UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 73885 / December 19, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-13454

In the Matter of
HENNESSEE GROUP LLC and
CHARLES J. GRADANTE,
Respondents.

ORDER AUTHORIZING THE
TRANSFER OF RESIDUAL FUNDS
AND ANY FUTURE FUNDS
RECEIVED BY THE FAIR FUND TO
THE U.S. TREASURY, DISCHARGING
THE FUND ADMINISTRATOR, AND
TERMINATING THE FAIR FUND

On April 22, 2009, the Securities and Exchange Commission (“Commission”) issued 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 (the “Order”) against Hennessy Group LLC (“Hennessy”) and Charles J. Gradante (collectively, “Respondents”) (Advisers Act Rel. No. 2871 (April 22, 2009)). The Order required Respondents to jointly and severally pay $714,644.12 in disgorgement and prejudgment interest, and $100,000 as a civil penalty. The Order also created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002. A total of $514,644.12 was paid into the Fair Fund by Respondents.\(^1\)

On March 31, 2011, the Commission issued an Order Approving Plan and Appointing a Fund Administrator, whereby Yuri B. Zelinsky was appointed as the Fund Administrator (Exchange Act Rel. No. 64156 (March 31, 2011)). On July 26, 2012, the Commission issued an Order Directing Disbursement of a Fair Fund that authorized a disbursement of $504,619.82 as provided for in the Distribution Plan (Exchange Act Rel. No. 67514 (July 26, 2012)).

On or about September 18, 2012, the Fair Fund distributed $504,619.82 to twenty-nine Eligible Investors affected by the conduct discussed in the Order. Pursuant to the Distribution Plan, distributions were made to Eligible Investors who (a) were harmed by the conduct described in the Order; and (b) had not received compensation from Hennessy in an amount at

---

\(^1\) In February 2010, the Commission authorized the staff to credit a $300,000.00 payment made by Hennessy to the Bayou Funds’ bankruptcy estate against the $714,644.12 of disgorgement and prejudgment interest ordered to be paid by the Respondents in this matter. As a result, the amount of disgorgement and prejudgment interest paid to the Commission was reduced to $414,644.12.
least equal to the advisory fees paid to Bayou Funds by or on behalf of those customers related to their investments in the Bayou Funds. In addition, the Fair Fund paid a total of $9,869.86 in taxes and Tax Administrator fees and expenses. A balance of $154.47 remains in the Fair Fund.

The Distribution Plan provides that the Fair Fund shall be eligible for termination and the Fund Administrator shall be discharged after all of the following have occurred: (1) the final accounting has been submitted by the Fund Administrator for approval of, and has been approved by, the Commission; (2) all taxes, fees, and expenses have been paid; and (3) any amount remaining in the Fair Fund has been received by the Commission. A final accounting report, which was submitted to the Commission pursuant to Rule 1105(f) of the Commission’s Rules on Fair Fund and Disgorgement Plans, has been approved. In addition, all taxes, fees and expenses have been paid and the Commission is in possession of the remaining funds.

Accordingly, IT IS ORDERED that:

1. The $154.47 balance in the Fair Fund shall be transferred to the U.S. Treasury, and any future funds received by the Fair Fund will also be transferred to the U.S. Treasury;
2. The Fund Administrator is discharged; and
3. The Fair Fund is terminated.

By the Commission.

Brent J. Fields
Secretary