

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 57501 / March 14, 2008

INVESTMENT ADVISERS ACT OF 1940
Release No. 2722 / March 14, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-12991

In the Matter of

MARC J. BILOTTI,

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 Mark J. Bilotti (“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 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. Bilotti, age 37, is a resident of Charlestown, Massachusetts. From 1999 through 2003, Bilotti was employed as a registered representative at the Boston, Massachusetts branch office of Prudential Securities, Inc., a registered broker-dealer and investment adviser. Bilotti was registered as a general securities representative. During the relevant period, Bilotti was a person associated with a broker or dealer and investment adviser.

2. On March 3, 2008, a final judgment was entered by consent against Bilotti, permanently enjoining him from future violations of Sections 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder in the civil action entitled Securities and Exchange Commission v. Druffner et al., Civil Action No. 03-12154-NMG in the United States District Court for District of Massachusetts.

3. The Commission’s complaint alleged the following. From as early as January 2001 until September 2003, Bilotti defrauded mutual fund companies and the funds’ shareholders in order to engage in market timing. Bilotti knew that the fund companies monitored activity in their funds and imposed restrictions on excessive trading. To conceal his own identity and the identities of his customers, Bilotti used numerous registered representative identification numbers and opened customer accounts under fictitious names. His use of multiple accounts and identification numbers was intended to, and did, make it more difficult for the fund companies to detect their clients’ market timing, thus misleading the fund companies to process transactions they would otherwise have rejected.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Bilotti’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 Bilotti be, and hereby is, barred from association with any broker, dealer, or investment adviser, with the right to reapply for association after 3 years to the appropriate self-regulatory organization, or if there is none, to the Commission;

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