

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF:

JOHN S. CHO

FILE NO. 0800230

NOTICE OF HEARING

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

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 2<sup>nd</sup> day of July, 2008 at the hour of 10:00 a.m. or as soon as possible thereafter, before George Berbas, 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 revoking John S. Cho'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 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 JPMorgan 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 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.
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.

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.

Notice of Hearing

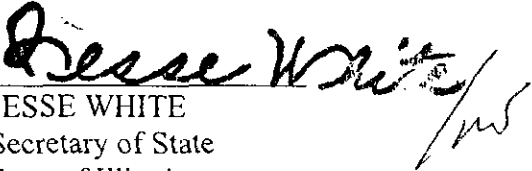
4

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, can be found at <http://www.cyberdriveillinois.com/departments/securities/lawrules.html> or available upon request.

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

Dated: This 22<sup>nd</sup> day of May 2008.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
Daniel A. Tunick  
Office of the Secretary of State  
Illinois Securities Department  
69 West Washington Street, Suite 1220  
Chicago, Illinois 60602  
Telephone: (312) 793-3384

Hearing Officer:  
George Berbas  
180 N. LaSalle  
Chicago, Illinois 60601