UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9182 / February 7, 2011

INVESTMENT ADVISERS ACT OF 1940
Release No. 3154 / February 7, 2011

INVESTMENT COMPANY ACT OF 1940
Release No. 29575 / February 7, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14233

	:	**ORDER INSTITUTING**
In the Matter of	:	**ADMINISTRATIVE AND CEASE-AND-**
	:	**DESIST PROCEEDINGS PURSUANT TO**
Alpine Woods Capital Investors,	:	**SECTION 8A OF THE SECURITIES**
LLC and Samuel A. Lieber,	:	**ACT OF 1933, SECTIONS 203(e), (f) AND (k)**
	:	**OF THE INVESTMENT ADVISERS**
Respondents.	:	**ACT OF 1940, AND SECTIONS 9(b) AND (f)**
	:	**OF THE INVESTMENT COMPANY ACT OF**
	:	**OF 1940, MAKING FINDINGS AND IMPOSING**
	:	**REMEDIAL SANCTIONS AND A**
	:	**CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Sections 203(e) and (k) of the Investment Advisers Act of 1940 ("Advisers Act") and Sections 9(b) and (f) of the Investment Company Act ("Investment Company Act") against Alpine Woods Capital Investors, LLC and Sections 203(f) and (k) of the Advisers Act and Section 9(b) of the Investment Company Act against Samuel A. Lieber.

II.

In anticipation of the institution of these proceedings, Respondents have each submitted an Offer of Settlement (together, "Offers") 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 Respondents and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Sections 203(e), (f) and (k) of the Investment Advisers Act of 1940, and Sections 9(b) and (f) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds[1] that:

RESPONDENTS

1. **Alpine Woods Capital Investors, LLC** ("**Alpine**"), located in Purchase, New York, has been registered with the Commission since December 16, 1997 as an investment adviser. It is one of two operating entities of a privately-owned investment management firm, Alpine Woods, L.P., d/b/a Alpine Woods Investments, a partnership owned 51% by Samuel A. Lieber and 49% by his father, Stephen A. Lieber. Alpine provides discretionary and non-discretionary investment advisory and management services to registered investment companies and other advisory clients pursuant to investment advisory agreements. Alpine's discretionary accounts currently include 13 open-end mutual funds and 3 closed-end investment companies. Alpine charges its funds an annual management fee, charged monthly in arrears, of 1% of the average daily net assets.

2. **Samuel A. Lieber**, age 54, is and was during the Relevant Period (as defined below) the Chief Executive Officer of Alpine. Samuel Lieber is the majority owner of Alpine Woods, L.P., d/b/a Alpine Woods Investments, which is the sole member of Alpine. Samuel Lieber is and was during the Relevant Period the portfolio manager or co-portfolio manager for several funds, including the Alpine Dynamic Innovators Fund.

RELATED ENTITIES

3. **Alpine Series Trust** ("**Trust**") is a Delaware statutory trust organized on June 5, 2001. The Trust is a registered open-end management investment company, organized as a series company, and includes, among others, the Alpine Dynamic Financial Services Fund and the Alpine Dynamic Innovators Fund, each a series of the Trust. Each fund is functionally a registered investment company. The Trust is governed by a Board of Trustees, which supervises the management of each series within the Trust. Alpine provides investment advisory services pursuant to investment advisory agreements entered into with the Trust.

4. **Alpine Dynamic Innovators Fund** ("**Innovators Fund**"), a series of the Trust, began investment operations on July 11, 2006. Its stated investment objective is capital

[1] The findings herein are made pursuant to Respondents' Offers and not binding on any other person or entity in this or any other proceeding.

appreciation with a focus on domestic and foreign equities offering significant growth potential. The Innovators Fund's total assets grew from approximately $1 million at inception to approximately $5 million as of October 31, 2006, and to approximately $60.1 million as of January 31, 2008.

5. **Alpine Dynamic Financial Services Fund** ("**Financial Services Fund**"), a series of the Trust, began investment operations on November 1, 2005, having been spun-off from one of the firm's hedge funds focused on the financial services industry (Alpine Woods Growth Values Financial Equities, L.P.). Its stated investment objective is long term capital growth and consistent above average returns with a focus on domestic and foreign equities in the financial services industry. The Financial Services Fund's total assets grew from approximately $545,000 at inception to approximately $7.4 million as of October 31, 2006, and to approximately $11.1 million as of January 31, 2008.

