

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3856 / June 12, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15928

In the Matter of

Siming Yang,

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND NOTICE OF HEARING**

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 Siming Yang (“Respondent” or “Yang”).

II.

After an investigation, the Division of Enforcement alleges that:

1. Yang, age 37, is a citizen of the People’s Republic of China. From January 2008 through at least April 2012, Yang maintained a residence in New York, New York. From 2008 until March 30, 2012, Yang was employed as a research analyst with a New York-based registered broker/dealer and investment adviser, BAMCO, Inc. (“BAMCO”).

2. On May 27, 2014, a final judgment was entered against Yang, permanently enjoining him from future violations of Sections 10(b) and 13(d) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 10b-5, 13d-1 and 13d-2 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v.

Siming Yang, Prestige Trade Investments Limited, Caiyin Fan, Shui Chong (Eric) Chang, Civil Action Number 12-cv-2473, in the United States District Court for the Northern District of Illinois.

3. The Commission's complaint alleged that, among other things, Yang engaged in a fraudulent front-running scheme, whereby he sought to personally profit by purchasing Zhongpin Inc. ("Zhongpin") securities in his joint personal account when he knew that he would soon complete massive, market moving purchases of Zhongpin stock on behalf of his own start-up investment firm, Prestige Trade Investments Limited ("Prestige"). The complaint alleged that while still employed with BAMCO, Yang secretly created Prestige and acted as the firm's investment adviser. Yang was responsible for creating Prestige's investment strategy and directed all trades on Prestige's behalf. Between March 15 and March 21, 2012, Yang used \$29.8 million of Prestige's funds to purchase over 3 million shares of Zhongpin stock. On March 14, prior to Prestige's purchases, Yang purchased 50,000 shares of Zhongpin stock and 1,978 Zhongpin call options in his personal brokerage account.

The Complaint also alleged that on April 2, 2012, Yang caused Prestige to file a Schedule 13D and later an amended Schedule 13D disclosing Prestige's acquisition of Zhongpin stock. Yang failed to disclose in either Schedule 13D his purchases of Zhongpin securities in his personal account. The complaint alleged that Yang knew or recklessly disregarded that the Schedules 13D contained material misrepresentations and omissions regarding Yang's personal transactions in Zhongpin securities.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Jill M. Peterson
Assistant Secretary