

INVESTMENT ADVISERS ACT OF 1940
RELEASE NO. 2541 / August 3, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12388

ADMINISTRATIVE PROCEEDING INSTITUTED AGAINST WON CHARLIE YI

The Securities and Exchange Commission (“Commission”) announced that on August 3, 2006, it issued an Order Instituting Public Administrative Proceedings Pursuant To Section 203(f) of the Investment Advisers Act of 1940 And Notice of Hearing (“OIP”) against Won Charlie Yi (“Yi”). The Division of Enforcement alleges in the OIP that Yi was enjoined by a United States District Court from future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and from aiding and abetting violations of Sections 206(1) and 206(2) of the Investment Advisers Act of 1940. The OIP further alleges that the District Court’s Final Judgment ordered Yi to disgorge ill-gotten gains in the amount of \$29,094,555.80, plus prejudgment interest, and imposed a civil penalty in the amount of \$120,000.

The complaint in the District Court action alleged that since at least May 2002, Yi perpetrated a fraud primarily against members of the Korean community in Los Angeles through C+ Capital Management, LLC (“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. Yi did not open brokerage accounts for the advisory clients, but instead deposited the clients’ checks into a bank account held in his name. Clients subsequently were provided fabricated account statements by mail or in person, purporting to reflect their portfolio positions in accounts at Carlin, the complaint alleged. Yi attempted to forestall discovery of the fraud by offering various excuses to clients to prevent them from liquidating their holdings.

A hearing will be scheduled before an Administrative Law Judge to determine whether the allegations contained in the OIP are true, to afford Yi an opportunity to respond, and to determine what, if any, remedial sanctions are appropriate and in the public interest.

The OIP requires the Administrative Law Judge to issue an initial decision no later than 210 days from the date of service of the order, pursuant to Rule 360(a)(2) of the Commission’s Rules of Practice.