

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 69973 / July 11, 2013**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3627 / July 11, 2013**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3- 15376**

**In the Matter of**

**ENRICA COTELLESSA-PITZ,**

**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 Enrica Cotellessa-Pitz (“Cotellessa-Pitz” 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, 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. Cotellessa-Pitz, age 54, a resident of New York, New York, had been an employee of Bernard L. Madoff Investment Securities LLC (“BMIS”) since 1978. BMIS, founded in 1960, was a broker-dealer and investment adviser registered with the Commission that purportedly engaged in three different operations: investment adviser services, market-making services, and proprietary trading.

2. On January 12, 2012, a Partial Judgment on Consent Imposing Permanent Injunction was entered by consent against Cotellessa-Pitz, permanently enjoining her from future violations of Section 17(a) of the Securities Exchange Act of 1934 and Rules 17a-3, 17a-4, and 17a-5 thereunder, and Section 204 of the Investment Advisers Act of 1940 and Rule 204-2 thereunder, in the civil action entitled Securities and Exchange Commission v. Enrica Cotellessa-Pitz, Civil Action Number 11 CV 9302 (LTS), in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleged that Cotellessa-Pitz, who worked at BMIS for more than 30 years, assisted in falsifying BMIS’s internal accounting records in order to misclassify hundreds of millions of dollars of income purportedly generated by BMIS’s investment advisory operations. Cotellessa-Pitz also falsified financial statements filed with the SEC and other regulators as well as materials that were prepared to mislead SEC staff examiners, federal and state tax auditors, and other external reviewers.

4. On December 19, 2011, Cotellessa-Pitz pled guilty before the United States District Court for the Southern District of New York, to falsifying the records of a broker-dealer, to falsifying the records of an investment adviser, to causing the filing of false documents with the Commission, and conspiring to falsify the records of a broker-dealer, to falsify records of an investment adviser, and causing the filing of false documents with the Commission, in violation of 15 U.S.C. §§ 78q(a), 78ff, 80b-4 and 80b-17, 17 C.F.R. §§ 240.17a-3, 240.17a-5, and 240.204-2, and 18 U.S.C. § 2. United States v. Cotellessa-Pitz, Crim. Information No. 1:10-cr-228-LTS.

5. The counts of the criminal information to which Cotellessa-Pitz pleaded guilty alleged, inter alia, that she created false and misleading entries in the books and records of

BMIS and in reports filed with the SEC. The false and misleading entries were used to disguise transfers of funds from BMIS's Investment Advisory business to BMIS's Market Making and Proprietary Trading operations. The transfers made the Market Making and Proprietary Trading operations of BMIS appear profitable when they were not.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Cotellessa-Pitz'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 Cotellessa-Pitz be, and hereby is,

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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