

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 58318 / August 6, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-13119

In the Matter of

SIMON CHONG,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Simon Chong (“Chong” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. From 1991 through October 1998, Chong was employed at John Dawson & Associates ("JDAI"), a broker-dealer registered with the Commission, as JDAI's Chief Operating Officer and as a registered representative. Chong owned approximately 40% of the firm over time and had primary responsibility for marketing and recruiting and some responsibility for operations and administration at JDAI.

2. On July 27, 2007, Chong pled guilty to six counts of wire fraud under 18 U.S.C. §§ 1343 and 1346 before the United States District Court for the Northern District of Illinois, in United States v. Cho, et al., Crim. Indictment No. 1:04-CR-166. On March 21, 2008, a judgment in the criminal case was entered against Chong. He was sentenced to a term of imprisonment of 48 months, ordered to pay restitution in the amount of \$2,929,701 and placed on 3 years probation following his release from prison.

3. The counts of the criminal superseding information to which Chong pled guilty alleged, inter alia, that Chong, for the purpose of executing a scheme to defraud, reallocated favorable trades from certain JDAI proprietary firm accounts to his father's account at JDAI. The criminal superseding information alleged, inter alia, that these after-the-fact trade allocations either profited Chong's father's account or served to avoid losses in his account.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Chong's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Chong be, and hereby is barred from association with any broker or dealer.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a

customer, whether or not related to the conduct that served as the basis for the Commission order;
and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct
that served as the basis for the Commission order.

By the Commission.

Florence E. Harmon
Acting Secretary