

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 75572 / July 30, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16712

In the Matter of

**GILLES T. DE
CHARSONVILLE,**

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND NOTICE OF HEARING**

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 Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Gilles T. De Charsonville (“Respondent” or “De Charsonville”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Between 2003 and December 2011, Respondent was employed in Madrid, Spain as a broker by BCP Securities, LLC, a Commission-registered broker-dealer headquartered in Greenwich, Connecticut. During the 2007-2008 period, Respondent was a FINRA-registered Foreign Associate. Respondent currently resides in Madrid, Spain.

2. Apart from acting as a commissioned-salesperson, brokering the purchases and sales of emerging market bonds on behalf of clients, during 2007-2008, Respondent also provided his clients with an uncompensated mark-to-market service by which he would provide marks, or valuations, of securities in the client's portfolio.

B. ENTRY OF THE INJUNCTION

3. On July 6, 2015, the United States District Court for the Southern District of New York issued an Opinion and Order granting the Commission partial summary judgment against Respondent ("Opinion & Order") in the civil action titled Securities and Exchange Commission v. Michael Balboa, et al., Civil Action Number 11 Civ. 8731 (PAC). On July 17, 2015, the Court entered a final judgment against Respondent, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1), 206(2) and 206(4) of the Advisers Act, and Rule 206(4)-8 thereunder.

4. The Commission's complaint alleged that, beginning sometime in 2007, Respondent began to provide a mark-to-market service to his client, Michael Balboa ("Balboa"), portfolio manager for a group of now-defunct and unregistered emerging market credit funds, Millennium Global Emerging Credit Fund, Ltd., Millennium Global Emerging Credit Fund, Ltd. and Millennium Global Emerging Credit Fund, LP, (collectively, the "Fund"), organized in a master-feeder structure with reported assets of approximately \$837 million in August 2008 and approximately 180 investors. Each month, Balboa asked Respondent to provide marks for two highly illiquid securities in the Fund's portfolio and to supply them to the Fund's independent valuation agent which was retained to calculate the Fund's monthly Net Asset Value ("NAV"), information that the Fund transmitted to its investors and prospective investors. As the Court found in its Order & Opinion, for several months in 2008, instead of independently valuing the two illiquid Fund securities, Respondent took marks supplied by Balboa and sent them to the independent valuation agent as his own. As the Opinion & Order explains further, those marks were significantly inflated and resulted in the calculation of a false and misleading Fund NAV and Fund returns.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served upon Respondent as provided for in Rule 141(a)(2)(iv) of the Commission's Rules of Practice, 17 C.F.R. § 201.141(a)(2)(iv), by any method specified in paragraph (a)(2) of that rule, or by any other method reasonably calculated to give notice, provided that the method of service used is not prohibited by the law of the foreign country where Respondent may be found including, in the case of Spain, in accordance with the Hague Service Convention for Service Abroad of Judicial or Extrajudicial Documents in Civil or Commercial Matters.

IT IS FURTHER ORDERED that the Administrative Law Judge shall 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.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary