

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 2709 / February 29, 2008**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12973**

**In the Matter of**

**VINCENT A. LENARCIC,**  
**JR.,**

**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 Vincent A. Lenarcic, Jr. (“Lenarcic “ or “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 and III.4 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. Lenarcic served as an unregistered investment adviser to Fundamental Growth Investors, LP ("Fundamental"), a hedge fund whose general partner was New Vision Investment Funds, LLC ("New Vision"), which was controlled and managed by Lenarcic. Lenarcic also served as the managing partner for QMA Investment Management, LLC ("QMA"), an investment adviser registered with the Commission. Lenarcic, 60 years old, resides in Charlotte, North Carolina.

2. On February 20, 2008, a final judgment was entered by consent against Lenarcic, permanently enjoining him from future violations of 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) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Vincent A. Lenarcic, Jr., et al., Civil Action Number 3:05-CV-487, in the United States District Court, Western District of North Carolina, Charlotte Division.

3. The Commission's complaint alleged that, from June 2000 to December 2003, Lenarcic and New Vision defrauded Fundamental's limited partners by selling securities in Fundamental's account and funneling at least \$807,000 of the proceeds to QMA and New Vision. Lenarcic and New Vision used the misappropriated funds to pay the debts, wages and operating expenses of QMA and New Vision. To conceal the fraud, Lenarcic and New Vision made misleading statements to Fundamental's investors concerning the use of the fund's assets and its performance.

4. On June 8, 2006, Lenarcic pled guilty to one felony count, involving prohibited transactions by an investment adviser, in violation of Title 15 United States Code, Sections 80b-6 and 80b-17 before the United States District Court for the Western District of North Carolina, Charlotte Division, in United States v. Vincent A. Lenarcic, Jr., Case No. 3:06CR155-01. On July 26, 2007, a judgment in the criminal case was entered against Lenarcic. He was sentenced to a prison term of 37 months and ordered to make restitution in the amount of \$1,090,000.

5. The count of the criminal information to which Lenarcic pled guilty alleged, inter alia, that Lenarcic defrauded investors and obtained money and property by means of materially false and misleading account statements, that he used the United States mails to send the false account statements, and that he caused commercial interstate carriers to take possession of the investors' 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 Lenarcic's Offer.

Accordingly, it is hereby ORDERED:

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

By the Commission.

Nancy M. Morris  
Secretary