

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2908 / July 24, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13563

In the Matter of

BRADLEY L. RUDERMAN

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 Bradley L. Ruderman (“Ruderman” 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 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. Between 2003 and 2009, Ruderman was associated with Ruderman Capital Management ("RCM"), an unregistered investment adviser. Ruderman, 46 years old, is a resident of Beverly Hills, California.

2. On May 7, 2009, a judgment was entered by consent against Ruderman, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder in the civil action entitled Securities and Exchange Commission v. Ruderman, et al., Civil Action No. CV 09-02974 VBF (JCx) (C.D. Cal. May 7, 2009), in the United States District Court for the Central District of California.

3. The Commission's complaint alleged that Ruderman raised at least \$38 million from investors through his two hedge funds. Ruderman defrauded his hedge fund investors by misrepresenting to them the hedge funds' investment returns and the assets under management. Ruderman falsely told investors that hedge funds that he controlled had earned positive returns between 15% and 60% per year and had over \$800 million in assets. In reality, the hedge funds lost money and had less than \$650,000 in assets. The complaint further alleges that in 2009, Ruderman made at least one Ponzi-like payment, using new investor money to pay returns to an earlier investor, and that Ruderman falsely told prospective investors that Lowell Milken (chairman of the Milken Family Foundation) and Larry Ellison (the CEO of Oracle Corporation) were investors in his hedge funds.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Ruderman 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.

Elizabeth M. Murphy
Secretary