SUMMARY

6. Between 2003 and 2007, Alpine launched a number of new funds and experienced significant growth in assets under management. As a result of the growth in Alpine's commission-generating business, Alpine had greater opportunity to obtain shares in initial public offerings ("IPOs"). Alpine was the investment adviser for multiple funds and could determine to which funds IPO shares should be allocated. Alpine's compliance policies and procedures mandated that IPO allocations among clients be made "fairly and equitably" according to a "specific and consistent basis… ." Similar disclosures contained within Alpine's Form ADV during 2006 and 2007 advised investors that trade allocations would be made according to the "risk tolerance and account objective guidelines of its clients" and in a manner that was "fair and equitable, consistent with the requirements of the Investment Advisers Act of 1940 and the Investment Company Act of 1940." In practice, Alpine's portfolio managers were expected to make themselves aware of upcoming IPOs, decide whether or not to participate and communicate initial indications of interest to Alpine's traders. Those initial indications of interest were not well documented; documentation that did exist was generally not retained. Although the allocation of IPO shares was typically made *pro rata* according to the initial indications of interest, in at least two instances Alpine's CEO, Samuel Lieber, made a decision to allocate IPO shares in a way that was not consistent with *pro rata* allocation.

7. As a result of the IPO allocation practices at Alpine, during the period February 1, 2006 through January 31, 2008 (the "Relevant Period"), Alpine's two smallest, most recently-opened funds, the Financial Services and Innovators funds (together, the "Relevant Funds"), participated in a disproportionate number of IPOs compared to Alpine's other existing funds (going strictly by size and assuming the other funds had expressed interest in participating in the IPOs). After receiving IPO shares, the Relevant Funds, in most instances, sold some or all of the shares within 3 days after their initial purchase. IPO trading by the Relevant Funds materially contributed to the positive performance of the Relevant Funds during Alpine's fiscal year ending October 31, 2007 ("FY 2007"). Alpine nonetheless failed to disclose to the Board of Trustees for the Alpine Series Trust or to fund investors the extent to which the Relevant Funds invested in IPOs and the material impact IPO trading had on the performance of the Relevant Funds. In addition, Alpine failed to implement written policies and procedures reasonably designed to

prevent violations of the Advisers Act, including policies regarding the allocation of IPO shares. Finally, Alpine committed, and caused the Trust to commit, books and records violations by failing to make and keep true and accurate order memoranda in connection with the purchase of IPOs.

BACKGROUND

A. Alpine's Trading in IPOs

8. The price of IPO shares often increases from the offering price in the period immediately following its initial trading. If demand for an IPO is particularly strong, it is expected that trading in the aftermarket will occur at a significant premium. Therefore IPOs in general, and IPOs for which there is strong demand in particular, typically represent valuable investment opportunities because they tend to increase in price in the immediate aftermarket.

9. In 2003, Alpine had approximately $807 million in assets under management. By October 2006, the assets under the management of Alpine had grown to approximately $3 billion and, by January 2008, Alpine managed approximately $11.1 billion in assets. This growth gave Alpine greater access to IPO opportunities.

10. During the Relevant Period, Alpine's two smallest mutual funds in terms of asset size, the Financial Services and the Innovators Funds, participated in a disproportionate number of IPOs relative to Alpine's other funds. Alpine's trading records show that Alpine received approximately 219 overall IPO allocations during that period. Alpine then allocated those IPOs among the firm's various funds, resulting in 399 total IPO allocations, approximately 135 of which were allocated to the Financial Services Fund and approximately 69 of which were allocated to the Innovators Fund. After receiving IPO shares, the Relevant Funds, in most instances, sold some or all of the shares within 3 days after their initial purchase.

11. The Relevant Funds were significantly smaller than Alpine's other existing funds. By January 2008, the Financial Services Fund had approximately $11.1 million under management and the Innovators Fund had approximately $60.1 million. At that time, however, Alpine was managing approximately $11.1 billion in total assets. The Alpine Dynamic Dividend Fund, for instance, another of Alpine's open-end funds, had approximately $1.3 billion of assets under management during this time and was eligible to invest in IPOs but invested in far fewer IPOs than the Relevant Funds. However, most of the IPOs Alpine received during the Relevant Period were invested in by, and allocated to, in whole or in part, one or both of the Relevant Funds where the impact of IPOs on performance was maximized.

