UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10958 / July 30, 2021

SECURITIES EXCHANGE ACT OF 1934
Release No. 92537 / July 30, 2021

ADMINISTRATIVE PROCEEDING
File No. 20445

In the Matter of **INTEGRAL FINANCIAL, LLC and WEIMING "FRANK" HO,** **Respondents.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTIONS 15(b) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission (the "Commission" or "SEC") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Integral Financial, LLC ("Integral") and Weiming "Frank" Ho ("Ho") (collectively, "Respondents").

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the "Offers"), which the Commission has determined to accept. Solely for the purposes 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 as to the Commission's jurisdiction over them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and the Offers, the Commission finds[1] that:

SUMMARY

1. These proceedings concern a broker-dealer that repeatedly made unsuitable recommendations to certain of its retail customers. When a broker-dealer recommends an investment to its customers, it must determine, based on each customer's investment profile at the time of a recommended transaction, that the recommended investment is suitable for the customer in light of, among other factors, the customer's specific investment objectives, financial needs, risk tolerance, age, and investment time horizon.

2. Between 2015 and 2017, four registered representatives employed by Respondent Integral ("Integral RRs") made unsuitable recommendations of highly-complex and high-risk variable interest rate structured products ("VRSPs") to ten retail customers ("Customers").

3. The VRSPs recommended to the Customers are complex, illiquid, structured securities with maturity periods of fifteen years or more. Unlike traditional bonds, which provide periodic fixed-interest payments and are directly linked to a bond issuer's ability to make periodic payments and repay principal at maturity, the VRSPs offer variable interest payments based on formulas tied to differences in Constant Maturity Swap ("CMS") rates for longer term and shorter term United States Treasury obligations, as well as to the performance of reference assets, such as certain equity indexes.[2] The VRSPs initially paid fixed, introductory or "teaser" rates for one to five years. After the teaser interest rate period, interest payments are not guaranteed and are contingent on the performance and interplay of the VRSPs derivative components such as the CMS rates and underlying reference assets. Furthermore, interest payments are not solely linked to an issuer's ability to meet its payment obligations, and the VRSPs are "principal-at-risk," which means that investors in such instruments can lose some or all of their invested principal at maturity if the products' derivative components fail to perform within certain pre-determined ranges. In light of these characteristics, the VRSPs present higher risks than traditional municipal or corporate bonds.

4. Beginning in at least January 2015, the Integral RRs made unsuitable recommendations of VRSPs to the Customers, most of whom were approaching or had reached retirement age and relied on their investments for income. The Integral RRs recommended VRSPs to the Customers even though they knew or should have known that the Customers, among other considerations: had conservative or moderate risk tolerances and investment objectives; investment time horizons of less than fifteen years; limited investment experience; net worth in most cases of

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[1] The findings herein are made pursuant to Respondents' Offers and are not binding on any other person or entity in this proceeding or any other proceedings.

[2] The VRSPs recommended and sold by Integral to its retail customers included so-called "curve steepeners" and other complex non-conventional investments whose performances were linked to price movements of other financial products or indexes, such as the Standard & Poor's 500 or Russell 2000 equity indexes.

less than $500,000; were unwilling to risk losing their invested principal; and expected periodic interest payments from their investments. A further consequence of the Integral RRs' recommendations was that the Customers' accounts held higher concentrations of structured products, including VRSPs, than Integral deemed appropriate, as reflected in its policies. By making unsuitable recommendations of VSRPs to the Customers, the Integral RRs and Respondent Integral violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, and Respondent Ho was a cause of those violations.

5. Respondents Integral and Ho failed reasonably to supervise the Integral RRs with a view to preventing their violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act arising from the unsuitable recommendations. Integral failed to implement its customer-specific suitability policies and procedures, including its Written Supervisory Procedures ("WSPs"). Ho, Integral's principal and sole supervisor, was designated as the person responsible for implementing the firm's policies and procedures concerning customer-specific suitability, but failed to do so.

