

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: JOHN S. CHO)
_____)

FILE NO. 0800230

ORDER OF REVOCATION

TO THE RESPONDENT: John S. Cho (CRD#: 4480149)
8637 Niles Center Road
Skokie, Illinois 60077

WHEREAS, the above-captioned matter came on to be heard on September 10, 2008 pursuant to the Notice of Hearing dated May 22, 2008, FILED BY Petitioner Secretary of State, and record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Finding of Fact, Conclusions of Law and Recommendations of the Hearing Officer, George Berbas, Attorney at Law, in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact of the Hearing Officer are correct and are hereby adopted as the Findings of Fact of the Secretary of State:

1. The Department served Respondent with the Notice of Hearing on August 5, 2008.
2. Respondent failed to appear either by himself or through his attorney at the hearing on September 10, 2008, and also failed to respond or otherwise answer to the allegations in the complaint.
3. Due notice having been given to the Respondent, and Respondent having failed to appear, the Department was allowed to proceed to a Default Hearing.

Order of Revocation

2

4. That Respondent, John S. Cho was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act until February 6, 2006.
5. That on February 19, 2008, FINRA entered a Letter of Acceptance, Waiver and Consent (WC) regarding File No. 2006007065701 barring Respondent from association with any member of FINRA in any capacity.

WHEREAS the proposed Findings of Fact of the Hearing Officer are incomplete, The Secretary of State makes the following additional Findings of Fact that were alleged in the Notice of Hearing and proved at the September 10, 2008 Hearing:

1. That at all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act until December 6, 2006.
2. That on February 19, 2008, FINRA entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding FILE NO. 2006007065701 which barred him from association with any member of FINRA in any capacity.
3. That the AWC found:

BACKGROUND

- 1) The Respondent entered the securities industry on February 3, 2005, as an Investment Company and Variable Contracts Products Representative of Banc One Securities Corporation, which was later acquired by Chase Investment Services Corp. ("Member"), a member of FINRA (f/k/a NASD). He was associated with the Member in such capacity until December 6, 2006. He was also employed as a personal banker with JP Morgan Chase Bank, N.A. ("Chase Bank") during this period. He is not currently registered with any member of FINRA.

OVERVIEW

- 2) From January 2005 to September, Cho worked as a dual employee with Chase bank and with the Member. During this period, Cho accepted about \$8,400 in cash as compensation from a customer for assisting the customer in avoiding overdrafts in the customer's business checking account with Chase Bank, in violation of NASD Conduct Rule 2110. During the same period, the Respondent affixed the customer's name to 25 checking account withdrawal

Order of Revocation

3

slips, in order to withdraw the funds from the customer's business checking account to pay himself for the activity described above, in violation of NASD Conduct Rule 2110.

- 3) From January 2005 to September 2006, Cho worked as a dual employee with Chase Bank and with the Member. During this period, Cho accepted

FACTS AND VIOLATIVE CONDUCT

- a. During at least 2005 and 2006, DA, who was a member of the public, maintained a checking account for DA's construction business with Chase Bank, which was opened through the Respondent. Throughout the period of time, the Respondent was DA's personal banker.
 - b. On numerous occasions during 2005 and 2006, DA's business checking account was overdrawn. To ensure that payment was made by Chase Bank on each check written from DA's business checking account and to avoid overdraft charges, the Respondent either entered a "credit memo" in Chase Bank's system or requested that a teller issue an "override" on transactions to increase the balance of the account. The Respondent's activities allowed DA to avoid numerous overdraft charges. In return for the Respondent's assistance, DA paid him approximately \$8,400. This conduct was in violation of NASD Rule 2110.
 - c. From January 25, 2005 to September 19, 2006, the Respondent completed 25 "Withdrawal" slips to withdraw funds from DA's checking account with Chase Bank. The Respondent affixed DA's signature on the 25 "Withdrawal" slips and submitted them to withdraw funds from DA's checking account to pay himself for the activity described above. This conduct *was* in violation of NASD Conduct Rule 2110.
4. That Section 8 E(1)(j) of the Act provides, inter alia, that the registration of a salesperson may be revoked if the Secretary of State finds that such salesperson has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.

Order of Revocation

4

5. That FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
6. That Section 8.E(3) of the Act provides, inter alia, withdrawal of an application for registration or withdrawal from registration as a salesperson, becomes effective 30 days after receipt of an application to withdraw or within such shorter period of time as the Secretary of State may determine. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the Secretary of State may nevertheless institute a revocation or suspension proceeding within 2 years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.
7. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Sections 8.E(1)(j) and 8.E(3) of the Act.

WHEREAS, the proposed Conclusions of Law made by the Hearing officer are correct in part and incorrect in part, they are hereby adopted as modified, as the Conclusions of Law of the Secretary of State:

1. The Department properly served the Notice of Hearing on Respondent on August 5, 2008.
2. The Secretary of State has jurisdiction over the subject matter hereof pursuant to the Act.
3. Respondent failed to answer or otherwise appear at the hearing in accordance with Section 130.11104, therefore,
 - a. The allegations contained in the Notice of Hearing are deemed admitted;
 - b. Respondent waived his right to a hearing.
 - c. Respondent is subject to an order of Default.
4. The Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act until February 6, 2006.
5. That on February 19, 2008, FINRA entered a Letter of Acceptance, Waiver and Consent (AWC) regarding File No. 2006007065701 barring Respondent from association with any member of FINRA in any capacity.

Order of Revocation

5

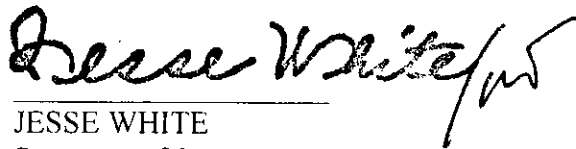
6. That Section 8.E(i)(j) of the Act provides that the registration of a salesperson may be revoked if he had had any order entered against him in a self regulatory organization for a violation of such organizations.
7. The respondent's registration as a salesperson in the state of Illinois is subject to revocation pursuant to Section 8.E(i)(j) of the Act, effective December 6, 2006.
8. The Department proved the allegations contained in the complaint in the Default prove-up hearing on September 10, 2008.

WHEREAS, the Hearing Officer recommended that the Secretary of State should REVOKE respondent John S. Cho's registration as a salesperson in the Stat of Illinois and the Secretary of State adopts the Hearing Officer's recommendations, as modified.

NOW THEREFORE, IT SHALL BE AND IS HERBY ORDERED THAT:

1. Respondent John S. Cho's registration as a salesperson in the State of Illinois is **REVOKED**, effective December 6, 2006.
2. The matter is concluded without further proceedings.

DATED: This 1st Day of December, 2008



JESSE WHITE
Secretary of State
State of Illinois

Dan Tunick
Attorney for the Secretary of State
Illinois Securities Department
69 West Washington Street
Chicago, Illinois 60602
312-793-4433