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10  
11 **UNITED STATES DISTRICT COURT**  
12 **CENTRAL DISTRICT OF CALIFORNIA**

13 SECURITIES AND EXCHANGE  
14 COMMISSION,

15 Plaintiff,

16 vs.

17 HYUN SOO JANG a/k/a KEVIN JANG;  
18 KANGSAN KIM a/k/a BLAINE KIM;  
UNUS CAPITAL MANAGEMENT, INC.;  
and PEOPLEN INVESTMENT, CORP.,

19 Defendants.

Case No.

**COMPLAINT FOR VIOLATIONS  
OF THE FEDERAL SECURITIES  
LAWS**

**CV 06-06775**

FILED  
2006 OCT 24 PM 3:03  
CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

1 Plaintiff Securities and Exchange Commission (“Commission”) alleges as  
2 follows:

3 **JURISDICTION AND VENUE**

4 1. This Court has jurisdiction over this action pursuant to Sections 20(b),  
5 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77t(b),  
6 77t(d)(1) & 77v(a), Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of the Securities  
7 Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78(u)(d)(1), 78u(d)(3)(A), 78u(e)  
8 & 78aa, and Sections 209(e)(1) and 214 of the Investment Advisers Act of 1940  
9 (“Investment Advisers Act”), 15 U.S.C. §§ 80b-9(e)(1) & 80b-14. Defendants have,  
10 directly or indirectly, made use of the means or instrumentalities of interstate commerce,  
11 of the mails, or of the facilities of a national securities exchange in connection with the  
12 transactions, acts, practices and courses of business alleged in this complaint.

13 2. Venue is proper in this district pursuant to Section 22(a) of the Securities  
14 Act, 15 U.S.C. § 77v(a), Section 27 of the Exchange Act, 15 U.S.C. § 78aa, and  
15 Section 214 of the Investment Advisers Act, 15 U.S.C. § 80b-14, because certain of the  
16 transactions, acts, practices and courses of conduct constituting violations of the federal  
17 securities laws occurred within this district.

18 **INTRODUCTION**

19 3. This case concerns a fraud perpetrated by two individuals of Korean  
20 descent, Hyun Soo Jang (“Jang”) and Kangsan Kim (“Kim”), primarily against persons  
21 of Korean descent living in Southern California. From at least January 2003 through  
22 August 2005, Jang and Kim raised approximately \$4.5 million from about 40 investors,  
23 by falsely representing that they would invest their clients’ money in securities.  
24 Instead, Jang and Kim misappropriated at least \$3 million of investors’ funds for their  
25 own use. In addition, Jang used over \$500,000 to repay existing investors with money  
26 that had been deposited by new investors. In August 2005, Jang fled to South Korea.

27 4. Jang and Kim perpetrated their fraud using two now-defunct companies  
28 they controlled: Unus Capital Management, Inc. (“Unus”), which for a period of time

1 was a state-registered investment advisory firm that recommended securities to clients;  
2 and PeopleN Investment, Corp. ("PeopleN"), an unregistered broker-dealer that  
3 supposedly executed trades as directed by Unus. Jang and Kim made themselves and  
4 Unus known to Korean-speaking persons through daily morning stock reports, which  
5 they provided on Korean-language radio stations broadcasting in Los Angeles. Unus  
6 was generally identified as a sponsor of these reports. In addition, Unus advertised its  
7 services as an investment advisory firm on the radio, and in at least one Korean-  
8 language newspaper. Jang and Kim also offered seminars in which they discussed the  
9 stock market and investment opportunities.

10 5. Jang and Kim had clients execute investment advisory agreements with  
11 Unus, which in most cases provided that Unus would direct the purchase and sales of  
12 securities for the clients. In most cases, the agreements identified PeopleN as the  
13 designated broker to be used by Unus. Clients were told to make their checks payable  
14 to PeopleN. Clients were informed that they could access their account statements  
15 through PeopleN's Internet site, and also received paper account statements. The  
16 account statements falsely listed clients' investments, when in fact, Jang and Kim had  
17 misappropriated the clients' funds and no such investments were made.