6. From at least 2015 to 2019, Integral also failed to create certain required records relating to customer accounts. In particular, Integral failed to make and keep current a record, as required by Rule 17a-3(a)(17)(i)(B)(1), indicating that Integral furnished to each customer, at intervals no greater than thirty-six months, a copy of the account record or an alternate document with all information required by Rule 17a-3(a)(17)(i)(A), including, among other things, the customer's annual income and net worth, and the account's investment objectives. Further, Integral failed to make and keep current a record indicating that, for each change in a customer's account investment objectives, Integral furnished the customer with a copy of the updated account record or alternative document containing the information required by Rule 17a-3(a)(17)(i)(B)(1) on or before the 30th day after receiving notice of a change, as required by Rule 17a-3(a)(17)(i)(B)(3). As a result, Integral violated Section 17(a)(1) of the Exchange Act and Rules 17a-3(a)(17)(i)(B)(1) and 17a-3(a)(17)(i)(B)(3) promulgated thereunder. Ho was responsible for overseeing the firm's compliance with the broker-dealer books and records provisions, but failed to monitor whether, and implement any procedures to ensure that, the requisite records were made and kept current. As a result, Ho caused Integral's books and records violations.

Respondents

7. Integral, a California limited liability company with its principal offices in San Jose, California, is a broker-dealer registered with the Commission.

8. Ho, 52, is a resident of Monterey, California. Ho is Integral's founder, majority owner, President, and Chairman of the Board of Directors. Ho holds FINRA Series 4, 7, 24, 27, 33, 53, 63, and 65 licenses.

Integral's Registered Representatives Made Unsuitable Recommendations of VRSPs to the Customers

9. Prior to recommending a security to a customer, a broker-dealer is required to make a determination that a particular investment is suitable for that customer in light of the customer's investment objectives, as determined by the customer's financial situation and needs, which include,

among other things, risk tolerance, age, investment experience, and investment time horizons. *See Steven E. Muth and Richard J. Rouse*, Exchange Act Rel. No. 52551, at *18 (Oct. 3, 2005) (Comm. Op.). Broker-dealers who make unsuitable recommendations violate the anti-fraud provisions of the federal securities laws, including Securities Act Sections 17(a)(2) and 17(a)(3).

10. Beginning in at least January 2015, the Integral RRs recommended VRSPs to ten customers for whom the securities were unsuitable based on the Customers' financial needs, investment objectives, risk tolerance, age, and investment time horizons that the Integral RRs knew or should have known when they recommended the VRSPs.

11. In recommending VRSPs to the Customers, the Integral's RRs likened the VRSPs to traditional bonds. However, the VRSPs recommended by the Integral RRs differed from bonds issued by corporations and government entities in several important ways. For example, the recommended VRSPs offered teaser interest rates for one to five years. After the teaser periods ended, however, the VRSPs only make periodic variable-rate interest payments if the spreads in the CMS rates multiplied by the performance of one or more reference assets reached certain specified levels. Consequently, as the VRSP's sold to the Customers no longer are in the teaser periods, the Customers are not guaranteed to receive any future interest payments from the VRSPs. In addition, the VRSPs sold to the Customers have maturity periods of fifteen years or more and are illiquid. Both characteristics contribute to their unsuitability for the Customers, who have investment time horizons of less than fifteen years and higher liquidity needs.

12. The VRSPs recommended by the Integral RRs to the Customers also are "principal-at-risk" securities, which means that the Customers can lose some or all of their invested principal if the VRSPs' respective reference assets fail to perform within pre-determined ranges at maturity. The preliminary prospectus for a VRSP sold to Customers expressly warns: "There is no minimum payment at maturity. Accordingly, investors may lose up to their entire initial investment in the securities."[3]

13. Information available to the Integral RRs, which included the Customers' account opening documents, investment risk profiles, and other information provided by the Customers, reflected that most of the Customers had reached or were approaching retirement age and relied on their investments for income; had conservative or moderate risk tolerances; investment objectives such as capital preservation, growth and/or income; limited investment experience; investment time horizons of less than fifteen years; higher liquidity needs; in most cases, a net worth of less than $500,000; and were unwilling to risk losing their invested principal. Given these characteristics, the VRSPs were unsuitable investments for the Customers.

