

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
September 26, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12835

In the Matter of

KANGSAN KIM,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”), and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Kangsan Kim (“Kim” or “Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Kangsang Kim, age 35, is a resident of Anaheim, California. At all relevant times, Kim was the president of Unus Capital Management, Inc. (“Unus”), an investment adviser registered with the State of California from November 2002 to November 2004. Kim also was the chief financial officer of PeopleN Investment, Inc., which purported to be a brokerage house through which Unus clients could buy and sell securities. From August 2001 to October 2003, Kim was associated with Centaurus Financial Management, Inc., a registered broker-dealer. During the relevant period, Kim held Series 7, 24, and 63 licenses with the NASD. Kim’s Series 7 and 24 licenses lapsed in October 2005, and his Series 63 license lapsed in November 2006.

B. KIM’S CRIMINAL CONVICTION

2. On March 6, 2007, Kim pleaded guilty to one count of wire fraud in violation of 18 U.S.C. § 1341 in the United States District Court for the Central District of California. *United States of America v. Kangsan Kim, aka Kang Blaine Kim, aka Blaine Kim*, Case No. 06-CR-00625-ER-2. On September 17, 2007, a judgment in the criminal case was entered against Kim. He was sentenced

to a prison term of 52 months followed by three years of supervised release, and ordered to make restitution in the amount of approximately \$3.8 million.

3. The count of the criminal superseding indictment to which Kim pleaded guilty alleged, among other things, that from approximately July 2001 through at least September 2005, he knowingly and with the intent to defraud, devised, participated in, and executed a scheme to defraud investors as to a material matter, and to obtain money and property from investors by means of material false and fraudulent representations and concealment of material facts. The superseding indictment further alleged that Kim claimed Unus was an investment adviser that provided advice regarding the purchase and sale of stocks and bonds, and that all funds provided by investors would be used to purchase securities. Further, the superseding indictment alleged that, contrary to representations made to investors, Kim used investor monies for business purposes, payments on his residence, and entertainment, and used some investor monies to operate a “Ponzi” scheme.

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;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and

C. 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