

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 58851/October 24, 2008

ADMINISTRATIVE PROCEEDING  
File No. 3-13118

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| In the Matter of | : |                              |
|                  | : |                              |
| PETER IN CHO     | : | ORDER MAKING FINDINGS AND    |
|                  | : | IMPOSING SANCTION BY DEFAULT |
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The Securities and Exchange Commission issued its Order Instituting Proceedings (OIP) on August 6, 2008, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act). The Division of Enforcement has provided evidence that Respondent Peter In Cho (Cho) received the OIP on September 8, 2008. The time for filing an Answer has expired and no Answer has been received.

By Order dated October 2, 2008, I required Cho to show cause why he should not be held in default and why he should not be barred from association with any broker or dealer. The time for replying to the Order to Show Cause has expired and no reply has been received. Accordingly, Cho is in default. See Rules 155(a)(2) and 220(f) of the Commission's Rules of Practice. As permitted by Rule of Practice 155(a), the following allegations of the OIP are deemed true.

Cho, forty years old, is a resident of Arlington Heights, Illinois. From 1991 to 1998, he worked for John Dawson & Associates, Inc. (JDAI), a broker and dealer registered with the Commission, as JDAI's President and Chief Executive Officer and as a registered representative.

On July 27, 2007, Cho pleaded guilty to sixteen 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, Crim. Indictment No. 1:04-CR-166. On March 21, 2008, a judgment in the criminal case was entered against Cho. He was sentenced to a term of imprisonment of sixty-five months, ordered to pay restitution in the amount of \$6,336,236, and placed on probation for three years following his release from prison.

The counts of the criminal indictment to which Cho pleaded guilty alleged, *inter alia*, that Cho devised, intended to devise, and participated in a scheme to defraud in which Cho and others caused and directed: (1) fraudulent and fictitious stock and options trading in firm and customer accounts; (2) inventory “parking” in firm and customer accounts in order to conceal excessive or losing stock and options inventory positions; (3) inventory “kiting” between the “Average Price Account” and firm proprietary accounts in order to satisfy margin requirements and artificially inflate buying power in firm proprietary accounts; (4) fraudulent trade allocations by creating, assigning, and/or transferring profitable securities and options trades to certain firm, employee, and customer accounts, and losing trades to other accounts; and (5) the misappropriation and conversion of firm and customer funds.

Section 15(b)(6)(A) of the Exchange Act provides for administrative sanctions against any person who is or was associated with a broker or a dealer and who, among other things, has been criminally convicted within the past ten years of the offenses identified in Section 15(b)(4)(B) of the Exchange Act. Consistent with the public interest and for the protection of investors, Cho will be barred from association with any broker or dealer.

IT IS ORDERED THAT, pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934, Peter In Cho is barred from association with any broker or dealer.

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James T. Kelly  
Administrative Law Judge