

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3017 / April 16, 2010**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13863**

**In the Matter of**

**STEPHEN X. KIM and**  
**SPYGLASS MANAGEMENT, L.P.,**

**Respondents.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTIONS 203(e) and**  
**203(f) OF THE INVESTMENT**  
**ADVISERS ACT OF 1940, MAKING**  
**FINDINGS, AND IMPOSING**  
**REMEDIAL SANCTIONS**

**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 Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Stephen X. Kim (“Kim”) and Spyglass Management, L.P. (“Spyglass Management”) (collectively the “Respondents”).

**II.**

In anticipation of the institution of these proceedings, the Respondents have submitted an Offer of Settlement (the “Offer”), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over Respondents and the subject matter of these proceedings, and the findings contained in Section III.3, below, which are admitted, the Respondents consent to the entry of this Order Instituting Administrative Proceedings Pursuant to Sections 203(e) and 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

On the basis of this Order and the Respondents' Offer, the Commission finds that:

1. Spyglass Management is a Nevada limited partnership based in Houston, Texas, that is registered with the Commission as an investment adviser. Spyglass Management served as the investment adviser to Spyglass Capital Partners, L.P. (the "Fund") from 2004 through 2007.

2. Kim, age 38, resides in Houston, Texas. During the relevant period, Kim was the sole owner of Spyglass Holdings, LLC, which was the general partner of Spyglass Management. Kim was a registered representative with several FINRA broker-dealers at various points from 1993 through 2003. During the relevant period, Kim served as the sole investment officer of Spyglass Management.

3. On March 29, 2010, a final judgment was entered by consent against Kim and Spyglass Management, permanently enjoining them from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"), in the civil action entitled Securities and Exchange Commission v. Stephen X. Kim and Spyglass Management, L.P., Civil Action Number 4:10-cv-00816, in the United States District Court for the Southern District of Texas.

4. The Commission's complaint alleged that, in connection with the sale of limited partnership interests, Spyglass Management and Kim misrepresented Kim's background, misused and misappropriated investor funds, sent out false account statements indicating to investors that the Fund was profitable, and otherwise engaged in conduct that operated as a fraud and deceit on investors.

### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents Kim and Spyglass Management's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(e) of the Advisers Act, that Respondent Spyglass Management's registration as an investment adviser be, and hereby is, revoked.

Pursuant to Section 203(f) of the Advisers Act, that Respondent Kim be, and hereby is, barred from association with any investment adviser.

Any reapplication for association by the Respondent Kim will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially

waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy  
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 ("Order"), on the Respondents and their legal agents.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray  
Chief Administrative Law Judge  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-2557

Eric R. Werner, Esq.  
Michael S. Gunst, Esq.  
Fort Worth Regional Office  
Securities and Exchange Commission  
Burnett Plaza, Suite 1900  
801 Cherry Street, Unit 18  
Fort Worth, TX 76102-8549

Spyglass Management, L.P.  
c/o Jason Ross, Esq.  
Curran Tomko Tarski LLP  
2001 Bryan Street, Suite 2050  
Dallas, TX 75201

Mr. Stephen X. Kim  
c/o Jason Ross, Esq.  
Curran Tomko Tarski LLP  
2001 Bryan Street, Suite 2050  
Dallas, TX 75201

Jason Ross, Esq.  
Curran Tomko Tarski LLP  
2001 Bryan Street, Suite 2050  
Dallas, TX 75201  
(Counsel for Respondents)