

UNITED STATES OF AMERICA
before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of:

BEACON HILL ASSET
MANAGEMENT LLC,

Docket No. SD 05-02

Registrant.

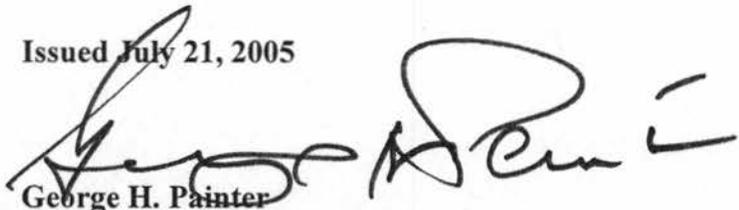
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ORDER OF CORRECTION

The title page of the Order issued July 20, 2005 is corrected by striking PROPOSED ORDER and inserting in lieu thereof INITIAL DECISION ON DEFAULT.

so ordered

Issued July 21, 2005



George H. Painter
Administrative Law Judge

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of

BEACON HILL ASSET MANAGEMENT, LLC,

Registrant.

CFTC DOCKET NO. SD 05-02

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PROPOSED ORDER

The Court, being fully advised in the premises, finds that there is good cause for the entry of this Order and that there is no just reason for delay. The Court therefore directs the entry of findings of fact and conclusions of law and a default order revoking the registration of Beacon Hill Asset Management, LLC ("Beacon Hill"), pursuant to Section 3.60(a)(4)(ii) of the Commodity Futures Trading Commission's ("Commission") Regulations, 17 C.F.R. § 3.60(a)(4)(ii) (2004), as set forth herein.

I.

FINDINGS OF FACT

A. Registrant

1. Beacon Hill is a limited liability company organized under the laws of the state of Delaware and maintains its principal place of business at 47 Maple Street, Summit, New Jersey. Since July 24, 1997, Beacon Hill has been registered with the Commission as a Commodity Pool Operator ("CPO") and a Commodity Trading Advisor ("CTA").

B. Proceedings to Date

2. On November 7, 2002, the Securities and Exchange Commission (“SEC”) filed a Complaint in the United States District Court for the Southern District of New York against Beacon Hill and certain other relief defendants in the case styled *Securities and Exchange Commission v. Beacon Hill Asset Management, LLC, et al.*, No. 02cv8855 (S.D.N.Y. filed November 7, 2002). The SEC’s complaint alleged that Beacon Hill engaged in certain conduct that operated as a fraud upon its investment advisory clients and prospective clients.

3. On January 7, 2003, the Commission issued an *Opinion and Order Accepting Offer of Settlement of Beacon Hill Asset Management, LLC* (“Commission Order”). The Commission Order was issued on the basis of the District Court’s entry, on November 13, 2002, of a Stipulation and Order of Preliminary Injunction against Beacon Hill that, among other things, preliminarily enjoined Beacon Hill from violating the antifraud provisions of Section 206(2) of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-6. The Commission Order suspended Beacon Hill’s registration with the Commission as a CPO and CTA for a period of six months and directed Beacon Hill to comply with an undertaking not to act as a CPO or CTA until the entry of a final order fully disposing of all matters in *SEC v. Beacon Hill*.

4. On October 28, 2004, the District Court entered a Final Judgment by consent against Beacon Hill (“Final Judgment”). The Final Judgment permanently enjoins Beacon Hill from violating the antifraud provisions of:

- (a) Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5;
- (b) Section 17(a)(1), (2), and (3) of the Securities Act of 1933, 15 U.S.C. § 77q(a); and

(c) Section 206(1), (2) and (3) of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-6.

5. On May 3, 2005, pursuant to Section 3.60(a) of the Commission's Regulations, 17 C.F.R. § 3.60(a) (2004), the Commission issued and served upon Beacon Hill a *Notice of Intent to Suspend, Revoke, or Restrict the Registration of Beacon Hill Asset Management, LLC as a Commodity Pool Operator and a Commodity Trading Advisor* ("Notice of Intent").

6. The Notice of Intent allowed Beacon Hill thirty (30) days from the date of service to file a response challenging the evidentiary bases of the statutory disqualification or to show cause why, notwithstanding the accuracy of the allegation, its registration should not be suspended, revoked, or restricted.