14. Although certain Integral RRs claimed to have obtained current customer account and profile information during telephonic communications with Customers, they nevertheless failed to make appropriate suitability determinations. For example, the Integral RRs recommended VRSPs to

[3] The preliminary prospectuses for the VRSPs sold by Integral all contained substantively similar language.

Customers who were seeking investments with principal protection, guaranteed periodic interest payments, shorter time horizons, and liquidity. In addition, the Integral RRs knew or should have known that the Customers lacked investment experience and were unable to evaluate the risks and characteristics of the VRSPs. A further consequence of the Integral RRs' unsuitable recommendations of VRSPs was that the Customers were exposed to greater levels of risk than allowed under Integral's policies because the Customers' investment portfolios already exceeded the concentration limits for structured products set forth in the firm's Portfolio Concentration Policy.

15. Ho directed the Integral RRs to have the Customers sign copies of Integral's standard risk disclosure forms as evidence that the Integral RRs had made required suitability determinations. This prophylactic measure did not, however, cure the unsuitable recommendations made by the Integral RRs. Indeed, this practice conflicted with the express warning in Integral's WSPs that "a transaction … that is not in the best interest of the customer based on the circumstances will be deemed unsuitable even if the customer agreed to it in writing."

16. As a result of the conduct described above, the Integral RRs and Integral violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, and Ho caused Integral's violations.

Respondents Failed Reasonably to Implement Integral's Supervisory Procedures

17. Sections 15(b)(4)(E) and 15(b)(6) of the Exchange Act provide that the Commission may sanction a registered broker-dealer and supervisor for failing reasonably to supervise, with a view to preventing violations of the federal securities laws, another person subject to their supervision who commits such a violation.

18. Integral's WSPs in effect during the relevant period required, among other things, that the Integral RRs comply with the customer-specific suitability requirements set forth in FINRA Rule 2111. FINRA Rule 2111 indicates that, when making a customer-specific suitability determination, a broker-dealer must consider factors such as age, other investments holdings, financial condition and needs, tax status, investment objectives, risk tolerance, investment experience, investment time horizon, risk tolerance, liquidity needs and any other information provided by the customer. The WSPs, which were updated annually, designated Ho, the firm's principal and sole supervisor, as the person responsible for implementing the WSPs.

19. The WSPs also required the Integral RRs to consider other factors, in addition to those specified in FINRA Rule 2111, when recommending investments to senior investors.[4] These additional factors included a senior investor's sources of income, ongoing expenses, liquidity needs, other investment holdings, healthcare and insurance needs, and future employment plans.

[4] Integral's WSPs defined a "senior" investor to be, "any person who has retired or is near retirement age."

20. The WSPs further emphasized the heightened need for the Integral RRs to satisfy customer-specific suitability requirements in connection with recommendations of structured products, which included the VRSPs sold to the Customers. With regard to such products, the WSPs specifically stated:

> These products are "complex," in that they present an additional risk to investors because their characteristics add a further dimension to the investment decision process beyond the fundamentals of market forces. * * * The intricacy of these products can impair the ability of registered representatives or their customers to understand how the product will perform in a variety of time periods and market environments, and may lead to inappropriate recommendations and sales.[5]

21. Notwithstanding the heightened risks identified in the WSPs, Respondents failed reasonably to implement Integral's customer-specific suitability policies and procedures by failing to address whether the Integral RRs were complying with the WSPs and failing to provide any related training to the Integral RRs. A consequence of the Integral RRs' unsuitable recommendations to the Customers was that the Customers were exposed to levels of risk greater than those Integral deemed appropriate because the Customers' investment portfolios exceeded the concentration limits for structured products set forth in Integral's Portfolio Concentration Policy.[6]

