

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 86369 / July 12, 2019

INVESTMENT ADVISERS ACT OF 1940
Release No. 5299 / July 12, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19247

In the Matter of

KWEN Y. CHUN,

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 Kwen Y. Chun (“Chun” 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 to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph III.B below, and 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:

A. From 1998 until 2014, Chun was a registered representative of, and a person associated with, a broker-dealer and investment adviser registered with the Commission. In August 2014, Chun was barred by the Financial Industry Regulatory Authority.

B. On July 22, 2015, Chun pleaded guilty to one count of mail fraud in violation of 18 U.S.C. §§ 1341 and 1342 before the United States District Court for the District of New Jersey, in United States v. Kwen Y. Chun, Case No. 2:15-cr-00366-SDW. On March 3, 2016, Chun was sentenced to a prison term of 33 months, followed by two years of supervised release. He was also ordered to make restitution in the amount of \$530,418.34.

C. The criminal information against Chun alleged that, from 2009 to 2014, Chun misappropriated client funds by, among other things, obtaining loans against clients' insurance policies, or causing clients to obtain loans against their insurance policies, and diverting the funds to bank accounts that Chun had created and controlled in the names of firm clients or his relatives.

IV.

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

Vanessa A. Countryman
Secretary