

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**August 3, 2006**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12388**

**In the Matter of**  
  
**WON CHARLIE YI,**  
  
**Respondent.**

**ORDER INSTITUTING PUBLIC**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940**  
**AND NOTICE OF HEARING**

**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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Won Charlie Yi (“Yi” or “Respondent”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. THE RESPONDENT**

1. Yi, age 36, currently resides in Los Angeles, California. From at least November 2000 to May 2004, Yi was the managing member and principal owner of C+ Capital Management, LLC (“C+ Capital”), an investment adviser based in Los Angeles, California. C+ Capital was registered as an investment adviser with the State of California from November 28, 2000 until May 25, 2005. During the time in which Yi engaged in the conduct underlying the Complaint described below, Respondent was associated with C+ Capital.

**B. ENTRY OF INJUNCTION**

2. On July 7, 2006, the District Court entered a Final Judgment by default against Yi, permanently enjoining him from future violations of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, and aiding and abetting violations of Sections 206(1) and 206(2) of the Advisers Act in the civil action entitled *Securities and Exchange*

*Commission v. C+ Capital Management, LLC, a Delaware limited liability company and Won Charlie Yi, a\k\ a Won Charles Yi, a\k\ a W. Charlie Yi, a\k\ a W. Charles Yi, a\k\ a Won Chong Yi, a\k\ a Charlie Yi.*, Civil Action Number CV 04-3670 GAF (VBKx), in the United States District Court for the Central District of California, Western Division. The Final Judgment, further, requires Yi to pay disgorgement in the amount of \$29,094,555.80, plus prejudgment interest, and to pay \$120,000 in civil penalties.

3. The Commission's Complaint alleged that from at least May 2002 to May 25, 2004, Yi perpetrated a fraud primarily against members of the Korean community in Los Angeles through C+ Capital. Yi represented that C+ Capital would establish brokerage accounts in the clients' names at Carlin Equities Corp. ("Carlin"), a registered broker-dealer, and promised to use his expertise to buy and sell stocks in the clients' accounts. However, Yi did not open brokerage accounts for the advisory clients, but instead deposited the clients' checks into a bank account held in his own name. Yi subsequently provided clients with fabricated account statements by mail or in person, purporting to reflect their portfolio positions in accounts at Carlin. Yi attempted to forestall discovery of the fraud by offering various excuses to clients to prevent them from liquidating their holdings.

### III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

### IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as

provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris  
Secretary