

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8821 / July 6, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12484

In the Matter of

BEAR, STEARNS & CO.
INC.,

Respondent.

ORDER UNDER RULE 602(e) OF THE
SECURITIES ACT OF 1933
GRANTING A WAIVER OF THE
DISQUALIFICATION PROVISION OF
RULE 602(c)(3)

Bear, Stearns & Co. Inc. (“Bear Stearns”) has submitted a letter, dated December 15, 2006, requesting a waiver of the Rule 602(c)(3) disqualification provision of Regulation E under the Securities Act of 1933 (“Securities Act”), arising from the entry of an Order against it by the Commission pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”).

On November 21, 2006, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934 (the “Order”) against Bear Stearns. The Commission's Order found that Bear Stearns violated Section 5(b) of the Securities Act in 2002 and 2003, when five of its salespersons sent customers certain electronic communications that contained sales materials concerning securities offerings during the period after a registration statement had been filed, but before the Commission had declared the registration statement effective. The Order also found that Bear Stearns failed reasonably to supervise its employees with a view to preventing and detecting those violations.

The Commission ordered Bear Stearns to cease and desist from committing or causing any violations or future violations of Section 5, censured Bear Stearns, and directed Bear Stearns to comply with the undertakings set forth in the Order. Bear Stearns had executed an Offer of Settlement in which it consented to the entry of the Commission's Order without admitting or denying the findings therein.

Rule 602(c)(3) makes the Regulation E exemption from registration under the Securities Act unavailable to an issuer if, among other things, any investment adviser to

or principal securityholder of such issuer, or underwriter for the securities to be offered, is subject to an order of the Commission entered pursuant to Section 15(b) of the Exchange Act. Rule 602(e) provides, however, that the disqualification "shall not apply . . . if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the exemption be denied."

Based on the representations set forth in Bear Stearns' December 15, 2006 request, the Commission has determined that, pursuant to Rule 602(e), a showing of good cause has been made and that it is not necessary under the circumstances that the exemption be denied as a result of the Commission's Order.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver of the disqualification provision of Rule 602(c)(3) under the Securities Act resulting from the entry of the Order is hereby granted.

By the Commission.

Nancy M. Morris
Secretary