

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 56520 / September 25, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12826

In the Matter of

GEORGE BEROS,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against George Beros (“Respondent” or “Beros”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Beros, of Shaker Heights, Ohio, was the CFO and a director of Monarch Capital Holdings LLC.

2. On August 22, 2007, a judgment was entered against Beros permanently enjoining him from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c) and 77q(a)], and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], in the civil action captioned Securities and Exchange Commission v. Capital Holdings, L.L.C., et al., Civil Action No. 03-RB-0923, in the United States District Court for the District of Colorado.

3. The Commission's Complaint alleged that Capital Holdings, L.L.C., Smitty's Investments, LLC, Capital Holdings Int, LLC and Monarch Capital Holdings LLC, and their principals defrauded investors by falsely promising that: (1) investor funds would be used as collateral to facilitate leveraged trading of financial instruments issued by major banks and governments and that investors would share in the trading profits; (2) investors would earn a fixed monthly return ranging from 2% to 15%; (3) the safety of invested principal would be guaranteed; and (4) investors' funds would be fully insured. The Complaint also alleged that there is no trading program and that the defendants regularly paid undisclosed sales commissions, Ponzi payments and personal expenses with investor funds.

4. On March 16, 2007, Beros pleaded guilty to one count of securities fraud in violation of Title 15 United States Code, Sections 77q(a) and 77x, before the United States District Court for the District of Colorado, in United States v. Norman Schmidt, et al., Crim. Indictment No. 1:04cr103. On August 3, 2007, a judgment in the criminal case was entered against Beros. He was sentenced to a prison term of 12 months and one day followed by 3 years of supervised release and ordered to make restitution in the amount of \$286,739.00.

5. The count of the criminal indictment upon which Beros pleaded guilty alleged, inter alia, that on February 19, 2003, Beros and others traveled from Denver to Chicago by plane to meet with a person they thought was a potential investor interested in placing at least \$10 million into a high-yield trading program. During the course of the meeting, Beros was called at his office in Cleveland to explain how the anticipated returns could be generated and how the investor's money would be safeguarded in a financial institution. During the course of that call, Beros made several materially false or misleading statements, including multiple statements suggesting that successful trading had been occurring for some time, that a "federal gentleman" performs the trades, that the Federal Reserve provided oversight of the trading program, and that the SEC did not regulate the trading program because it did not involve arbitrage.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Beros' Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Beros be, and hereby is barred from association with any broker or dealer.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

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

Nancy M. Morris
Secretary