

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 2824 / December 29, 2008**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13319**

**In the Matter of**

**WILLIAM J. DEL BIAGGIO III,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against William J. Del Biaggio III (“Respondent” or “Del Biaggio”).

**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 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. Del Biaggio is the managing member and majority owner of Sand Hill Capital Partners III, LLC; BDB Management, LLC; and BDB Management III, LLC. Neither Del Biaggio nor his entities have ever registered with the Commission as investment advisers, but, through these entities, Del Biaggio has provided investment advice to clients for compensation from at least 2003 to the present. Del Biaggio, 41 years old, is a resident of San Jose, California.

2. On December 12, 2008, a final judgment was entered by consent against Del Biaggio, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 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. William J. Del Biaggio III, Civil Action Number CV-08-5450 CRB, in the United States District Court for the Northern District of California.

3. The Commission's complaint alleges that, in connection with the sale of unsecured promissory notes and other investments, Del Biaggio made false and misleading statements to, or omitted material information from, his advisory clients and other investors. Among other things, the complaint alleges that Del Biaggio told his clients and other investors that their funds would be invested in various business ventures when, in fact, Del Biaggio misappropriated their money for personal use; omitted to tell his advisory clients and other investors material information that he intended to use their money for personal expenses; and otherwise engaged in a variety of conduct which operated as a fraud and deceit on his advisory clients and other investors.

#### IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Del Biaggio be, and hereby is barred from association with any 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.

Florence E. Harmon  
Acting Secretary