18 6. PeopleN's Internet site falsely represented that it was a "licensed" broker-  
19 dealer, and falsely stated that PeopleN was a member of the "NYSE," "NASDAQ," and  
20 "SIPC." In fact, PeopleN was not registered as a broker-dealer with the Commission or  
21 the NASD, and was not a member of the New York Stock Exchange ("NYSE"), the  
22 NASDAQ stock market, or Securities Investor Protection Corp. ("SIPC").

23 7. In late 2004, Unus withdrew its state-registration as an investment advisory  
24 firm. However, Jang and Kim continued to falsely represent that Unus was a registered  
25 investment adviser to prospective clients even after the state-registration was terminated.

#### 26 DEFENDANTS

27 8. Hyun Soo Jang, age 39, was living in Los Angeles, California until August  
28 2005, when he boarded a flight bound for South Korea. Beginning in early 2001, Jang

1 was responsible for the operations of PeopleN, and served as its president and chief  
2 executive officer. At various times, Jang also held himself out as an investment adviser  
3 who was affiliated with Unus, as well as the executive vice president of Unus.

4 9. Kangsan Kim, age 34, resides in Anaheim, California. Kim controlled  
5 Unus and served as its president and chief executive officer during 2003 and 2004.  
6 Kim was the chief financial officer of PeopleN from approximately May 2001 until at  
7 least September 2002. Kim held Series 7 and 24 licenses with the NASD that lapsed in  
8 October 2005, and currently holds a Series 63 license that will lapse in November 2006.  
9 Kim held himself out as an investment adviser and held out Unus as a registered  
10 investment advisory firm into early 2005. Kim earned a bachelor's degree in  
11 accounting from Ohio State University.

12 10. Unus Capital Management, Inc., is a California corporation which had an  
13 office in Los Angeles. Kim was the president and chief executive officer of Unus. In  
14 November 2002, Unus became registered as an investment adviser with the State of  
15 California. Unus's registration was withdrawn on November 25, 2004, after Unus filed  
16 with the State of California a Form ADV-W, in which it claimed to have ceased  
17 operations and represented that it had no clients. On August 3, 2006, Unus's corporate  
18 powers, rights and privileges were suspended by the California Secretary of State, and  
19 the company no longer is engaged in business activities.

20 11. PeopleN Investment, Corp., is a California corporation owned by Jang.  
21 Jang operated PeopleN out of Unus's office in Los Angeles, and maintained a "virtual  
22 office" in San Francisco, California, where it purported to be based and where a third-  
23 party service provider answered telephone calls and forwarded messages and mail to  
24 Jang in Los Angeles. PeopleN held itself out to the public as a registered broker-dealer,  
25 and member of the NYSE, NASDAQ, and SIPC. The company is no longer engaged in  
26 business activities.

27 //

28 //

1 **THE FRAUDULENT ACTIVITY**

2 **The Defendants' Sales Activities**

3 12. From at least January 2003 through August 2005, defendants Jang and Kim  
4 engaged in an investment scheme that raised approximately \$4.5 million from about 40  
5 investors in Southern California's Korean language-speaking community, through Kim's  
6 Los Angeles-based investment advisory firm that recommended securities to clients, and  
7 Jang's San Francisco-based brokerage firm that purported to execute trades as directed  
8 by Unus. Unus raised approximately \$3.5 million that was to have been invested on  
9 behalf of clients by PeopleN, and an additional \$1 million that was to have been invested  
10 on behalf of an existing client through an account at another nationally known broker-  
11 dealer.

12 13. Unus attracted investors through morning stock reports hosted by Jang and  
13 Kim that aired on two Korean-language radio stations, in which Jang and/or Kim  
14 discussed stock market conditions. Through these reports, Jang and Kim portrayed  
15 themselves as trustworthy experts in the stock market, in part because they were on the  
16 radio. Some listeners subsequently called Unus to retain the firm to provide investment  
17 advice.

