UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 64156 / March 31, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-13454

In the Matter of

HENNESSEE GROUP LLC and
CHARLES J. GRADANTE,

Respondents.

ORDER APPROVING PLAN AND
APPOINTING A FUND ADMINISTRATOR

On April 22, 2009, the Securities and Exchange Commission (“Commission”) entered an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e), 203(f), and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order against Hennessee Group LLC (“Hennessee Group”) and Charles J. Gradante (“Gradante”) (collectively, “Respondents”) (the “Order”) (Investment Advisers Act Rel. No. 2871). Pursuant to the Order, Respondents paid a total of $514,644.15 in disgorgement, prejudgment interest, and civil monetary penalties to the Commission, and a Fair Fund was established for the subsequent distribution of these funds to eligible investors.


The Notice also advised that all persons desiring to comment on the Distribution Plan could submit their comments, in writing, no later than thirty days from the date of the Notice, by sending a letter to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549-1090; by using the Commission's Internet comment form (www.sec.gov/litigation/admin.shtml); or by sending an e-mail to rule-comments@sec.gov. The Commission received no comments on the Distribution Plan.
The Distribution Plan provides that monies from the Fair Fund will be distributed to those customers of Hennessee Group who (a) have been harmed by the conduct described in the Order; and (b) have not received compensation from Hennessee Group in an amount at least equal to the advisory fees paid to the Bayou Funds by those customers, or on behalf of those customers, related to their investments in the Bayou Funds (individually, each “Eligible Investor,” and collectively, the “Eligible Investors”). The Distribution Plan provides that the Fund Administrator will identify the Eligible Investors on the basis of information obtained by Commission staff. The Distribution Plan further describes the procedures that will be used to calculate and distribute the total amounts to be paid to the Eligible Investors from the Fair Fund. Eligible Investors will not be required to make a claim or submit documentation to establish their eligibility.

The Distribution Plan also proposes Yuri B. Zelinsky, an Assistant Director in the Division of Enforcement, as the Fund Administrator. Because Mr. Zelinsky is a Commission employee, no bond is required pursuant to Rule 1105(c).

The staff requests that the Commission approve the Distribution Plan and appoint Mr. Zelinsky as the Fund Administrator.

Accordingly, pursuant to Rule 1104, it is hereby ORDERED that the Distribution Plan is approved.

It is hereby further ORDERED, pursuant to Rule 1105(a), that Mr. Zelinsky is appointed as the Fund Administrator in accordance with the terms of the Distribution Plan.

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

Elizabeth M. Murphy
Secretary