

MIKE BEEBE  
GOVERNOR

A. HEATH ABSHURE  
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300  
201 EAST MARKHAM STREET  
LITTLE ROCK, ARKANSAS 72201-1692  
TELEPHONE: (501) 324-9260  
FACSIMILE: (501) 324-9268

## ARKANSAS SECURITIES DEPARTMENT

**\*\*\* FOR IMMEDIATE RELEASE \*\*\***

Date: August 28, 2013

Contact Person: J. Campbell McLaurin III

### **ARKANSAS SECURITIES COMMISSIONER APPROVES A CONSENT ORDER REVOKING THE REGISTRATION OF JUNMO HONG**

On August 28, 2013, Arkansas Securities Commissioner A. Heath Abshure approved a Consent Order between the Staff of the Arkansas Securities Department ("Staff") and Junmo Hong ("Hong"). Under the terms of the Consent Order, Hong agreed to a revocation of his registration as a broker-dealer agent for various violations of the Arkansas Securities Act ("Act"), including committing securities fraud; recommending unsuitable investments; making unjustified misrepresentations; engaging in unfair, misleading, or unethical practices; and placing cold calls to Arkansas residents on the National Do-Not-Call List.

The Consent Order found that Hong unwittingly cold called a Senior Securities Examiner with the Arkansas Securities Department recommending the purchase of a specific stock. When making his pitch, Hong made unfounded representations regarding the potential for increase in the value of the stock and failed to gather the proper information necessary to determine whether the investment was suitable for purchase. Hong further claimed to have had several prior phone conversations with the prospective client which never actually took place. During each of these alleged conversations, Hong said he recommended a stock to the prospective client when the stock was trading at a low price before the stock later increased substantially in value. Each of these conversations was fabricated for the sole purpose of helping Hong sell the stock he was recommending on the cold call. At one point, Hong claimed to have had a conversation with the prospective client back in 2006. However, the Staff's investigation revealed that Hong would have been fourteen years old at the time of the call.

In addition to the other violations, the Consent Order found that Hong had made twenty-three unsolicited phone calls to Arkansas residents whose names were registered on the National Do-Not-Call List.

A copy of the order is available on the Arkansas Securities Department's website at [www.securities.arkansas.gov](http://www.securities.arkansas.gov), Order No. S-12-0193-13-OR01.