18 14. Jang and Kim also advertised in at least one Korean-language newspaper,  
19 and held seminars at which they discussed the stock market and investments.

20 15. After being contacted by interested investors, the defendants falsely  
21 portrayed Unus and PeopleN as legitimate, regulated securities businesses. Jang was  
22 the primary contact for prospective clients, although at times both Jang and Kim  
23 solicited investments together. Jang or Kim represented to potential investors that they  
24 were experienced investment advisers, and that Unus would select stocks, bonds and  
25 mutual funds that would be purchased and sold by PeopleN for the client's account.

26 16. Jang and Kim variously represented their affiliation with PeopleN to  
27 prospective clients. For example, Jang and Kim told one prospective client that they were  
28 also employed by PeopleN. However, Jang and Kim did not disclose this affiliation to

1 another client, who found it reassuring that her money would be held by a separate entity,  
2 rather than by Unus.

3 17. Once prospective clients decided to invest, in most instances Jang or Kim  
4 directed them to execute investment advisory agreements which stated that Unus would  
5 “enter orders for the client’s account with PeopleN Investment as the Designated Broker”  
6 and also provided that “[a]ll assets in the client’s account shall be held for safekeeping  
7 with PeopleN Investment as Custodian.” Typically, the investment advisory agreements  
8 provided that Unus would receive annual management fees between 1.25% to 2.25% of  
9 the assets under management, although at times lower fees were negotiated.

10 18. Unus’s new clients were instructed by Jang or Kim to make their checks  
11 payable to PeopleN. Subsequently, clients would receive letters on either PeopleN or  
12 Unus letterhead, confirming that their requests to open accounts had been approved, and  
13 explaining how they could access an electronic account statement at PeopleN’s Internet  
14 site. At least one of these letters on Unus letterhead was signed by Jang, as “Executive  
15 Vice President.” Other letters were purportedly signed by “Brian Miller,” who does not  
16 appear to have been affiliated with either Unus or PeopleN.

17 19. PeopleN’s Internet site, located at <http://www.peopleninvestment.com>,  
18 represented that PeopleN was “licensed to do business as a Broker/Dealer” in all but  
19 certain specified states. The Internet site displayed on the home page that PeopleN was  
20 a member of the NYSE, NASDAQ, and SIPC. Elsewhere, the Internet site touted  
21 PeopleN’s ability to offer quality service and “deep discount commissions on all [client]  
22 brokerage transactions” while providing “the safeguards and accurate record keeping  
23 [of] ‘full service’ brokerage firms.” The Internet site further explained: “We are a  
24 member of SIPC, which protects securities customers of its members up to \$500,000  
25 (including \$100,000 for claims for cash).”

26 20. PeopleN’s Internet site disclosed that the firm charged fees of “\$19.95 per  
27 transaction up to 1,000 shares, plus \$0.02 per share thereafter on all stock orders.”  
28 However, in some cases the investment advisory agreements that clients entered into

1 with Unus stated that PeopleN would not charge any fees for equity trades.

2 21. Jang and Kim also continued to hold out Unus as a registered investment  
3 adviser after the firm had withdrawn its registration with the California Department of  
4 Corporations.

5 22. At least one prospective client received a professionally prepared brochure,  
6 which described Unus's mission, its "risk management system," and its investment  
7 philosophy. This brochure repeatedly misrepresented that Unus was a "registered  
8 investment advisor."

