

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3527 / December 27, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-15155

In the Matter of

JEFFREY A. LISKOV,

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Jeffrey A. Liskov (“Respondent” or “Liskov”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From at least April 2008 through August 2010, Liskov was the sole owner, officer, and employee of EagleEye Asset Management, LLC (“EagleEye”), an investment adviser registered with the Commission since April 9, 2008.

B. ENTRY OF THE INJUNCTION

2. On December 12, 2012, the court entered a final judgment against Liskov in the civil action entitled Securities and Exchange Commission v. EagleEye Asset Management, LLC and Jeffrey A. Liskov, No. 11-CV-11576, in the United States District Court for the District of Massachusetts, permanently enjoining Liskov and EagleEye from future violations of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, Sections 206(1) and 206(2) of the Advisers Act, and Section 204 of the Advisers Act and various provisions of Rule 204-2 thereunder.

3. The final judgment further ordered Liskov and EagleEye, jointly and severally, to pay disgorgement of \$301,502.26, representing profits gained as a result of the conduct alleged in the complaint, plus prejudgment interest thereon of \$29,603.59. The final judgment also ordered Liskov and EagleEye each to pay a civil penalty of \$725,000.

4. The Commission's complaint in the civil action alleged that, between November 2008 and August 2010, Liskov made material misrepresentations to several EagleEye advisory clients to induce them to make foreign currency exchange ("forex") investments and made unauthorized liquidations of client securities investments and subsequent transfers of client assets into forex investments. With respect to two EagleEye clients, Liskov misrepresented the nature of the forex investments he made on their behalf and, in some instances without their knowledge, sold their securities and transferred the proceeds into forex investment accounts in which he conducted erratic trading and sustained steep losses. As to at least three other EagleEye clients who knowingly made investments in forex that EagleEye managed, Liskov misled the clients concerning his experience and track record in forex trading. In all, Liskov lost approximately \$4 million in client funds in forex trading. Yet, in many cases, EagleEye first collected performance fees on temporary gains totaling over \$300,000. The Commission's Complaint also alleged that EagleEye failed to maintain true, accurate, and current certain books and records relating to EagleEye's investment advisory business, and that Liskov aided and abetted those violations.

5. After a trial in the civil action, a federal jury returned a verdict against Liskov. In its verdict, the jury specifically found that Liskov intentionally or recklessly made material misrepresentations to five advisory clients in violation of Section 206(1) of the Advisers Act. The jury verdict further found that Liskov violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by intentionally or recklessly making material misrepresentations in connection with the purchase or sale of securities to four clients, by intentionally or recklessly failing to disclose his forex trading track record to those four clients, and by intentionally engaging in a scheme to defraud those four clients.

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;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers 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 forthwith upon Respondent personally or by certified mail.

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.

Elizabeth M. Murphy
Secretary