SECURITIES EXCHANGE ACT OF 1934
Release No. 52368 / August 31, 2005

INVESTMENT ADVISERS ACT OF 1940
Release No. 2422 / August 31, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-12025

PUBLIC ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST
WON SOK LEE AND YUNG BAE KIM

On August 31, 2005, the Commission entered an Order Instituting Public 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 (Order) against Won Sok Lee (Lee)
and Yung Bae Kim (Kim). In the Order, the Division of Enforcement alleges that on August 15,
2005, the United States District Court for the Southern District of Florida entered an Order of
Default Judgment of Permanent Injunction and Other Relief against Lee and Kim, permanently
enjoining them from future violations of Section 17(a) of the Securities Act of 1933, Section
10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the
Advisers Act, in the civil action entitled Securities and Exchange Commission v. K.L. Group,
LLC, et al., Case No, 05-80186-CIV-Ryskamp/Vitunac.

The Commission's complaint in the civil action alleges Lee and Kim owned or controlled three
unregistered investment advisers that advised, controlled, and managed six hedge funds. The
complaint also alleges Lee, Kim, and another defendant defrauded investors through
misrepresentations and omissions concerning the profitability and security of their investments in
the hedge funds.

A hearing will be scheduled before an administrative law judge to determine whether the allegations
contained in the Order are true, to provide Lee and Kim an opportunity to dispute these allegations,
and to determine what remedial sanctions, if any, are appropriate and in the public interest.

The Order requires the Administrative Law Judge to 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.