9 23. In June 2005, when an existing Unus client expressed an interest in  
10 investing more money using a different broker-dealer, Jang told the client that Unus  
11 could execute trades through Ameritrade. Jang later directed the client to sign a second  
12 Unus investment advisory agreement that named "Ameritrade Advisors" as the  
13 designated broker, which the client believed to be affiliated with the nationally known  
14 brokerage company, Ameritrade, Inc. Jang also directed the client to make the check  
15 payable to "Ameritrade Advisors" in the amount of \$1 million. In fact, at the time Jang  
16 so directed the client to sign the investment advisory agreement and accepted the check  
17 payable to "Ameritrade Advisors", Unus had no professional relationship with  
18 Ameritrade, Inc. Rather, Jang had recently opened a personal bank account in which he  
19 purported to be doing business as "Ameritrade Advisors." Jang endorsed and deposited  
20 the client's \$1 million check into this personal account, and then withdrew the money  
21 before he fled the United States.

22 **MISREPRESENTATIONS AND OMISSIONS**

23 **Misuse of Investors' Funds**

24 24. Contrary to the representations made to investors that their funds would be  
25 invested in securities, from January 2003 through August 2005, of the approximately  
26 \$4,500,000 of investor funds received, Jang (who had sole signatory power over the  
27 bank accounts into which investor funds were deposited) misappropriated more than  
28 \$3,500,000.

1           25. Jang wrote checks totaling more than \$250,000 to himself, his wife, and  
2 his brother, taking investors' funds from two PeopleN accounts. Jang deposited nearly  
3 \$250,000 of investors' funds into a personal brokerage account held in his name at  
4 Ameritrade, Inc. Jang wrote numerous checks payable to cash totaling more than  
5 \$700,000 on the PeopleN accounts. Jang used more than \$275,000 in investors' funds  
6 for personal expenses. Jang disbursed approximately \$50,000 to pay business  
7 expenses.

8           26. Jang also used over \$500,000 of investors' funds deposited by new  
9 investors to pay existing clients alleged returns on their investments.

10           27. In addition, Jang deposited a \$1 million check made payable to  
11 "Ameritrade Advisors" into his personal bank account and withdrew the money when  
12 he fled the United States.

13           28. Finally, Jang gave Kim more than \$200,000 from the investors' funds, and  
14 transferred over \$300,000 to Unus. Kim, who had signatory power over Unus's bank  
15 account, wrote himself checks totaling over \$10,000, and withdrew in excess of  
16 \$50,000 using checks payable to cash or in which the payee was left blank. Kim also  
17 used more than \$100,000 to fund Unus's operations.

### 18                   **Misrepresentations and Omissions About Operations**

19           29. The defendants' businesses were a sham, designed to attract clients by  
20 presenting themselves as legitimate, regulated entities. Jang and PeopleN did not invest  
21 client funds as represented, but instead the defendants together misappropriated  
22 approximately two-thirds of the money entrusted to them. The defendants also deceived  
23 clients by misrepresenting PeopleN as a "licensed" or registered broker-dealer, and  
24 member of various securities industry associations. In addition, defendants deceived  
25 clients by continuing to hold Unus out as a registered investment adviser after it requested  
26 withdrawal of its registration as an investment adviser with the California Department of  
27 Corporations, and that withdrawal had been declared effective.

28           30. Unus's investment advisory agreements with clients, which were signed by

1 Jang or Kim, falsely represented that PeopleN would invest and safeguard clients'  
2 monies. In fact, the defendants did not invest or safeguard clients' monies. In addition,  
3 Jang misrepresented to prospective clients, at times in Kim's presence, that PeopleN  
4 would purchase securities on the client's behalf, as directed by Unus.

5 31. After receiving funds from clients, defendants fabricated and provided to  
6 clients fabricated PeopleN account statements, and provided online access to false account  
7 information, which purported to reflect the portfolio positions and recent account activity.  
8 After receiving fictitious account statements, some clients invested additional funds. In  
9 fact, the account statements and purported account activity were entirely false.

10 32. The defendants misrepresented to investors who accessed the PeopleN  
11 Internet site that PeopleN was a "licensed" broker and member of various securities  
12 industry associations. Contrary to representations on PeopleN's Internet site, at no time  
13 was PeopleN registered with either the Commission or the NASD, or a member of the  
14 NYSE, NASDAQ, or SIPC.

