

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

IN THE MATTER OF: CHI TU CHOW)
_____)

FILE NO. 1000160

NOTICE OF HEARING

TO THE RESPONDENT:

Chi Tu Chow
(CRD #: 4727691)
126 Barcelona Drive
Boulder, Colorado 80303

Chi Tu Chow
(CRD #: 4727691)
C/o MacQaurie Capital, Inc.
125 West 55th Street, Level 22
New York, New York 10019

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 21st day of July, 2007 at the hour of 10:00 a.m. or as soon as possible thereafter, before James L. Kopecky Esq., or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered denying Chi Tu Chow's (the "Respondent") registration as a salesperson in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That on March 22, 2010, MacQaurie Capital, Inc., a registered dealer, filed a Form U-4 application for registration of the Respondent as a salesperson in the State of Illinois pursuant to Section 8 of the Act.

2. That on January 7, 2010 FINRA entered a letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. 20070094832001 which sanctioned the Respondent as follows:
 - a. suspension from acting in any and all capacities with any FINRA member firm for one month; and
 - b. fined \$15,000.
3. That the AWC found:

OVERVIEW

From December 2006 through February 2007 (the "relevant period"), the Respondent, while employed as a research analyst at Merrill Lynch wrongfully shared earnings estimates, projected price targets and buy recommendations with certain institutional clients and certain Merrill Lynch employees in contravention of Merrill Lynch's written policies regarding the disclosure of potentially market sensitive information. The Respondent's disclosure of his research opinions, which potentially represented market sensitive information, was contrary to Merrill Lynch's written policies and procedures and inconsistent with just and equitable principles of trade and high standards of commercial honor, in violation of NASD Conduct Rule 2110.

FACTS AND VIOLATIVE CONDUCT

During the relevant period, the Respondent was preparing to issue research coverage for Merrill Lynch on five oil and gas industry stocks. Shortly after starting his employment at Merrill Lynch, and continuing throughout the relevant period, the Respondent wrongfully shared earnings estimates, projected price targets and buy recommendations with certain institutional clients and certain Merrill Lynch sales and trading employees in contravention of Merrill Lynch's written policies and procedures concerning the disclosure of potentially market sensitive information.

The Respondent disclosed the potentially market sensitive information about the specific companies he was covering in his role as a research analyst for the Firm. The respondent disclosed this information through numerous e-mails sent to certain institutional clients of the Firm and certain Merrill Lynch sales and trading employees while he was preparing research reports covering these same securities. The information disclosed through these e-mails was contained in draft research reports that the Respondent was preparing and such information was ultimately disseminated publicly through the issuance of the Respondent's research reports published by Merrill Lynch on March 5, 2007.

Merrill Lynch's written policies specifically prohibited such disclosure of potentially market sensitive information prior to the issuance of a research report concerning the same. According to the Firm's written policies, employees are required to keep confidential "knowledge of pending recommendations, estimates or price objectives because the release of such information may have a material effect on the price of a security or financial instrument." Merrill Lynch's policies referred to such information as "market-sensitive information." The Firm policies further stated that [i]nitial research reports, or changes in current opinions or other recommendations, estimates or price objectives, are considered to be market-sensitive information." Finally, Merrill Lynch's written policies prohibited "the disclosure" by any means to anyone, either inside or outside the Firm," "Wire content of pending research reports, recommendations, estimates and price objectives and decisions to issue research reports or comments[.]" Merrill Lynch employees were prohibited, prior to the issuance of a research report, from releasing "initial equity opinions or recommendations changes in current equity opinions or recommendations or other material information concerning a company or issuer, securities or financial instruments [that] may affect the price of individual securities or financial instruments."

The Respondent's disclosure of earnings estimates, price targets and buy recommendations to certain institutional clients and certain Merrill Lynch employees prior to the issuance of his research reports was in contravention of Merrill Lynch's written policies and procedures concerning the disclosure of potentially market sensitive information and such conduct is inconsistent with just and equitable principles of trade and high standards of commercial honor.

As a result of the foregoing conduct, the Respondent violated 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 denied 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.
5. That FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
6. That by virtue of the foregoing, the Respondent's registration as a Salesperson in the State of Illinois is subject to denial pursuant to Section 8.E(1)(j) of the Act.

Notice of Hearing

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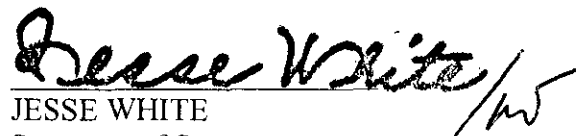
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 13th day of May 2010.


JESSE WHITE
Secretary of State
State of Illinois

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Hearing Officer:
James L. Kopecky
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