22. Instead of monitoring compliance with Integral's customer-specific suitability WSPs, Ho merely directed the Integral RRs to have the Customers sign the firm's standard risk disclosure form to confirm that a trade was suitable. Obtaining a customer's written consent for a trade does not relieve a broker-dealer or its registered representative from the obligation to conduct a proper suitability determination based on all of the relevant circumstances relating to the customer. This practice led to the Integral RRs making unsuitable recommendations of VRSPs to the Customers. In addition, Ho's practice conflicted with the express warning in Integral's WSPs.[7]

23. The Integral RRs who recommended VRSPs to the Customers during the relevant period had not reviewed the WSPs in more than five years, and at least one had never reviewed the WSPs. As a result, they were not fully aware of the WSPs' requirements concerning customer-specific suitability. Ho was responsible for training the Integral RRs on the WSPs, but failed to do so.

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[5] Integral Financial LLC Supervisory Procedures Manual, § 15.9.

[6] Integral's Portfolio Concentration Policy stated that customers "may not" invest more than ten percent of their assets into a single structured product or more than twenty-five percent of their assets into structured products. According to the policy, "structured investment products" are "complex" securities because they "present additional risk to investors" arising from their "embedded derivative-like features or a structure that produces different performance expectations according to price movement of other financial products or indices." The Portfolio Concentration Policy lists examples of structured investment products, which include equity-linked notes, equity-indexed notes, principal protected index-linked notes, and multi-callable step up notes.

[7] *See* para. 15, above.

24. As a result of the conduct described above, Integral and Ho failed reasonably to supervise the Integral RRs with a view to preventing and detecting their violations of the antifraud provisions by making unsuitable recommendations of VRSPs.

Respondents Violated the Broker-Dealer Books and Records Provisions

25. Rule 17a-3(a)(17)(i)(B)(1), promulgated under Section 17(a)(1) of the Exchange Act, requires that, for each account with a natural person as a customer or owner, a broker-dealer must make and keep current a record indicating that it has furnished to each customer or owner within thirty days of the opening of the account, and thereafter at intervals no greater than thirty-six months, a copy of the account record or an alternate document with all information required by Rule 17a-3(a)(17)(i)(A), including the customer's annual income and net worth, and the account's investment objectives. Rule17a-3(a)(17)(i)(B)(3), promulgated under Section 17(a)(1) of the Exchange Act, requires that, for each account with a natural person as customer or owner, a broker-dealer must make and keep current a record indicating that for "each change in the [customer] account's investment objectives [the broker-dealer] has furnished to each customer or owner a copy of the updated customer account record or alternative document with all information required to be furnished by paragraph (a)(17)(i)(B)(1) . . . on or before the 30th day after the date the [broker-dealer] received notice of any change . . . ."

26. The Commission has described the records required to be kept under Exchange Act Rule 17a-3 as "the basic source documents" of a broker-dealer and has emphasized that the rule serves as "a keystone of the surveillance of brokers and dealers by our staff and by the securities industry's self-regulatory bodies." *See Statement Regarding the Maintenance of Current Books and Records by Brokers and Dealers*, Exchange Act Rel. No. 10756 (April 6, 1974); *see also Edward J. Mawod & Co.*, 46 S.E.C. 865, 873 n.39 (1977), *aff'd*, 591 F.2d 588 (10th Cir. 1979).

27. Integral's WSPs required new customers to submit account opening applications, which provided the firm with, among other things, information concerning customers' investment profiles, including their age, risk tolerance, investment objectives, net worth, annual income, investment time horizons, and investment experience. The WSPs also required the Integral RRs to obtain updated customer investment profile information when making recommendations. The WSPs designated Ho as the individual responsible for overseeing the firm's compliance with the books and records provisions of the federal securities laws.

