

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**

Release No. 52222 / August 8, 2005

**INVESTMENT ADVISERS ACT OF 1940**

Release No. 2415 / August 8, 2005

**ADMINISTRATIVE PROCEEDING**

**File No. 3-12007**

**In the Matter of**

**BENJAMIN Y. CHIU**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 15(b) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
AND SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940,  
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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Benjamin Y. Chiu (“Chiu” or “Respondent”).

**II.**

In anticipation of these proceedings, Respondent Chiu has submitted an Offer of Settlement (the “Offer”) to the Commission, 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 that Respondent admits the Commission’s jurisdiction over him and over the subject matter of these proceedings, and the findings contained in Sections III.2 and III.4 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 and Section 203(f) of the Investment Advisers Act of 1940, 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. Respondent Chiu, 32 years old, is a resident of Los Angeles, California. During the period July 2002 through July 2003, Chiu was an associate in the Los Angeles, California office of Houlihan, Lokey, Howard and Zukin, Inc. ("Houlihan"), an investment banking firm. Houlihan Lokey Howard & Zukin Capital, Inc. ("HLHZ Capital") is a broker-dealer registered with the Commission. Houlihan Lokey Howard & Zukin Financial Advisors, Inc. ("HLHZ Advisors") is an investment advisor registered with the Commission. Houlihan is the parent company of both HLHZ Capital and HLHZ Advisors. At the time of the underlying conduct, Chiu worked primarily for clients of HLHZ Advisors.

2. On July 22, 2005, a final judgment was entered by consent against, *inter alia*, Chiu, enjoining him from future violations of Sections 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3 thereunder, in the civil action styled *Securities and Exchange Commission v. Ernesto V. Sibal, et al.*, Civil Action Number 05-CV-3133 (GPS) (AJWx), in the United States District Court for the Central District of California.

3. The Commission's complaint alleged, among other things, that Chiu engaged in insider trading in violation of Sections 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3 thereunder in connection with transactions in the securities of NCS, Inc. ("NCS") and Airborne, Inc. ("Airborne"). The Commission's complaint alleged, among other things, that Chiu bought NCS stock on the basis of material nonpublic information provided to him by his colleague, Robert Y. Joo ("Joo"), prior to the announcement of a tender offer for NCS stock, and sold that stock at a profit following the public announcement of the tender offer. The complaint further alleged that Chiu paid a kickback to Joo following his sale of the stock. The complaint also alleged that Joo and Chiu, through their employment at Houlihan, learned of an impending acquisition of Airborne's ground services operations by Deutsche Post. The complaint alleged that Chiu and Joo tipped Doseph J. Shin ("Shin") about the impending acquisition so that Shin could trade Airborne options prior to the announcement of the acquisition, although Chiu never traded Airborne with Shin or Joo. The complaint further alleged that Shin bought Airborne options as well as Airborne stock on his own behalf prior to the announcement of the merger, and tipped two other individuals. The complaint also alleged that Shin and his tippees each profited from their trading in Airborne. The complaint further alleged that Chiu tipped a family member prior to the public announcement of the Airborne-Deutsche Post transaction, who bought Airborne stock, and who sold the stock at a profit following the public announcement of the acquisition. The complaint sought a permanent injunction, disgorgement, prejudgment interest and civil penalties against the Respondent.

4. On April 28, 2005, Chiu pled guilty to one count of conspiracy to commit securities fraud in violation of Title 18 United States Code § 371, the objects of which were the commission of securities fraud and wire fraud, before the United States District Court for the

Central District of California, in *United States v. Doseph J. Shin, et al.*, Crim. Information No. CR05-401-ABC (C.D. CA) (filed April 28, 2005).

5. The count of the criminal information to which Chiu pled guilty charged him with engaging in the same fraudulent trading scheme as that alleged in the Commission's civil complaint and this Order, as described above.

#### IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent Chiu be, and hereby is, barred from association with any broker, dealer, or investment adviser;

Any reapplication for association by Chiu 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 Chiu, 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.

Jonathan G. Katz  
Secretary