

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Hyun Soo Jang
UNUS Capital Management, Inc.
3435 Wilshire Boulevard, Suite 2220
Los Angeles, California 90010

DESIST AND REFRAIN ORDER
(For violations of sections 25230 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Hyun Soo Jang (“Jang”) was an Executive Advisor of UNUS Capital Management, Inc. (“UNUS”), a California corporation located at 3435 Wilshire Boulevard, Suite 2220, Los Angeles, California.
2. On November 7, 2002, UNUS became a licensed investment adviser with the Department of Corporations (“Department”). On October 26, 2004, however, UNUS voluntarily surrendered its investment adviser license, which was declared effective on November 25, 2004.
3. Beginning at least as early as April 2005 and continuing thereafter, Jang through UNUS solicited at least 10 investment advisory clients through ads on a Korean radio station, including obtaining \$1.2 million from at least one Korean investor.
4. In the investment advisory agreement for UNUS, which Jang signed, it states that for adviser’s services, the client will pay a management fee based on the market value of the account.
5. Jang through UNUS represented to investment advisory clients that he would be entering orders for client accounts with Ameritrade Advisors and had at least one investor make a check payable to Ameritrade Advisors. Ameritrade Advisors is not affiliated with Ameritrade, Inc.
6. Since August 11, 2005, Jang through UNUS solicited at least \$1.2 million to invest in stocks, bonds and mutual funds from investors. Jang even faxed a list of securities he wanted to purchase on one client’s behalf.

1 7. Beginning on or about November 25, 2004, neither UNUS nor Jang had a valid investment
2 adviser certificate issued by the Department or the U.S. Securities and Exchange Commission.
3 Furthermore, the last time Jang was registered with an NASD member firm was in July 2003.

4 8. In connection with the offer and sale of securities, Jang through UNUS made, or caused to be
5 made, misrepresentations of material fact or omitted to state material facts necessary in order to make
6 the statements made, in the light of the circumstances under which they were made, not misleading.
7 These misrepresentations and omissions included, but are not limited to the following:

- 8 a. Jang told clients that UNUS was a licensed investment adviser with the Department;
- 9 b. Jang failed to state that UNUS was no longer a licensed investment adviser;
- 10 c. Jang told investors that he was entering orders for the client's account with Ameritrade
11 Advisors, when Jang and UNUS did not have any relationship with Ameritrade, Inc. and
12 Ameritrade, Inc. does not go by the name Ameritrade Advisors; and
- 13 d. Jang told clients that he was investing in bonds through People N Investments ("PNI")
14 without disclosing that PNI was unlicensed.

15 Based upon the foregoing findings, the California Corporations Commissioner is of the
16 opinion that UNUS and Jang have conducted business as an investment adviser in this state without
17 first applying for and securing from the commissioner a certificate, then in effect, authorizing them to
18 do so, in violation of section 25230 of the California Corporate Securities Laws ("CSL").

19 Pursuant to Section 25532 of the CSL, Hyun Soo Jang and UNUS Capital Management, Inc.
20 are hereby ordered to desist and refrain from acting as an investment adviser in the State of California
21 unless and until they have first applied for and secured from the Commissioner a certificate, then in
22 effect, authorizing them to act as an investment adviser.

23 Further, the California Corporations Commissioner is of the opinion that the securities offered
24 by Jang through UNUS were offered and sold in this state by means of written or oral
25 communications, which included untrue statements of material fact or omitted to state material facts
26 necessary in order to make the statements made, in the light of the circumstances under which they
27 were made, not misleading, in violation of section 25401 of the CSL.
28

1 Pursuant to Section 25532 of the CSL, Hyun Soo Jang and UNUS Capital Management, Inc.
2 are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any
3 security in the State of California, including but not limited to, stocks and bonds, by means of any
4 written or oral communication which includes an untrue statement of a material fact or omits to state
5 a material fact necessary in order to make the statements made, in the light of the circumstances
6 under which they were made, not misleading.

7 This Order is necessary, in the public interest, for the protection of investors and consistent
8 with the purposes, policies, and provisions of the CSL.

9 Dated: August 25, 2005

10 Los Angeles, California

11 WAYNE STRUMPFER
12 Acting California Corporations Commissioner

13

14 By _____
15 ALAN S. WEINGER
16 Acting Deputy Commissioner
17 Enforcement Division

18

19

20

21

22

23

24

25

26

27

28