

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 2483 / February 7, 2006**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12176**

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<b>In the Matter of</b>	:	
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<b>SCOTT R. SACANE,</b>	:	<b>ORDER INSTITUTING</b>
	:	<b>ADMINISTRATIVE PROCEEDINGS</b>
<b>Respondent.</b>	:	<b>PURSUANT TO SECTION 203(f) OF</b>
	:	<b>THE INVESTMENT ADVISERS ACT OF</b>
	:	<b>1940, MAKING FINDINGS, AND</b>
	:	<b>IMPOSING REMEDIAL SANCTIONS</b>
	:	

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**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 Scott R. Sacane ("Respondent").

**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 203(f) of the Investment Advisers Act of 1940, 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. Sacane was the managing member of Durus Capital Management, LLC, an investment adviser not registered with the Commission, during the period from at least November 2002 through July 2003. Sacane, 39 years old, is a resident of Weston, Connecticut. Durus Capital Management, LLC, was the investment adviser to the Durus Life Sciences Fund, LLC, Durus Life Sciences International Fund, Ltd., and Durus Life Sciences Master Fund, Ltd. (collectively, "the Durus Funds"). During the relevant period, Sacane was a person associated with an investment adviser.

2. On December 21, 2005, Sacane pled guilty to one count of engaging in a transaction, practice, and course of business which operated as a fraud and deceit upon his clients in violation of Section 206 of the Investment Advisers Act of 1940 (Title 15 United States Code, Section 80b-6) before the United States District Court for the District of Connecticut, in United States v. Scott Sacane, 3:05-cr-325-AHN.

3. The count of the criminal information to which Sacane pled guilty alleged, inter alia, that Sacane knowingly and willfully inflated the value of the Durus Funds, thereby garnering increased management fees and performance incentive fees to which he was not entitled.

### IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Sacane be, and hereby is barred from association with any investment adviser.

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