

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 82528 / January 18, 2018

INVESTMENT ADVISERS ACT OF 1940
Release No. 4845 / January 18, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18340

In the Matter of

FRANK G. MAZZOLA,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Frank G. Mazzola (“Mazzola” 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 Paragraph III.2 below, which are admitted, Respondent

consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and 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 2009 to 2014, Mazzola was a registered representative of Felix Investments, LLC, which was formerly registered as a broker-dealer with the Financial Industry Regulatory Authority (“FINRA”) until the firm’s expulsion in August 2014. Since at least October 2013, Mazzola was also a manager of Saddle River Advisors, LLC (“Saddle River”), which advised pooled investment vehicles, and of SRA Management, LLC, which was the managing member and an adviser to three pooled investment vehicles, SRA I, LLC, SRA II, LLC, and SRA III, LLC (together, the “SRA Funds”). On March 20, 2014, the Commission issued the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions in *In the Matter of Frank Mazzola and Felix Investments, LLC*, Administrative Proceeding File No. 3-15807, which *inter alia* imposed a collateral bar upon Mazzola, with the right to reapply after three years. Subsequently, in June 2014, FINRA permanently barred Mazzola from associating with any FINRA member in any capacity.
2. On December 22, 2017, a final judgment was entered by consent against Mazzola, in the civil action entitled *Securities and Exchange Commission v. John V. Bivona, et al.*, Civil Action Number 3:16-CV-01386-EMC, in the United States District Court for the Northern District of California, permanently enjoining him from violations of Section 5 of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. § 77e; Section 203(f) of the Advisers Act, 15 U.S.C. § 80b-3(f); and Section 15(b)(6) of the Exchange Act, 15 U.S.C. § 78o(b)(6). The Final Judgment also permanently enjoins Mazzola from directly or indirectly violating the Commission’s Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions, instituted on March 20, 2014, in *In the Matter of Frank Mazzola and Felix Investments, LLC*, Administrative Proceeding File No. 3-15807.
3. The Commission’s complaint alleged that the SRA Funds raised over \$53 million from investors in early-to late-stage, pre-IPO technology companies, most of which are based in the San Francisco Bay Area. Saddle River and

SRA Management allegedly promised the SRA Funds' investors that their money would be used only to buy shares in the specific pre-IPO companies they were interested in and to pay specified fees. Mazzola's uncle, John V. Bivona, allegedly used his control of the SRA Funds' bank accounts, however, to divert about \$2.7 million in investor money to Mazzola and his wife. Additionally, Mazzola allegedly continued to be associated with Saddle River and Felix Investments after the Commission's prior administrative order by soliciting investments for compensation on behalf of these entities. Mazzola was improperly associated with Saddle River during his bar and participated in the offer and sales of securities without the necessary registration or exemption from registration for those offers and sales.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act that Respondent Mazzola 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

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Mazzola be, and hereby is, barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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.

Brent J. Fields
Secretary