

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),<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup> The OIP further alleges that Chau willfully aided and abetted and caused Harding's violations of those provisions.

<sup>1</sup> 17 C.F.R. § 201.360(a)(3).

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

<sup>3</sup> 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.<sup>4</sup> 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."<sup>5</sup>

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

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

<sup>5</sup> 17 C.F.R. § 201.360(a)(3).