15 33. Jang and PeopleN failed to disclose that funds provided by new investors were  
16 used to pay returns to existing investors.

17 34. Jang did not possess a Series 24 license that was required for him to operate a  
18 registered broker-dealer, and had not passed the Series 7 examination to become a general  
19 securities representative capable entering orders to purchase or sell securities for clients at  
20 a registered broker-dealer.

21 35. Jang and Kim met with potential clients to solicit investments after Unus  
22 withdrew its registration as an investment adviser. Although Kim caused Unus's  
23 registration to be withdrawn on or about October 26, 2004, Jang and Kim continued to  
24 hold Unus out to clients as a registered investment adviser until mid-August 2005.

25 36. One individual invested more than \$200,000 in April 2005, following a  
26 meeting in which both Jang and Kim furnished their business cards identifying Unus as a  
27 "registered investment advisor." The client also received a Unus brochure during the  
28 meeting, which repeatedly described Unus as a "registered investment advisor" and

1 emphasized the firm's integrity. In fact, at the time Unus was no longer a registered  
2 investment adviser.

3 37. At least three other individuals invested money and entered into investment  
4 advisory agreements with Unus after meeting with Jang in July and August 2005. The  
5 investment advisory agreements affirmatively represented that Unus was registered as an  
6 investment adviser with the California Department of Corporations. In fact, at the time  
7 Unus was no longer a registered investment adviser.

8 **DEFENDANTS ACTED WITH SCIENTER**

9 38. Jang, and through him PeopleN, misrepresented to prospective clients that  
10 their money would be invested in securities. Jang knew, or was reckless in not  
11 knowing, that the representations were false, because he had sole signatory power over  
12 the two PeopleN accounts into which client funds were deposited, and Jang did not  
13 purchase securities for client accounts. Instead, Jang misappropriated much of the  
14 money, and turned over substantial sums to Kim and Unus. Jang also used funds from  
15 new investors to pay off existing investors.

16 39. Jang, and through him PeopleN, misrepresented to existing clients the  
17 performance of their accounts. Clients received fabricated PeopleN account statements  
18 purporting to reflect their securities holdings, when Jang knew, or was reckless in not  
19 knowing, that no such investments had been made. A true and correct redacted copy of  
20 an account statement that was furnished to a client is attached hereto as Exhibit A. Jang  
21 also used new clients' funds to pay existing clients who sought to withdraw some or all  
22 of their funds from their PeopleN accounts. Jang failed to inform existing clients that  
23 he was using new clients' funds to pay them, and failed to inform clients that they were  
24 being provided with fabricated account statements.

25 40. Jang knew, or was reckless in not knowing, that PeopleN was not  
26 registered as a broker or dealer and was not a member of various securities industry  
27 organizations. Yet, he permitted PeopleN's Internet site to misrepresent that the firm  
28 was "licensed" as a broker-dealer and a member of the NYSE, NASDAQ and SIPC.

1           41. Jang knowingly deceived a Unus client by instructing the client to make a  
2 \$1 million check payable to "Ameritrade Advisors," and leading the client to believe  
3 that the funds were being deposited with an affiliate of Ameritrade, Inc., when in fact,  
4 Jang had opened a personal account with a d/b/a of "Ameritrade Advisors," and Jang  
5 deposited the client's \$1 million check into his personal account.

6           42. Jang knew or was reckless in not knowing that Unus's registration as an  
7 investment adviser had been withdrawn in 2004, yet he continued to hold out Unus as a  
8 registered investment adviser in 2005.

9           43. Jang, and through him PeopleN, acted with scienter.

