

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 6520 / January 2, 2024**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21823**

**In the Matter of**

**MARK MARCHI,**

**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 Mark Marchi (“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 paragraphs III.2 and III.4 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. Marchi, age 55, founded and controlled Precipio Capital, LLC (“Precipio”), a limited liability company incorporated in Wyoming with its principal place of business in Point Pleasant Beach, New Jersey. Marchi acted as unregistered investment adviser to Precipio by virtue

of his provision of advice on the purchase and sale of securities in exchange for a management fee.

2. On December 13, 2023, a final judgment was entered by consent against Marchi, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933; Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder; and Sections 206(1), (2), and (4) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Mark Marchi, 22-cv-02661 (CCC) (D.N.J. December 13, 2023), in the United States District Court for the District of New Jersey.

3. The Commission's complaint alleged that, between February 2016 and September 2020 (the "Relevant Period"), Marchi solicited over \$2.8 million of investments in Precipio from at least 22 investors by falsely representing Precipio's trading and performance. Marchi told investors that he was profitably trading securities on their behalf, however, for much of the Relevant Period, Marchi conducted no trading at all. To conceal the fraud, Marchi falsified trading records and caused false performance reports and tax documents to be communicated to investors. Marchi also misappropriated investor funds by secretly using investor money to pay over \$1.4 million in disbursements to investors. Marchi also diverted over \$400,000 in cash to his personal bank accounts and used over \$18,000 of investor money at various high-end eateries. As a result of Marchi's fraud, some Precipio investors lost the entire amount of their investments.

4. Marchi has pleaded guilty to one count of securities fraud in violation of 15 U.S.C. § 78j(b) before the United States District Court for the District of New Jersey, in U.S. v. Marchi, 22-cr-00327 (CCC) (D.N.J. May 5, 2022) (the "Criminal Case"). On January 10, 2023, a judgment in the criminal case was entered against Marchi.

5. The count of the criminal indictment to which Marchi pleaded guilty alleged, *inter alia*, that Marchi defrauded Precipio's investors and obtained money and property by (a) employing devices, schemes, or artifices to defraud, (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, (c) engaged in acts, practices in courses of business which operated and which would operate as a fraud and deceit upon persons, and (d) solicited investments from prospective investors through materially false and misleading statements and omissions.

#### IV.

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

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

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