



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

December 15, 2006

William R. Baker, III, Esq.
Latham & Watkins LLP
555 Eleventh Street, N.W., Suite 1000
Washington, D.C. 20004-1304

**Re: In the Matter of Bear, Stearns & Co., Inc., Administrative Proceeding File No. 3-12484—
Waiver Request under Regulation A and Rule 505 of Regulation D**

Dear Mr. Baker:

This is in response to your letter dated December 15, 2006, written on behalf of Bear, Stearns, & Co., Inc. ("Bear Stearns") and constituting an application for relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D under the Securities Act of 1933 ("Securities Act"). You requested relief from disqualifications from exemptions available under Regulation A and Rule 505 of Regulation D that may have arisen by virtue of the order entered November 21, 2006 by the Securities and Exchange Commission, pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") in In the Matter of Bear, Stearns & Co. Inc., Release No. 54806 (the "Order"). The Order was also issued pursuant to Section 8A of the Exchange Act. It censured Bear Stearns, ordered Bear Stearns to cease and desist from committing or causing any violations and any future violations of Section 5(b) of the Securities Act, and ordered Bear Stearns to comply with certain undertakings.

For purposes of this letter, we have assumed as facts the representations set forth in your letter and the findings supporting entry of the Order. We also have assumed that Bear Stearns will comply with the Order.

On the basis of your letter, I have determined that you have made showings of good cause under Rule 262 and Rule 505(b)(2)(iii)(C) that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Rule 505 of Regulation D by reason of entry of the Order. Accordingly, pursuant to delegated authority, and without necessarily agreeing that such disqualifications arose by virtue of entry of the Order, Bear Stearns is granted relief from any disqualifications from exemptions otherwise available under Regulation A and Rule 505 of Regulation D that may have arisen as a result of entry of the Order.

Very truly yours,

Gerald J. Laporte
Chief, Office of Small Business Policy

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LATHAM & WATKINS LLP

December 15, 2006

BY MESSENGER

Gerald J. Laporte, Esq.,
Chief, Office of Small Business Policy,
Division of Corporation Finance,
Securities and Exchange Commission,
100 F Street, N.E.,
Washington, D.C. 20549

Re: *In the Matter of Certain Bear Stearns Managed Public Offerings* (HO-9829)
In the Matter of Bear Stearns & Co., Inc., Release No. 33-8756
(November 21, 2006)

Dear Mr. Laporte:

We are writing on behalf of our client, Bear, Stearns & Co., Inc. ("Bear Stearns" or "firm"), in connection with the firm's settlement of the above-captioned investigation by the Securities and Exchange Commission (the "Commission"). The settlement resulted in the issuance of an Order by the Commission captioned *In the Matter of Bear Stearns & Co., Inc.*, Release No. 33-8756 (November 21, 2006), that is described below (the "Order").

Bear Stearns hereby requests, pursuant to Rule 262 of Regulation A and Rule 505 of Regulation D under the Securities Act of 1933 (the "Securities Act"), that the Commission grant a waiver of any disqualification from the exemptions provided by Regulation A and Rule 505 that may otherwise apply to Bear Stearns, any of its affiliates or any issuer, offering participant or other persons as a result of the Order entered by the Commission in the above-captioned Order. We understand that only the Commission or an individual Commission employee to whom appropriate authority has been delegated in accordance with 17 C.F.R. § 200.30-1 may grant this waiver request. It is our understanding that the Division of Enforcement does not object to the grant of the requested waiver.

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BACKGROUND

In connection with the above-captioned investigation, Bear Stearns submitted an Offer of Settlement that the Commission accepted and which resulted in the Order. The Order was entered pursuant to Section 8A of the Securities Act and Section 15(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). Pursuant to its Offer, Bear Stearns consented to the entry of the Order without admitting or denying the matters set forth therein (other than those relating to the jurisdiction of the Commission and the subject matter of the proceeding).

The Order makes findings, (without admission or denial by Bear Stearns) that Bear Stearns willfully violated Section 5 of the Securities Act and failed to reasonably supervise certain employees, as required by Section 15(b)(4)(E) of the Exchange Act. Based on these findings, the Order requires that Bear Stearns cease and desist from committing or causing any current or future violations of Section 5 of the Securities Act and censures the firm.

