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DELIVER TO	COMPANY/FIRM	FAX NUMBER	PHONE NUMBER
Elizabeth M. Murphy, Secretary	U.S. Securities and Exchange Commission	(202) 772-9324	(202) 551-5400

RE: **In the Matter of Harding Advisory LLC, et al,
Administrative Proceeding File No. 3-15574**

FROM Ashley Baynham

DIRECT DIAL (212) 209-4991

DIRECT FAX (212) 209-4801

C/M/A # 032392 / 0001/ 3722

MESSAGE Please find for filing in the above-referenced matter Respondents' Motion for an Extension of the Due Dates Set Forth in the Order Scheduling Briefs and Motion for Authority to Exceed the Word Limit

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March 2, 2015

VIA FACSIMILE AND FEDERAL EXPRESS

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
Fax: 202-772-9324

**RE: In the Matter of Harding Advisory LLC, et al,
Administrative Proceeding File No. 3-15574**

Dear Ms. Murphy:

This firm represents Respondents Harding Advisory LLC and Wing F. Chau in the above-referenced proceeding. Enclosed for filing, please find the Respondents' Motion for an Extension of the Due Dates Set Forth in the Order Scheduling Briefs and Motion for Authority to Exceed the Word Limit.

Thank you for your attention to this matter.

Sincerely,

BROWN RUDNICK LLP



Ashley Baynham

Enclosures

cc: Hon. Cameron Elliot (via e-mail)
Howard Fischer, Esq. (via e-mail)

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of

HARDING ADVISORY LLC and

WING F. CHAU,

Respondents.

Administrative Proceeding

File No. 3-15574

**EXPEDITED CONSIDERATION
REQUESTED
RULE 400(b)**

**MOTION FOR AN EXTENSION OF THE DUE DATES SET FORTH IN THE
ORDER SCHEDULING BRIEFS AND
MOTION FOR AUTHORITY TO EXCEED THE WORD LIMIT**

Respondents Harding Advisory LLC and Wing F. Chau (collectively "Respondents"), submit this motion for an extension of the due dates set forth in the order scheduling briefs and for authority to exceed the word limit.

FACTUAL BACKGROUND

The Order Instituting Proceedings ("OIP") against Respondents was issued on October 18, 2013 and served on Respondents by the Division of Enforcement (the "Division") on November 18, 2013. The Commission designated the case against Respondents as a complex case, *i.e.*, the ALJ's initial decision had to be filed within 300 days of the service of the OIP ("the 300-day rule"). As a practical matter, the 300-day rule necessitated that a hearing take place approximately four months after the OIP was served.

Despite the constraints of the 300-day rule, the Division produced to Respondents approximately 22 million documents in three electronic productions: roughly 7 million on November 6, 2013; 13 million on November 15, 2013; and 2 million on December 12, 2013. Given the volume of the data involved, as well as the complexity of the case, Respondents made several requests for relief from the 300-day rule. The ALJ and the Commission denied those requests. Order Denying Respondents' Motion for Adjournment (Jan. 24, 2014), available at <http://www.sec.gov/alj/aljorders/2014/ap-1195.pdf>; Order Denying Respondents' Motion for Reconsideration (Feb. 19, 2014), available at <http://www.sec.gov/alj/aljorders/2014/ap-1252.pdf>; Order Denying Petition for Interlocutory Review and Emergency Motion to Stay the Hearing and Prehearing Deadlines (Mar. 14, 2014), available at <http://www.sec.gov/litigation/opinions/2014/33-9561.pdf>

The Hearing before the ALJ started on March 31, 2014, a little over four months after the service of the OIP, and took up 17 trial days over the next four weeks. Nearly 1,400 hearing exhibits were introduced and admitted into evidence and the parties submitted more than 500 pages of post-hearing briefs. Order Granting Extension of Time to Issue Initial Decision (Aug. 21, 2014), available at <http://www.sec.gov/litigation/opinions/2014/33-9632.pdf>, attached as Exhibit A.

Following the Hearing, the Commission granted the ALJ relief from its 300-day rule by granting his request for four additional months to file his initial decision; the ALJ sought more time because of the complexity of the matter, the volume of trial exhibits and the length of the transcript, the magnitude of post-trial briefing, and the press of other business. The Commission granted the ALJ's request for more time to file the Initial Decision because it agreed that this was a complex case with a voluminous record. *Id.* (finding that additional time was necessary or appropriate in the public interest because "of the volume and complexity of the case, as well as the conflicting due dates in his other cases.").

