

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 60118 / June 16, 2009**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 2892 / June 16, 2009**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13520**

**In the Matter of**

**BERNARD L. MADOFF,**

**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 Bernard L. Madoff (“Madoff” 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 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. Madoff, 70, a resident of New York, NY and a former chairman of the board of directors of the NASDAQ stock market, is the sole owner of Bernard L. Madoff Investment Securities LLC (“BMIS”). BMIS, founded in 1960, is a broker-dealer and investment adviser registered with the Commission that purportedly engages in three different operations: investment adviser services, market-making services, and proprietary trading. Madoff oversees and controls the investment adviser services at BMIS as well as the overall finances of BMIS.

2. On February 9, 2009, a Partial Judgment on Consent Imposing Permanent Injunction and Continuing Other Relief was entered by consent against Madoff, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Bernard L. Madoff and Bernard L. Madoff Investment Securities LLC, Civil Action Number 08-10791 (LLS), in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleged the following facts: Madoff and BMIS conducted a \$50 billion fraudulent scheme through the firm’s investment advisory business. In or around early December 2008, Madoff had told senior employees at BMIS that there had been approximately \$7 billion in advisory client redemption requests and he was struggling to obtain the liquidity necessary to meet those obligations. When the employees pressed Madoff for more information, Madoff said that his advisory business was a fraud, “just one big lie [and] basically, a giant Ponzi scheme” that had been paying returns to certain investors out of principal received from other investors. Madoff said that he intended to surrender to authorities after he paid out remaining money to selected employees, friends and family members.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Madoff'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 Madoff be, and hereby is barred from association with any broker, dealer, or investment adviser.

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.

Elizabeth M. Murphy  
Secretary