28. From at least 2015 to 2019, Integral failed to make and keep current a record indicating that it had furnished to customers copies of their account records or alternate documents with the required information at intervals no greater than thirty-six months as required pursuant to Rule 17a-3(a)(17)(i)(B)(1).

29. Moreover, from at least 2015 to 2019, Integral failed to make and keep current a record indicating that, for each change in a customer account's investment objectives, Integral had furnished to each customer a copy of the updated customer account record or alternative document with the required information on or before the 30th day after Integral received notice of any change as required pursuant to Rule 17a-3(a)(17)(i)(B)(3).

30. The Integral RRs asserted that, as part of their purported suitability assessments prior to recommending investments to customers, they obtained updated account and profile information, including annual income, net worth and investment objectives, from customers during telephone conversations. However, the Integral RRs failed to memorialize these conversations in writing or document updates to customer investment profiles in any way. In addition, Integral did not make and keep current records that it had furnished to customers copies of their account records at intervals of at least thirty-six months and did not make and keep current records that it had furnished to customers copies of the customer account records with the required information by the 30th day after the RRs received notice of changes to a customer's account investment objectives.

31. Ho, as the designated individual responsible for Integral's compliance with the broker-dealer books and records provisions, failed to take steps to address whether Integral furnished to customers copies of their account records with required information at the required intervals. Further, Ho did not monitor whether the RRs documented the changes in account investment objectives or implement any procedures to address whether Integral created records indicating that it had furnished to the Customers copies of the updated customer account records on or before the 30th day after the Integral RRs received notice of the changes of account investment objectives.

32. As a result of the foregoing, Integral violated Exchange Act Section 17(a)(1) and Rules 17a-3(a)(17)(i)(B)(1) and 17a-3(a)(17)(i)(B)(3) promulgated thereunder, and Ho caused Integral's violations.

Undertakings

33. Respondent Integral has undertaken to:

a. Retain, within thirty (30) days of the date of entry of the Order, at its own expense, the services of an Independent Consultant not unacceptable to the Division of Enforcement of the Commission ("Division of Enforcement"), to review (i) Integral's policies and procedures designed to prevent and detect unsuitable recommendations, including with respect to overconcentration of customers' investment portfolios; (ii) Integral's policies and procedures for making and keeping records; and (iii) Integral's systems of internal controls for implementing both of the foregoing.

b. Provide to the Division of Enforcement staff, within thirty (30) days of retaining the Independent Consultant, a copy of an engagement letter detailing the Independent Consultant's responsibilities, which shall include the review described above in Paragraph 33(a).

c. Require the Independent Consultant, at the conclusion of the review, which in no event shall be more than one hundred eighty (180) days after the date of entry of the Order, to submit to Integral and the Division of Enforcement a report of the Independent Consultant. The report shall address the supervisory issues described above and shall

include (i) a description of the review performed, (ii) the conclusions reached, (iii) the Independent Consultant's recommendations for changes or improvements to the policies, procedures, and practices of Integral, and (iv) a procedure for implementing the recommended changes or improvements to such policies, procedures, and practices.

d. Adopt, implement, and maintain all policies, procedures, and practices recommended in the report of the Independent Consultant. As to any of the Independent Consultant's recommendations about which Integral and the Independent Consultant do not agree, such parties shall attempt in good faith to reach agreement within two hundred ten (210) days of the date of the entry of the Order. In the event that Integral and the Independent Consultant are unable to agree on an alternative proposal, Integral and the Independent Consultant shall jointly confer with the Division of Enforcement staff to resolve the matter. In the event that, after conferring with the Division of Enforcement staff, Integral and the Independent Consultant are unable to agree on an alternative proposal, Integral will abide by the recommendations of the Independent Consultant.

e. Cooperate fully with the Independent Consultant in its review, including making such information and documents available as the Independent Consultant may reasonably request, and by permitting and requiring Integral's employees and agents to supply such information and documents as the Independent Consultant may reasonably request.