10          44. Kim, and through him Unus, solicited at least one prospective client to  
11 invest with Unus several months after he directed the filing of a request for withdrawal  
12 of the firm's registration with the California Department of Corporations, and the  
13 request was declared effective. Kim deceived the prospective client by providing a  
14 business card to this individual which falsely identified Unus as a "registered  
15 investment advisor." In fact, Kim knew, or was reckless in not knowing, that Unus was  
16 no longer registered as an investment adviser.

17          45. Kim, and through him Unus, knew, or was reckless in not knowing, that  
18 Unus received payments from PeopleN that were far in excess of the fees to which Kim  
19 and Unus would have been entitled had they performed *bona fide* advisory services.  
20 Kim knew, or was reckless in not knowing, that PeopleN and Jang were not investing  
21 client funds as promised, because of the excessive payments Unus and Kim received.

22          46. Kim knew, or was reckless in not knowing, that PeopleN was not registered  
23 as a broker or dealer. Kim knew in 2001 that PeopleN was not registered as a broker-  
24 dealer, when he and Jang decided to form an investment advisory firm and discussed the  
25 possibility of registering a broker-dealer at some indefinite future date. Kim was at  
26 minimum reckless in not ascertaining whether PeopleN was, in fact, registered, at the  
27 time Kim and Jang made such representations to investors.

28          47. Kim knew, or was reckless in not knowing, that Jang did not possess the

1 required securities licenses to operate a brokerage firm or trade securities on behalf of  
2 clients. As the supervisor of the Los Angeles branch office of a broker-dealer with  
3 which Kim and Jang were associated from August 27, 2001 to September 30, 2002, Kim  
4 knew, or was reckless in not knowing, that Jang did not possess a license to act as a  
5 general securities representative capable of entering client orders, or a license that would  
6 have been required to operate a registered broker-dealer, such as defendants represented  
7 PeopleN was. Kim was reckless in not ascertaining whether Jang was, in fact, in  
8 possession of the requisite securities licenses.

9 48. Kim, and through him Unus, acted with scienter.

10 **FIRST CLAIM FOR RELIEF**

11 **FRAUD IN THE OFFER OR SALE OF SECURITIES**

12 **Violations of Section 17(a) of the Securities Act**

13 **(Against Defendants PeopleN, Jang and Kim)**

14 49. The Commission realleges and incorporates by reference paragraphs 1  
15 through 48 above.

16 50. Defendants PeopleN, Jang and Kim, and each of them, by engaging in the  
17 conduct described above, directly or indirectly, in the offer or sale of securities by the  
18 use of means or instruments of transportation or communication in interstate commerce  
19 or by use of the mails:

- 20 a. with scienter, employed devices, schemes, or artifices to defraud;
- 21 b. obtained money or property by means of untrue statements of a  
22 material fact or by omitting to state a material fact necessary in  
23 order to make the statements made, in light of the circumstances  
24 under which they were made, not misleading; or
- 25 c. engaged in transactions, practices, or courses of business which  
26 operated or would operate as a fraud or deceit upon the purchaser.

27 51. By engaging in the conduct described above, defendants PeopleN, Jang  
28 and Kim, and each of them, violated, and unless restrained and enjoined will continue

1 to violate, Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

2 **SECOND CLAIM FOR RELIEF**

3 **FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF**  
4 **SECURITIES**

5 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**  
6 **(Against All Defendants)**

7 52. The Commission realleges and incorporates by reference paragraphs 1  
8 through 48 above.

9 53. The defendants, and each of them, by engaging in the conduct described  
10 above, directly or indirectly, in connection with the purchase or sale of a security, by  
11 the use of means or instrumentalities of interstate commerce, of the mails, or of the  
12 facilities of a national securities exchange, with scienter:

- 13 a. employed devices, schemes, or artifices to defraud;
- 14 b. made untrue statements of a material fact or omitted to state a  
15 material fact necessary in order to make the statements made, in the  
16 light of the circumstances under which they were made, not  
17 misleading; or
- 18 c. engaged in acts, practices, or courses of business which operated or  
19 would operate as a fraud or deceit upon other persons.

