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 William Eichengreen ("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.5. 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. Directors Financial Group, Ltd. (“DFG”) was an investment adviser registered with the Commission from December 1, 1998 until the Commission revoked its registration on June 6, 2006. It was an Illinois corporation organized in 1992, with its principal place of business in Lake Forest, Illinois. DFG was the managing member of, and investment adviser to, Directors Performance Fund, LLC (the “Fund”), a private hedge fund. In addition, DFG managed accounts for individual investment adviser clients, several of whom also invested in the Fund. On March 2, 2006, the Commission sued DFG and its President, Sharon Vaughn, in connection with this matter. DFG and Vaughn subsequently settled all of the Commission’s claims against them.

2. William H. Eichengreen, age 63, resides in Highland Park, Illinois. In his career in the financial services industry, Eichengreen has been employed by a number of futures commission merchants, broker-dealers, and investment advisers. Eichengreen was Chief Compliance Officer and Marketing Director for both the Fund and DFG. Eichengreen was employed by DFG from 1992 until June 2006.


4. As to Eichengreen, the Commission’s Complaint alleged, among other things, that – in the course of DFG’s investment in a purported FOREX trading program and its subsequent investment of $25 million of the Fund’s assets in a fraudulent “Prime Bank” scheme – Eichengreen and DFG defrauded the Fund, and DFG’s individual investor adviser clients who invested in the Fund, by (a) falsifying the Fund’s financial statements, thereby allowing DFG to take profit-based fees to which it was not entitled, and (b) misrepresenting the Fund’s trading strategy, investments, and performance. The Complaint also alleged that Eichengreen substantially assisted DFG in altering documents in anticipation of a Commission examination of DFG. Based on those allegations, the Complaint asserted that Eichengreen violated Section 17(a) of the Securities Act of 1933 (the “Securities Act”), Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 thereunder, and aided and abetted DFG’s violations of Sections 204, 206(1), and 206(2) of the Advisers Act and Rule 204-2 thereunder.

5. On October 29, 2009, the Court entered an order that, among other things, permanently enjoined Eichengreen from violating Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and from aiding and abetting violations of Sections 204, 206(1), and 206(2) of the Advisers Act and Rule 204-2 thereunder. In a written consent, Eichengreen agreed to the entry of the order of permanent injunction.
IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Eichengreen be, and hereby is barred from association with any investment adviser;

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.

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

Elizabeth M. Murphy
Secretary