

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 78268 /July 8, 2016**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17328**

**In the Matter of**

**CHEONGWHA**  
**“HEYWOOD” CHANG,**

**Respondent.**

**CORRECTED 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 Cheongwha “Heywood” Chang (“Chang” 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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2. below, and consents to the entry of the 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. Respondent was born in 1967 in China. Respondent resides in Hacienda Heights, California and, from at least 2012 to the present, has done business in California. From 1998 to 2000, Respondent was associated with broker-dealers registered with the Securities and Exchange Commission.

2. On June 29, 2016, a judgment was entered by consent against Chang, permanently enjoining him from future violations of Sections 5 and 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. CKB168 Holdings Ltd., et al, Civil Action Number 13-CV-5584, in the United States District Court for the Eastern District of New York.

3. The Commission’s complaint alleged that from approximately May 2012 through at least October 2013, Chang solicited investments in an entity that was falsely portrayed as a profitable multi-level marketing company that sells web-based children’s educational courses. The complaint alleged that, in fact, the company was a fraudulent pyramid scheme. The complaint also alleged that Chang sold unregistered securities and acted as an unregistered broker-dealer.

4. On March 25, 2016, Chang entered into a written agreement to plead guilty to one count of wire fraud in violation of 18 U.S.C. §1343 before the United States District Court for the Central District of California, in in United States v. Cheong Wha Chang, et. al., Cr. No. 15-00475-DSF.

5. In connection with that plea, Chang admitted that:

(a) he promoted and participated in an investment scheme operated by a group of entities and collectively known as “CKB168” or “CKB”:

(b) he solicited and obtained investments in CKB from victim investors by falsely representing, among other things, that CKB was a legitimate and profitable business and that investors could returns in the form of “profit reward points” or “PRPTs” that could be exchanged for actual dollars; and

(c) he knew that these representations to victim investors were false when he made them

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Chang be, and hereby is barred from association with any broker, dealer,

investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Chang be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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.

Brent J. Fields  
Secretary