

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933

Release No. 8671 / March 16, 2006

SECURITIES EXCHANGE ACT OF 1934

Release No. 53506 / March 16, 2006

ADMINISTRATIVE PROCEEDING

File No. 3-12238

In the Matter of

BEAR, STEARNS & CO., INC. and
BEAR, STEARNS SECURITIES CORP.,

Respondents.

ORDER UNDER SECTION 27A(b) OF
THE SECURITIES ACT OF 1933,
AND SECTION 21E(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
GRANTING WAIVERS OF THE
DISQUALIFICATION PROVISIONS OF
SECTION 27A(b)(1)(A)(ii) OF THE
SECURITIES ACT OF 1933 AND
SECTION 21E(b)(1)(A)(ii) OF THE
SECURITIES EXCHANGE ACT OF 1934

Bear, Stearns & Co., Inc. (“BS&Co.”) and Bear, Stearns Securities Corp. (“BSSC”) (together, “Respondents”) submitted a letter on behalf of Respondents and their affiliates, dated February 7, 2006 requesting a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 (“Securities Act”) and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 (“Exchange Act”) arising from the settlement of a cease-and-desist and administrative proceeding commenced by the Commission. On March 16, 2006, pursuant to the Respondents’ Offer of Settlement, the Commission instituted an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b) and 21C of the Securities Exchange Act of 1934, and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (“OIP”) against Respondents.

The OIP censures Respondents and finds that (1) BS&Co. willfully violated Section 17(a) of the Securities Act, Sections 10(b), 15(c) and 17(a) of the Exchange Act, and Rules 10b-5, 15c1-2, and 17a-3(a)(6) thereunder, and willfully aided and abetted and caused violations of

Section 17(a) of the Securities Act, Sections 10(b), 15(c) and 17(a) of the Exchange Act and Rules 10b-5, 15c1-2, and 17a-3(a)(6) thereunder, and Rule 22c-1(a) as adopted under Section 22(c) of the Investment Company Act of 1940 (“Investment Company Act”); (2) BSSC willfully violated Section 17(a) of the Securities Act, and Sections 15(c) and 17(a) of the Exchange Act and Rules 15c1-2 and 17a-3(a)(6) thereunder, and Rule 22c-1(a) as adopted under Section 22(c) of the Investment Company Act, and willfully aided and abetted and caused violations of Section 17(a) of the Securities Act, Sections 15(c) and 17(a) of the Exchange Act and Rules 15c1-2 and 17a-3(a)(6) thereunder; (3) requires Respondents to cease and desist from committing or causing violations and future violations of the preceding provisions; (4) requires Respondents to pay, jointly and severally, \$160 million in disgorgement and a \$90 million civil penalty; and (5) requires Respondents to comply with certain undertakings.

The safe harbor provisions of Section 27A(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward-looking statement that is “made with respect to the business or operations of the issuer, if the issuer . . . during the 3-year period preceding the date on which the statement was first made . . . has been made the subject of a judicial or administrative decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the securities laws; (II) requires that the issuer cease and desist from violating the antifraud provisions of the securities laws; or (III) determines that the issuer violated the antifraud provisions of the securities laws[.]” Section 27A(b)(1)(A)(ii) of the Securities Act; Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications may be waived “to the extent otherwise specifically provided by rule, regulation, or order of the Commission.” Section 27A(b) of the Securities Act; Section 21E(b) of the Exchange Act.

Based on the representations set forth in Respondents’ February 7, 2006 request letter, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the entry of the OIP is appropriate and should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act, that a waiver from the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act as to Respondents and their affiliates resulting from the entry of the OIP is hereby granted.

By the Commission.

Nancy M. Morris
Secretary