

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

INVESTMENT ADVISERS ACT OF 1940  
Release No. 2542/August 29, 2006

ADMINISTRATIVE PROCEEDING  
File No. 3-12388

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In the Matter of	:	
	:	ORDER MAKING FINDINGS
	:	AND IMPOSING SANCTION
WON CHARLIE YI	:	BY DEFAULT
	:	
	:	

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The Securities and Exchange Commission (Commission) initiated this proceeding on August 3, 2006, pursuant to Section 203(f) of the Investment Advisers Act of 1940 (Advisers Act). Section 203(f) allows the Commission to bar a respondent from associating with an investment adviser.

Respondent Won Charlie Yi (Yi) was served with the Order Instituting Proceedings (OIP) on August 8, 2006. In a letter dated August 17, 2006, Yi stated that he wished to settle the proceeding and consented to an order barring him from associating with an investment adviser.

On August 28, 2006, I held a prehearing conference, which counsel for the Division of Enforcement and Yi attended. During the conference, Yi again consented to an order barring him from associating with an investment adviser.

Yi is in default for failing to defend the proceeding. See 17 C.F.R. § 201.155(a). Pursuant to Rule 155(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.155(a), I find the following allegations in the OIP to be true.

Yi, age thirty-six, 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, he was associated with C+ Capital.

On July 7, 2006, the United States District Court for the Central District of California, Western Division, 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 and Rule 10b-5 thereunder and from aiding and abetting violations of Sections 206(1) and 206(2) of the Advisers Act in SEC v. C+ Capital Management, LLC, Civil Action Number CV 04-3670 GAF (VBKx). Further, the final judgment required Yi to pay disgorgement in the amount of \$29,094,555.80, plus prejudgment interest, and to pay \$120,000 in civil penalties.

The Commission's underlying 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. Yi, however, 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.

Based on the foregoing, I find it appropriate in the public interest to bar Yi from associating with an investment adviser.

### **Order**

IT IS ORDERED, pursuant to Section 203(f) of the Investment Advisers Act of 1940, that Won Charlie Yi is hereby BARRED from associating with an investment adviser.

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Lillian A. McEwen  
Administrative Law Judge