The Initial Decision in this proceeding was filed on January 12, 2015. The Initial Decision is 98 single-spaced pages. The ALJ in the Initial Decision again observed that this matter raises complex legal and factual issues, and that the record is voluminous. *See generally*, Initial Decision at 2-57 (Jan. 15, 2015), available at <http://www.sec.gov/alj/aljdec/2015/id734ce.pdf>.

Respondents filed their Petition for Review of the Initial Decision on February 2, 2015 (*see* Respondents' Petition for Review (Feb. 2, 2015), available at <http://www.sec.gov/litigation/apdocuments/3-15574-event-156.pdf>), and on February 12, 2015, the Division filed a Cross Petition for Review (*see* Divisions' Cross-Petition for Review (Feb. 12, 2015), available at <http://www.sec.gov/litigation/apdocuments/3-15574-event-160.pdf>). Given the size of the record and the complexity, in connection with its petition, without consulting with opposing counsel, the Division requested that the opening briefs be scheduled for eight weeks from the date that the Commission set in the briefing schedule, with oppositions thereto due six weeks thereafter, and replies in further support due three weeks after. *Id.*

The Commission issued an Order Granting Review and Scheduling Briefs on February 23, 2015, in which it set forth that Respondents' and the Division's briefs in support of their petitions for review shall be filed by March 25, 2015, the parties' briefs in opposition shall be filed by April 24, 2015, and any reply briefs shall be filed by May 8, 2015. Order Granting Petition for Review and Scheduling Briefs (Feb. 23, 2015), available at <http://www.sec.gov/litigation/opinions/2015/33-9731.pdf>

On February 26, 2015, Respondents' counsel asked whether the Division would consent to a joint request to extend the due dates of the briefing, so that opening briefs would be filed by May 1, 2015, the parties' briefs in opposition would be filed by June 1, 2015, and any reply briefs would be filed by June 15, 2015. This request was close to the time requested initially by the Division in its cross-petition. Respondents' counsels' request for more time was predicated on the amount of work necessary, as well as professional and personal scheduling conflicts, including counsels' move to a new law firm on February 9, 2015, and the upcoming wedding of one of the principal lawyers on the case.

Respondents also asked if the Division would consent to a motion seeking authority to exceed the word limit.

On March 2, 2015, the Division responded that its "original concerns about having sufficient time were satisfied with the briefing schedule that was ordered." However, "solely as an accommodation," the Division would consent to extend the time for the opening and opposition briefs by one week each so that the opening briefs would be filed by April 1, 2015, the parties' briefs in opposition would be filed by May 8, 2015, and any reply briefs would be filed by May 22, 2015. The Division stated that it did not consent to the motion seeking authority to exceed the word limit.

ARGUMENT

As mentioned above, this Administrative Proceeding is extraordinary in terms of the size of the record and the complexity and number of issues. The core allegations in this case relate to the creation and marketing of very complex structured finance instruments for which the Respondents acted as collateral managers. The appeal will include legal analysis of two separate sets of anti-fraud provisions: Section 17(a) of the Securities Act of 1933 and Section 206 of the Investment Advisers Act as to three different structured finance transactions. The legal analysis would have to include a discussion of very complex and voluminous deal and disclosure documents as well as an analysis of fiduciary duties of collateral managers. Some of the issues raised in this appeal are likely to be issues of first impression.

In order to address these issues fully, as well as provide supporting citations from the nearly 1,400 exhibits and 17-days of testimony, Respondents respectfully request (1) an extension of time to file the briefs so that opening briefs would be filed by May 1, 2015, briefs in opposition would be filed by June 1, 2015, and any reply briefs would be filed by June 15, 2015; and (2) permission to submit an initial brief and an opposition brief of no more than sixty pages each, and a reply brief of no more than thirty pages, aside from the tables of contents, tables of authorities, and any addenda or exhibits.


EXPEDITED CONSIDERATION

Respondents respectfully seek expedited consideration of this motion in light of the fact that the opening briefs are currently due on or before March 25, 2015.

