

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4915 / May 24, 2018**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18505**

**In the Matter of**

**PERRY A. GRUSS,**

**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 Perry A. Gruss (“Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (“Offer”) that the Commission has determined to accept. Respondent admits the facts set forth in paragraph III(1) below, admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and 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.**

1. By order dated March 28, 2017, the United States District Court, in the civil action captioned Securities and Exchange Commission v. Gruss, Civil Action Number 11 Civ. 2420 (S.D.N.Y.) granted, in part, the Commission’s Motion for Summary Judgment and held that Gruss aided and abetted violations of Section 206(2) of the Advisers Act. Respondent acknowledges that the Court found that his conduct aided and abetted violations of Section 206(2) of the Advisers Act

and Respondent has been permanently enjoined from future violations of Section 206(2) of the Advisers Act by Order dated May 4, 2018.

2. The Commission's Complaint alleged that D.B. Zwirn & Co., L.P., a now defunct investment adviser, improperly transferred monies between client funds in order to allow one of the client funds to fund its investments and also to repay its revolving credit facility. The Complaint alleged that Respondent, the Chief Financial Officer of the investment adviser, aided and abetted these improper transfers between the client 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 Gruss' Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Gruss be, and hereby is barred from association with any investment adviser with the right to apply for reentry after three (3) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

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.

Brent J. Fields  
Secretary