

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3530 / December 27, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-15159

In the Matter of

**SENTINEL INVESTMENT
MANAGEMENT
CORPORATION**

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(e) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND NOTICE OF HEARING**

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(e) of the Investment Advisers Act of 1940 (“Advisers Act”) against Sentinel Investment Management Corporation (“Respondent” or “Sentinel”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Sentinel is a New York corporation formed in 1986 with its principal place of business in New York, New York. Sentinel is an investment adviser affiliated with West End Financial Advisors (“West End”) and has been registered with the Commission since 1986. West End is a New York-based, unregistered investment adviser to a collection of hedge funds (the “West End funds”). During the relevant time period, William Landberg served as Sentinel’s president and chief compliance officer. Sentinel advised as many as 70 separately managed accounts at various times, some of which were invested in unregistered, private limited partnerships offered by West End.

B. ENTRY OF THE INJUNCTION

2. On November 28, 2011, a final judgment was entered by consent against Sentinel, permanently enjoining Sentinel 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), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. William Landberg, et al., Civil Action Number 11-CV-0404 (PKC), in the United States District Court for the Southern District of New York.

3. The Commission's amended complaint alleged that Sentinel made material misrepresentations to investors and engaged in a scheme to misappropriate investor assets. Sentinel, through Landberg and others at West End, misrepresented to investors that their money was invested in safe, stable investments and that the investments were growing and performing well. However, West End and Sentinel knew, or were reckless in not knowing, that West End was not achieving the positive returns represented to investors. Sentinel, through Landberg and others at West End, also failed to disclose, among other things, that Landberg and West End: (i) commingled investor assets among various investment funds advised by West End; (ii) looted funds from a reserve account that West End was required to maintain for the benefit of a bank that provided loans to a West End fund and used the proceeds for improper purposes; and (iii) misappropriated investor funds.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(e) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against it upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

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

Elizabeth M. Murphy
Secretary