AN ADMINISTRATIVE FINE in the amount of Fifteen Thousand Dollars (\$15,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Fifteen Thousand Dollars (\$15,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

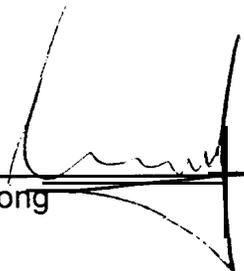
SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 12<sup>th</sup> day of October, 2000.

  
DENISE VOIGT CRAWFORD  
Securities Commissioner

Respondents:

Supertrade Securities, Inc.

By:   
\_\_\_\_\_  
Dennis Todd Lloyd Gordon  
President

  
\_\_\_\_\_  
Chiu Keung Wong

*Lawrence Cheung*

Lawrence Cheung

*L.C.*

Approved as to Form:

*Michael S. Gunst*

Michael S. Gunst, Director  
Dealer Registration Division

*Sonia M. Mayo*

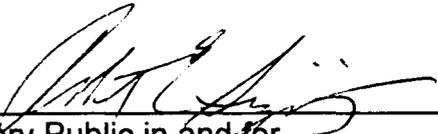
Sonia M. Mayo, Attorney  
Enforcement Division

*D. Gunst*

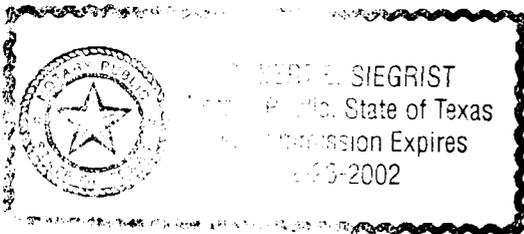
**ACKNOWLEDGMENT**

On the 11<sup>th</sup> day of October, 2000, Supertrade Securities, Inc., ("Respondent Supertrade") by and through Dennis Todd Lloyd Gordon, its President, personally appeared before me, executed the foregoing Order and Undertaking and acknowledged that:

1. Dennis Todd Lloyd Gordon is duly authorized to enter into the foregoing Order on behalf of Respondent Supertrade;
2. Dennis Todd Lloyd Gordon has read the foregoing Order and Undertaking;
3. Respondent Supertrade has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent Supertrade knowingly and voluntarily consents to the entry of the foregoing Order and Undertaking and the Findings of Fact and Conclusion of Law contained therein; and,
5. Respondent Supertrade, by consenting to the entry of the foregoing Order and Undertaking, has knowingly and voluntarily waived its rights as set forth therein.

  
\_\_\_\_\_  
Notary Public in and for  
the State of TEXAS

[affix notary seal here]



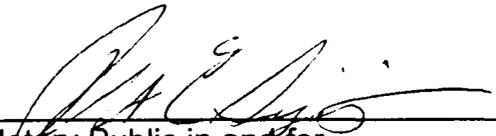
My commission expires on:

12/23/2002

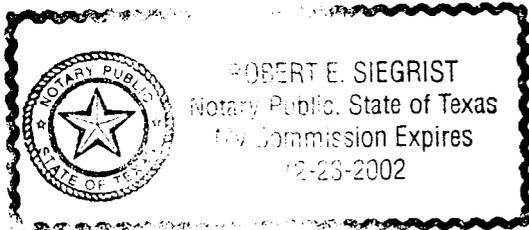
**ACKNOWLEDGMENT**

On the 11<sup>th</sup> day of October, 2000, Chiu Keung Wong ("Respondent Wong") personally appeared before me, executed the foregoing Order and Undertaking and acknowledged that:

1. Respondent Wong has read the foregoing Order and Undertaking;
2. Respondent Wong has been fully advised of Respondent's rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent Wong knowingly and voluntarily consents to the entry of the foregoing Order and Undertaking and the Findings of Fact and Conclusions of Law contained therein; and,
4. Respondent Wong, by consenting to the entry of the foregoing Order and Undertaking, has knowingly and voluntarily waived his rights as set forth therein.

  
\_\_\_\_\_  
Notary Public in and for  
the State of TEXAS

[affix notary seal here]

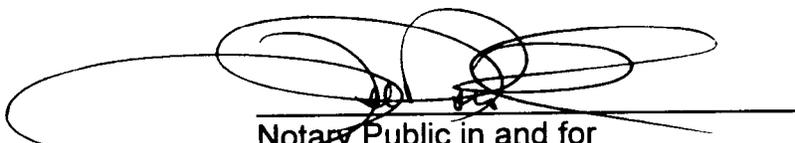


My commission expires on:  
12/23/2002

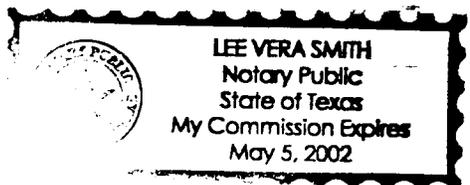
**ACKNOWLEDGMENT**

On the 2nd day of October, 2000, Lawrence Cheung ("Respondent Cheung") personally appeared before me, executed the foregoing Order and Undertaking and acknowledged that:

1. Respondent Cheung has read the foregoing Order and Undertaking;
2. Respondent Cheung has been fully advised of Respondent's rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent Cheung knowingly and voluntarily consents to the entry of the foregoing Order and Undertaking and the Findings of Fact and Conclusions of Law contained therein; and,
4. Respondent Cheung, by consenting to the entry of the foregoing Order and Undertaking, has knowingly and voluntarily waived his rights as set forth therein.

  
Notary Public in and for  
the State of TX

[affix notary seal here]



My commission expires on:

5-5-2002