f. That, in order to ensure the independence of the Independent Consultant, Integral (i) shall not have the authority to terminate the Independent Consultant without prior written approval of the Director of the Division of Enforcement; and (ii) shall compensate the Independent Consultant, and persons engaged to assist the Independent Consultant, for services rendered pursuant to the Order at their reasonable and customary rates.

g. That, no later than twelve (12) months after the date of entry of the Order, Integral shall direct the Independent Consultant to conduct a review of Integral's efforts to implement each of the recommendations made by the Independent Consultant, and the efficacy of those changes in preventing the types of violations found herein, and upon the completion of the Independent Consultant's follow-up review, Integral shall direct the Independent Consultant to submit a report to the staff of the Division of Enforcement no later than fifteen (15) months after the date of the entry of the Order. Integral shall direct the Independent Consultant to describe in the follow-up report the details of Integral's efforts to implement each of the Independent Consultant's recommendations, state whether Integral has fully complied with each of the Independent Consultant's recommendations, and assess the efficacy of those changes.

h. Require the Independent Consultant to enter into an agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the Independent Consultant shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with Integral, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement will also provide that the Independent Consultant will require that any firm with which he/she is affiliated or of which he/she is a member, and any person engaged to assist the Independent Consultant in performance of his/her duties under this Order shall not, without prior written consent of the Director of the Division of Enforcement enter into any employment, consultant, attorney-client, auditing or other professional relationship with Integral, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

i. The reports by the Independent Consultant will likely include confidential financial, proprietary, competitive business or commercial information. Public disclosure of the reports could discourage cooperation, impede pending or potential government investigations or undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except (1) pursuant to court order, (2) as agreed to by the parties in writing, (3) to the extent that the Commission determines in its sole discretion that disclosure would be in furtherance of the Commission's discharge of its duties and responsibilities, or (4) is otherwise required by law.

j. Certify, in writing, compliance with the undertakings set forth above. The certification shall identify the undertaking(s), provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Division of Enforcement staff may make reasonable requests for further evidence of compliance, and Integral agrees to provide such evidence. The certification and report material shall be submitted to Yuri B. Zelinsky, Assistant Director, Division of Enforcement, with a copy to the Office of the Chief Counsel of the Division of Enforcement, no later than sixty (60) days from the date of the completion of the undertakings.

k. For good cause shown and upon timely application by the Independent Consultant or Integral, the Division of Enforcement staff may extend any of the deadlines set forth above.

IV.

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

Accordingly, pursuant to Section 8A of the Securities Act and Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondents shall cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act and Section 17(a) of the Exchange Act and Rules 17a-3(a)(17)(i)(B)(1) and 17a-3(a)(17)(i)(B)(3) thereunder;

B. Respondent Integral is censured;

C. Respondent Ho be, and hereby is, subject to the following limitations on his activities: Respondent Ho shall not act in a supervisory capacity with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization for six (6) months.

D. Respondent Integral shall within ten (10) days of the entry of this Order, pay a civil money penalty in the amount of $85,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made by Respondent Integral, additional interest shall accrue pursuant to 31 U.S.C. § 3717; and

E. Respondent Ho shall within ten (10) days of the entry of this Order, pay a civil money penalty in the amount of $30,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made by Respondent Ho, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payments must be made in one of the following ways:

(1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the "Securities and Exchange Commission (for transfer to the general fund of United States Treasury in accordance with Exchange Act Section 21F(g)(3))" and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169.

Payments made by check or money order must be accompanied by a cover letter identifying Integral Financial, LLC and Weiming Ho as Respondents in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Yuri B. Zelinsky, Assistant Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., N.E., Washington, DC 20549-5720B.

F. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within thirty (30) days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same findings in this Order instituted by the Commission in this proceeding.

G. Integral shall comply with the undertakings enumerated in Section III. above.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent Ho, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent Ho under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary