

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5895 / October 22, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20632

In the Matter of

JASON B. RHODES,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Jason B. Rhodes (“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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph III.2 below, and 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. From at least in or about November 2013 through in or about December 2016, Respondent acted as an associated person of Sentinel Growth Fund Management, LLC ("Sentinel"), an unregistered investment adviser that Rhodes co-founded. Sentinel was the investment adviser to several private funds. Respondent, 48 years old, is a resident of Rowayton, Connecticut.

2. On January 9, 2020, Rhodes pled guilty to one count of conspiracy to commit securities fraud and wire fraud (Title 18, United States Code ("U.S.C."), Section 371) one count of securities fraud (Title 15, U.S.C., Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, U.S.C., Section 2), one count of wire fraud (Title 18, U.S.C., Sections 1343 and 2), and one count of investment adviser fraud (Title 15, U.S.C., Sections 80b-6 and 80b-17; and Title 18, U.S.C., Section 2) before the United States District Court for the Southern District of New York, in *United States v. Jason Rhodes*, Crim. No. 1:18-cr-00887-JMF.

3. The indictment to which Rhodes pled guilty alleged, *inter alia*, that, from at least 2013 and through in or about December 2016, Rhodes, together with his co-conspirators, solicited investments in private funds advised by Sentinel by falsely representing to fund investors that their assets would be used for legitimate, specified investment purposes, namely purchasing securities. The indictment further alleged that Rhodes and his co-conspirators failed to invest the investor monies as promised, but rather diverted investor funds to their own personal use and, in a Ponzi-like manner, to make repayments to other investors who were demanding their money.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent be, and hereby is barred from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

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, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Secretary