20 54. By engaging in the conduct described above, each of the defendants  
21 violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the  
22 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

23 **THIRD CLAIM FOR RELIEF**

24 **FRAUD BY AN INVESTMENT ADVISER**

25 **Violations of Sections 206(1) and 206(2) of the Investment Advisers Act**  
26 **(Against Defendants Unus, Jang and Kim)**

27 55. The Commission realleges and incorporates by reference paragraphs 1  
28 through 48 above.



1 the Exchange Act, 15 U.S.C. § 78o(a).

2 **PRAYER FOR RELIEF**

3 WHEREFORE, the Commission respectfully requests that the Court:

4 **I.**

5 Issue findings of fact and conclusions of law that defendants committed the  
6 alleged violations.

7 **II.**

8 Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d), permanently  
9 enjoining defendant PeopleN and its officers, agents, servants, employees, and  
10 attorneys, and those persons in active concert or participation with any of them, who  
11 receive actual notice of the judgment by personal service or otherwise, and each of  
12 them, from violating Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), Section  
13 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. §  
14 240.10b-5, and Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).

15 **III.**

16 Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d), permanently  
17 enjoining defendant Unus and its officers, agents, servants, employees, and attorneys,  
18 and those persons in active concert or participation with any of them, who receive  
19 actual notice of the judgment by personal service or otherwise, and each of them, from  
20 violating Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5  
21 thereunder, 17 C.F.R. § 240.10b-5, and Sections 206(1) and 206(2) of the Investment  
22 Advisers Act, 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

23 **IV.**

24 Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d), permanently  
25 enjoining defendant Jang and his officers, agents, servants, employees, and attorneys,  
26 and those persons in active concert or participation with any of them, who receive  
27 actual notice of the judgment by personal service or otherwise, and each of them, from  
28 violating Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), Section 10(b) of the

1 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5,  
2 and Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a), and from aiding and  
3 abetting violations of Sections 206(1) and 206(2) of the Investment Advisers Act, 15  
4 U.S.C. §§ 80b-6(1) & 80b-6(2).

5 **V.**

6 Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d), permanently  
7 enjoining defendant Kim and his officers, agents, servants, employees, and attorneys,  
8 and those persons in active concert or participation with any of them, who receive  
9 actual notice of the judgment by personal service or otherwise, and each of them, from  
10 violating Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), Section 10(b) of the  
11 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5,  
12 and from aiding and abetting violations of Sections 206(1) and 206(2) of the  
13 Investment Advisers Act, 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

14 **VI.**

15 Order defendants PeopleN, Unus, Jang and Kim to disgorge all ill-gotten gains  
16 from their illegal conduct, together with prejudgment interest thereon.

17 **VII.**

18 Order defendants Jang and Kim to pay civil penalties under Section 20(d) of the  
19 Securities Act, 15 U.S.C. § 77t(d), Section 21(d)(3) of the Exchange Act, 15 U.S.C. §  
20 78u(d)(3), and Section 209(e) of the Investment Advisers Act, 15 U.S.C. § 80b-9(e)(1).

21 **VIII.**

22 Retain jurisdiction of this action in accordance with the principles of equity and  
23 the Federal Rules of Civil Procedure in order to implement and carry out the terms of  
24 all orders and decrees that may be entered, or to entertain any suitable application or  
25 motion for additional relief within the jurisdiction of this Court.

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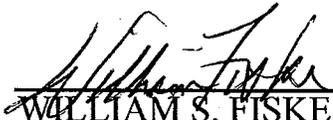
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IX.

Grant such other and further relief as this Court may determine to be just and necessary.

