

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3528 / December 27, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-15156

In the Matter of

**EAGLEEYE ASSET
MANAGEMENT, LLC,**

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(e) 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(e) of the Investment Advisers Act of 1940 (“Advisers Act”) against EagleEye Asset Management, LLC (“Respondent” or “EagleEye”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Since April 9, 2008, EagleEye has been registered with the Commission as an investment adviser.

B. ENTRY OF THE INJUNCTION

2. On December 12, 2012, the court entered a final judgment against EagleEye in the civil action entitled Securities and Exchange Commission v. EagleEye Asset Management, LLC and Jeffrey A. Liskov (“Liskov”), No. 11-CV-11576, in the United States District Court for the District of Massachusetts, permanently enjoining EagleEye and Liskov 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 in the civil action further ordered EagleEye and Liskov, 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 EagleEye and Liskov each to pay a civil penalty of \$725,000.

4. The Commission's complaint in the civil action alleged that, between at least November 2008 and August 2010, EagleEye, through its principal Liskov, made material misrepresentations to several 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 in the civil action also alleged that EagleEye failed to maintain true, accurate, and current certain books and records relating to its investment advisory business.

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 203(e) 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 it, 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