

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3570 / March 19, 2013**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15250**

**In the Matter of**

**BERTON M. HOCHFELD,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 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 Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Berton M. Hochfeld (“Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has 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 him and the subject matter of these proceedings and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 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 Respondent's Offer, the Commission finds that:

1. Hochfeld, age 66, is a resident of Stamford, Connecticut. Hochfeld is the sole shareholder and manager of Hochfeld Capital Management, L.L.C. ("HCM"), which is the general partner of the Heppelwhite Fund, LP ("Heppelwhite"), a hedge fund. Hochfeld also is the Managing Director of the Hochfeld Independent Research Group, Inc., an equity research company. In 2005, the Commission filed a settled fraud case against Hochfeld and HCM. See SEC v. Berton M. Hochfeld and Hochfeld Capital Management, LLC, Case No. 05-CIV-9921 (S.D.N.Y. 2005). A final judgment, which the court entered on January 5, 2006, included a fraud injunction against Hochfeld and HCM and ordered disgorgement and a civil penalty. In a follow-on administrative proceeding pursuant to Section 15(b) of the Exchange Act and Section 203(f) of the Advisers Act, the Commission entered an Order barring Hochfeld from associating with any broker, dealer, or investment adviser, with a right to reapply after four years. See In the Matter of Berton M. Hochfeld, File No. 3-12154 (January 20, 2006). Hochfeld has not applied for reinstatement.

2. On November 21, 2012, a judgment was entered by consent against Hochfeld, permanently enjoining him 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 203, 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. Berton M. Hochfeld, et al., Civil Action Number 12-CV-8202, in the United States District Court for the Southern District of New York.

3. The Commission's complaint alleged that between April 2011 and October 2012, Hochfeld misappropriated from Heppelwhite approximately \$1.3 million, which he used, in part, to make payments on a collection of valuable antiques he purchased. The complaint also alleged that Hochfeld materially misstated the value of each investor's assets in Heppelwhite in periodic statements that were sent to each investor, and also failed to inform investors and potential investors that Hochfeld remained subject to a January 2006 Commission Order barring him from association with any broker, dealer or investment adviser.

### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Hochfeld's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Hochfeld be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent 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