DATED: October 24, 2006

  
\_\_\_\_\_  
WILLIAM S. FISKE  
Attorney for Plaintiff  
Securities and Exchange Commission

# PEOPLEINVESTMENT

Account number	Taxpayer Id.	Statement Period	Page
PNI-P0022	[REDACTED]	07/17/03-07/31/04	1/4

## Professional Advisory Account

[REDACTED]

### Contents of This Statement

- Message Box
- Summary Page
- Settled Securities Transaction
- Current Portfolio Position

### Messages Related to This Statement

Dear Valued customer

This is yearly professional advisory account statement. The statement should accurately reflect all transactions, asset being held, the correct name and address and tax identification number of the account owner.

# PEOPLE INVESTMENT

Account number	Taxpayer id.	Statement Period	Page
PNI-P0022	[REDACTED]	07/17/03-07/31/04	2/4

## Professional Advisory Account

[REDACTED]

Asset Summary	This Period	Year-To-Date
Account Credit Balance	318,117.05	318,117.05
Long Stock Value	0.00	0.00
Short Stock Value	0.00	0.00
Long Option Value	0.00	0.00
Short Option Value	0.00	0.00
Corporate Fixed Income	0.00	0.00
U.S. Govt. Securities	0.00	0.00
Municipal Bonds	0.00	0.00
Money Market Funds	0.00	0.00
Other Assets	10,800.00	10,800.00
<b>Total Asset Value</b>	<b>318,117.05</b>	<b>318,117.05</b>
Account Debit Balance	2,671.31	2,671.31
<b>Total Net Worth/Equity</b>	<b>320,788.36</b>	<b>320,788.36</b>

Account Balance Reconciliation	This Period	Year-To-Date
Opening Balance	270,000.00	315,695.34
Securities Sold	0.00	0.00
Securities Purchased	(280,800.00)	0.00
Transfers/Recvs./Delivs.	0.00	0.00
Dividend Income	0.00	0.00
Dividend Expense	0.00	0.00
Interest Income	0.00	0.00
Interest Expenses	0.00	0.00
Fee/Expense	(4675.19)	(4675.19)
Contribution	13,471.31	0.00
Withdrawals	0.00	0.00
P & L Debits	0.00	0.00
P & L Credits	0.00	0.00
<b>Current Balance</b>	<b>320,788.36</b>	<b>320,788.36</b>

Income Summary	This Period	Year-To-Date
Money Market Income	0.00	0.00
Dividend Inc/Exp (Net)	0.00	0.00
Municipal Int/Exp (Net)	0.00	0.00
Corporate Int/Exp (Net)	0.00	0.00
U.S. Govt. Int/Exp (Net)	0.00	0.00
Fee/Expense (Net)	(4675.19)	(4675.19)
Other Inc/Exp (Net)	0.00	0.00
<b>Total Income/Expense (Net)</b>	<b>(4675.19)</b>	<b>(4675.19)</b>

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# PEOPLE INVESTMENT

Account number	Taxpayer Id.	Statement Period	Page
PNI-P0022	[REDACTED]	07/17/03-07/31/04	3/4

## Professional Advisory Account

[REDACTED]  
[REDACTED]

Date	Long (Bought or Received)	Short (Sold or Delivered)	Description	Debit Amount	Credit Amount
2003-07-17	1,183.7329		Dodge & Cox Stock Fund Price @ 96.60	112,320.00	
2003-07-17	6,525.1740		Dodge & Cox Income Fund Price @ 12.91	84,240.00	
2003-07-17	5,369.0247		Royce Special Equity Fund Price @ 15.69	84,240.00	

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# PEOPLE INVESTMENT

Account number	Taxpayer id.	Statement Period	Page
PNI-P0022	[REDACTED]	07/17/03-07/31/04	4/4

## Professional Advisory Account



<i>Current Security</i> As of 07/31/04	<i>Shares</i> As of 07/31/04	<i>Price</i> As of 07/31/04	<i>Amount</i> As of 07/31/04
DODGX	1,162.7329	\$116.02	\$134,900.27
DODIX	6,525.1740	\$12.70	\$82,869.71
RYSEX	5,369.0247	\$18.69	\$100,347.07
<b>Total</b>			<b>\$318,117.05</b>