

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4688 / April 19, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17933

In the Matter of

MARK J. VARACCHI,

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 J. Varacchi (“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. Respondent, age 47, is a resident of Norwalk, Connecticut. He is the founder, Chief Executive Officer, managing member, and portfolio manager of Sentinel Growth Fund

Management, LLC (“Sentinel”). Sentinel is a Delaware limited liability company located in Stamford, Connecticut. Sentinel was the investment adviser to certain unregistered pooled investment vehicles. Sentinel has never registered with the Commission or any state as an investment adviser.

2. On February 1, 2017, Respondent pled guilty before the United States District Court for the Southern District of New York, in *United States v. Varacchi*, 17-cr-00076-NRB, to a criminal information charging him with counts of securities fraud [15 U.S.C. §§ 78j(b) & 78ff; 17 C.F.R. § 240.10b-5; 18 U.S.C. § 2], wire fraud [18 U.S.C. §§ 1343 & 2], and conspiracy to commit securities fraud and wire fraud [18 U.S.C. § 371].

3. In pleading guilty to the criminal information in *United States v. Varacchi*, Respondent admitted that he misappropriated, for the benefit of himself and others, funds that had been provided to Sentinel by investors for the purchase and sale of securities, and then obtained funds from other investors in order to make payments to investors whose funds he had misappropriated.

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 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.

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.

Brent J. Fields
Secretary