

LEHMAN, LEE & XU

雷曼律师事务所



PRESS RELEASE

RUSSELL BROWN, MANAGING DIRECTOR OF LEHMANBROWN, UNDER INVESTIGATION FOR ETHICAL MISCONDUCT BY THE CHARTERED INSTITUTE OF MANAGEMENT ACCOUNTANTS (CIMA)

Beijing, China - March 30, 2010

Russell Brown, Managing Director of LehmanBrown, one of China's largest CPA firms, is currently under investigation for ethical misconduct by his regulatory body, the Chartered Institute of Management Accountants (CIMA).

On March 22nd, Mr. Danny Thomas, the Conduct Manager of CIMA issued a letter stating that Mr. Brown's ethical misconduct related to his management of LehmanBrown created a prima facie case that Mr. Brown had committed numerous ethical violations as well as violations of Hong Kong Company Ordinances.

The CIMA Investigation Committee cited specific instances of ethical misconduct including:

Appropriating funds of the company for the purpose of improperly increasing his salary, paying himself expenses without board authority, and paying his wife (as an employee of the company) above a reasonable market rate.

Appointing his wife, Ms. Zhou Han, to the position of Human Resources Director and determining her salary and bonus, without the consultation of fellow company directors

Breaching his fiduciary duty as a company director by failing to observe the internal procedures of the company.

Failing to act in the best interests of the company in the proper management of conflicts of interest.

Failing to provide fellow company directors information necessary for them to approve the 2007 audited accounts for submission to the Hong Kong regulatory authorities.

Withholding dividends to shareholders of the company.

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Russell Brown's case has been referred to the CIMA Disciplinary Committee.

Lehman Brown is one of China's largest CPA firms with offices located in Beijing, Shanghai, Hong Kong, Macau, Shenzhen, Guangzhou and Tianjin. More about LehmanBrown can be found at: www.lehmanbrown.com.

The Chartered Institute of Management Accountants (CIMA) is the world's largest and leading professional body of management accountants, with 172,000 members and students in 165 countries. CIMA is committed to upholding the highest ethical and professional standards, and to maintaining public confidence in management accounting. More about CIMA can be found at: www.cimaglobal.com.