7. Beacon Hill did not file a response to the Notice of Intent within the time permitted, nor did it request an enlargement of time within which to respond.

8. On July 1, 2005, this Court ordered the Division to file proposed findings of fact of conclusions of law, and to recommend sanctions that may be imposed against the Registrant.

9. On July 19, 2005, the Division moved for a Default Order.

C. Default

10. The Commission may at any time give written notice to a registrant under the Act that the Commission alleges and is prepared to prove that the registrant is subject to a statutory disqualification. 17 C.F.R. § 3.60(a) (2004). If a registrant does not file a timely response to this written notice, the registrant will be deemed to have waived his right to a hearing on all issues, and the facts stated in the notice shall be deemed to be true and conclusive for purposes of finding that the registrant is subject to a statutory disqualification. 17 C.F.R. § 3.60(a)(4)(i) (2004).

11. Section 3.60(g) of the Rules provides that the procedures for obtaining a default order shall follow the procedures set forth in Section 10.93 of the Rules. 17 C.F.R. § 3.60(g) (2004).

12. Section 10.93 of the Rules provides that if a respondent has failed to file an answer as provided in Section 10.23 of the Rules, 17 C.F.R. § 10.23 (2004), the Division may move the Court to enter findings and conclusions and a default order against that respondent based upon the matters set forth in the complaint, which shall be deemed to be true for purposes of this determination. 17 C.F.R. § 10.93 (2004).

13. Because Beacon Hill failed to respond to the Notice of Intent, this Court finds that Beacon Hill is in default under Sections 3.60(g) and 10.93 of the Rules. 17 C.F.R. §§ 3.60(g) and 10.93 (2004).

14. Accordingly, this Court deems that Beacon Hill has waived its right to a hearing on all issues in the Notice of Intent and deems the matters set forth in the Notice of Intent to be true and conclusive for the purposes of finding that Beacon Hill is subject to statutory disqualification.

D. Revocation of Registration

15. Section 8a(2)(C) of the Act, 7 U.S.C. § 12a(2)(C)(2002), provides that the Commission may suspend, restrict, or revoke the registration of any person if such person is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction (including an order entered pursuant to an agreement of settlement to which the Commission or any Federal or State agency or governmental body is a party) from engaging in or continuing any activity where such activity involves fraud.

16. The Commission previously suspended Beacon Hill's registrations following the District Court's preliminarily enjoining Beacon Hill from violating the antifraud provisions of the Investment Advisers Act. Beacon Hill now has been permanently enjoined by the District Court

from violating the antifraud provisions of the Securities Exchange Act, the Securities Act, and the Investment Advisers Act.

17. The District Court's permanent injunction constitutes a valid basis for the Commission to revoke Beacon Hill's registration pursuant to Section 8a(2)(C) of the Act, 7 U.S.C. § 12a(2)(C)(2002).

II.

CONCLUSIONS OF LAW

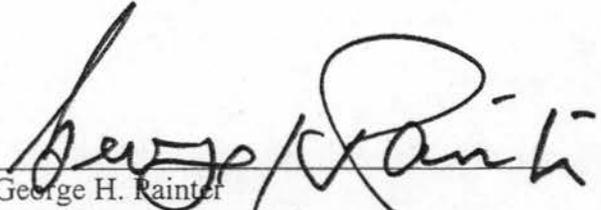
18. By failing to respond to the Notice of Intent, Beacon Hill is in default. 17 C.F.R. § 3.60(g) (2004).

19. Beacon Hill has waived its right to a hearing on all issues identified in the Notice of Intent, and all the facts stated in the Notice of Intent are deemed true and conclusive for purposes of finding that Beacon Hill is subject to statutory disqualification. 17 C.F.R. § 3.60(a)(4)(i) (2004).

20. The Division has shown by a preponderance of the evidence that Beacon Hill has been permanently enjoined by a judgment of a court of competent jurisdiction from engaging in or continuing activities involving fraud in violation of the provisions of the Securities Exchange Act, the Securities Act, and the Investment Advisers Act.

ORDER

Beacon Hill's registrations as a CPO and a CTA shall be revoked effective the date this order becomes final.


George H. Painter
Administrative Law Judge