DISCUSSION

Regulation A and Rule 505 of Regulation D provide exemptions from registration under the Securities Act for certain offerings of limited size. Rule 262 of Regulation A and Rule 505 provide for disqualification from these exemptions if "any underwriter of the securities to be offered . . . [i]s subject to an order of the Commission entered pursuant to Section 15(b)" of the Exchange Act. *See* 17 C.F.R. §§262(b)(3) and 505(b)(2)(iii). These Rules, however, also provide that these disqualifications shall not apply if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the exemptions be denied. *See* 17 C.F.R. §§262 and 505(b)(2)(iii)(C).

Bear Stearns understands that the Order could disqualify it from participating in offerings in reliance upon the exemptions from registration under the Securities Act provided by Regulation A and Rule 505, insofar as the Bear Stearns would thereby be subject to an order of the Commission entered pursuant to Section 15(b) of the Exchange Act. Pursuant to these Rules, the disqualifications could also apply to any issuer, underwriter or other person participating in such an offering with the Bear Stearns. As noted above, however, the Commission has the authority to waive the Regulation A and Rule 505 exemption disqualifications.

Bear Stearns requests that the Commission waive any disqualifying effects that the Order may have under Regulation A and Rule 505 of Regulation D with respect to Bear Stearns, its affiliates or any other persons, whether acting as issuer, underwriter or otherwise, for the following reasons:

1. The disqualification of Bear Stearns from the exemptions under Regulation A and Rule 505 would be unduly and disproportionately severe given the nature of the violations found in the Order. The conduct addressed in the Order does not pertain to securities offerings under Regulation A or Rule 505, but was confined to certain practices in 2002 and 2003 related to improper written communications during registered offerings in violation of Section 5(b). Moreover, as the Order finds, Bear Stearns has engaged in remedial efforts designed to prevent future violations.

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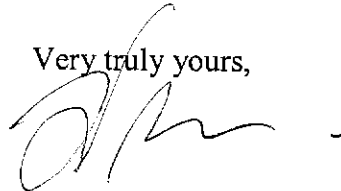
2. In the future, issuers may wish to retain Bear Stearns to participate in an offering of securities conducted in reliance on the exemption provided by Regulation A or Rule 505. Consequently, the disqualification of Bear Stearns could adversely affect its business operations with regard to securities distribution and could adversely affect third parties that may wish, but because of the disqualification would be unable, to retain Bear Stearns or participate with it in connection with an offering conducted pursuant to these exemptions.

3. Finally, the disqualification of Bear Stearns would be unduly and disproportionately severe because the firm is required under the Order to cease and desist from committing or causing any current or future violations of Section 5 of the Securities Act and is censured under the order. The disqualification would result in an additional sanction beyond what the Order requires.

In light of the grounds for relief described above, we believe that disqualification is not necessary, as either in the public interest or for the protection of investors, and that Bear Stearns has shown good cause that relief should be granted. Accordingly, we respectfully request that the Commission waive the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent that they may otherwise apply to the Bear Stearns, any of its affiliates or any issuer, offering participant or other persons as a result of the entry of the Order.¹

If you have any questions regarding this request, please contact the undersigned at (202) 637-1007.

Very truly yours,



William R. Baker III
of LATHAM & WATKINS LLP

cc: Yuri B. Zelinsky
(Division of Enforcement)

¹ We note that the Commission has granted relief under Regulation A and Rule 505 of Regulation D for similar reasons in other instances. *See, e.g., Goldman, Sachs & Co.*, SEC No-Action Letter (pub. avail. Oct. 31, 2003); *Merrill Lynch & Co., Inc.*, SEC No-Action Letter (pub. avail. March 17, 2003); *Credit Suisse First Boston Corp.*, S.E.C. No-Action Letter (pub. avail. Jan. 29, 2002); *Dain Rauscher, Inc.*, S.E.C. No-Action Letter (pub. avail. Sept. 27, 2001); and *Legg Mason Wood Walker, Inc.*, S.E.C. No-Action Letter (pub. avail. June 11, 2001).

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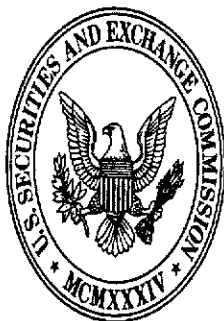
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