Dated: March 2, 2015

Respectfully submitted,

BROWN RUDNICK, LLP

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Attorneys for Respondents

Harding Advisory LLC and Wing F. Chau

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of

HARDING ADVISORY LLC and

WING F. CHAU,

Respondents.

Administrative Proceeding

File No. 3-15574

CERTIFICATE OF SERVICE


I, Ashley Baynham, hereby certify that on March 2, 2015, a true and correct copy of the foregoing MOTION FOR AN EXTENSION and MOTION FOR AUTHORITY TO EXCEED THE WORD LIMIT was served via electronic mail on:

The Honorable Cameron Elliot
Administrative Law Judge
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, DC 20549
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Dated: March 2, 2015

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*Attorneys for Respondents
Harding Advisory LLC and Wing F. Chau*

EXHIBIT A

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9632 / August 21, 2014

INVESTMENT ADVISERS ACT OF 1940
Release No. 3901 / August 21, 2014

INVESTMENT COMPANY ACT OF 1940
Release No. 31219 / August 21, 2014

Admin. Proc. File No. 3-15574

In the Matter of
HARDING ADVISORY LLC and
WING F. CHAU

ORDER GRANTING EXTENSION

Chief Administrative Law Judge Brenda P. Murray has moved, pursuant to Commission Rule of Practice 360(a)(3),¹ for a 120-day extension to issue the initial decision in this proceeding. For the reasons set forth below, we grant her motion.

The Commission issued an Order Instituting Proceedings on October 18, 2013, against Harding Advisory LLC, a registered investment adviser, and its principal, Wing F. Chau.² The OIP alleges that Harding and Chau, while acting as investment managers to certain collateralized debt obligation transactions ("CDOs"), compromised their independent judgment to accommodate trades requested by a hedge fund firm, Magnetar Capital LLC. According to the OIP, respondents failed to disclose to investors that Harding entered into an agreement with Magnetar and certain other entities that allowed the hedge fund to "exercise[] significant control over the composition of the portfolio." Harding and Chau also allegedly breached their obligations "by purchasing, for inclusion in several other CDOs managed by Harding, tens of millions of dollars' worth of notes from a troubled Magnetar-related CDO." The OIP alleges that, as a result of this conduct, Harding and Chau violated Section 17(a) of the Securities Act of 1933 and Sections 206(1) and 206(2) of the Advisers Act of 1940.³ The OIP further alleges that Chau willfully aided and abetted and caused Harding's violations of those provisions.

¹ 17 C.F.R. § 201.360(a)(3).

² *Harding Advisory LLC and Wing F. Chau*, Securities Act Release No. 9467, 2013 WL 5670841 (Oct. 18, 2013).

³ 15 U.S.C. §§ 77q(a); 80b-6(1), (2).

The OIP directs the presiding law judge to issue an initial decision within 300 days of the date of service of the OIP. In seeking an extension of that deadline, Chief Judge Murray states that it will not be possible to issue an initial decision by the due date, which is presently August 22, 2014, because of the Office of Administrative Law Judges' workload. She represents that Administrative Law Judge Cameron Elliot held seventeen days of hearing in this matter, which involved nearly 5,000 pages of transcript, nearly 1,400 exhibits, and more than 500 pages of post-hearing briefs. Chief Judge Murray also states that, since completing the proceeding, Judge Elliot has held hearings in two other proceedings and has initial decisions due in two other cases at approximately the same time as the initial decision in this matter. Chief Judge Murray adds that, because of the volume and complexity of the case, as well as the conflicting due dates in his other cases, Judge Elliot has informed her that he will not be able to finalize an initial decision within the 300-day period required by Rule 360(a)(2).

We adopted Rules of Practice 360(a)(2) and 360(a)(3) to enhance the timely and efficient adjudication and disposition of Commission administrative proceedings by setting deadlines for issuance of initial decisions.⁴ The rules provide for extensions of those deadlines under certain circumstances if supported by a motion from the Chief Administrative Law Judge and if we determine, as we do here, that "additional time is necessary or appropriate in the public interest."⁵

Accordingly, it is ORDERED that the deadline for the initial decision in this proceeding is extended to January 12, 2015.

By the Commission.

Lynn M. Powalski
Deputy Secretary

⁴ See *Adopting Release*, Exchange Act Release No. 48018, 2003 WL 21354791, at *2 (June 11, 2003).

⁵ 17 C.F.R. § 201.360(a)(3).

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