12. During Alpine's FY 2007, trading in IPOs had a material impact on the performance of the Relevant Funds. During this period, the Financial Services Fund produced a 21.6% return with IPO trading; without IPO trading, its return would have been -14.7%. During this period, the Innovators Fund produced a 39.5% return with the IPO trading; without IPO trading, its return would have been 25.3%.[2]

[2] The methodology used by the Commission for calculating the "without IPO trading" performance results for the Relevant Funds is a first-day profitability analysis. A first-day profitability analysis essentially focuses on

B. Failure to Disclose that IPO Trading Materially Contributed to the Performance of the Relevant Funds

13. Alpine presented the returns of the Relevant Funds to investors and prospective investors without disclosing the impact of these IPOs on the performance of the Funds during Alpine's FY 2007. Mutual funds are required in their annual shareholder reports to "[d]iscuss the factors that materially affected the Fund's performance during the most recently completed fiscal year, including the relevant market conditions and the investment strategies and techniques used by the Fund's investment adviser."[3] Disclosure of the material, positive impact of the IPO trading on the performance of the Relevant Funds would have been material to an investor's overall decision whether to invest in or redeem from either of the Relevant Funds.

14. Although the disclosure documents for the Financial Services and Innovators Funds for this period, including their annual report, prospectuses and Statements of Additional Information ("SAIs"), discussed certain strategies that contributed to the Relevant Funds' performance, those documents contained no disclosure regarding the fact of IPO trading or the significant contribution that IPO trading made to the Relevant Funds' performance.

15. The disclosure documents also contained discussion of the risks associated with each of the Financial Services and Innovators Funds. None of these documents, however, contained any disclosure regarding the risks of the short-term IPO trading, including the risks that the returns might not be sustained because the continued availability of IPOs was uncertain and the impact of short-term trading of IPOs on the Relevant Funds' performance could lessen if the Relevant Funds experienced significant growth in assets under management.

16. Specifically, the discussion of each of the Relevant Funds contained within the annual report for the Alpine Series Trust for FY 2007 identified the strategies of "actively investing in a full range of sub-sectors within the Financial Services industry" and "finding companies which may participate in the industry consolidation" as factors that contributed to the 21.64% total return of the Financial Services Fund. The 2007 annual report identified "substantial short-term capital gains" and "corporate acquisitions" as contributing to the 39.47% total return of the Innovators Fund. Although the 2007 annual report contained discussion about the risks of each fund, such as liquidity and volatility concerns as a result of investing in smaller companies and foreign securities, it did not disclose the significant effect that the IPO trading had on the performance of the Relevant Funds, including the risks that the returns might not be sustained because the continued availability of IPOs was uncertain and that the impact of short-

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the benefit of receiving a substantially discounted purchase price – the allocation price – by substituting for it the price of each security at the closing price on the day that trading began. This method calculates the benefit to the Relevant Funds of any first-day increase in price, whether or not the Relevant Funds actually sold the shares that day. Respondents calculated "without IPO trading" performance results for the Relevant Funds by removing IPO trades completely, based on the notion that Alpine purchased IPO shares before trading began and the Relevant Funds did not in every instance sell all of the shares each received on the first day that trading began. Respondents' analysis resulted in a smaller disparity between the reported performance numbers and what the performance would have been "without IPO trading."

3 *See* Form N-1A, Item 27(b)(7)(ii).

term trading of IPOs on the Relevant Funds' performance could lessen if the Relevant Funds experienced significant growth in assets under management.

17. With respect to performance, the February 28, 2008 prospectus for the Relevant Funds showed positive total returns for 2007, best and worst returns by quarter and average total returns for benchmarks. It did not contain disclosures concerning the effect of IPO trading on the performance of each of the Relevant Funds. In addition, the 2008 SAI for the Relevant Funds included a lengthy discussion of the types of securities in which each of the Relevant Funds invested, including equities, convertible securities, warrants, foreign securities, illiquid securities, sovereign debt obligations and mortgage and asset backed securities. These documents, however, did not disclose that Alpine engaged in short-term trading in IPOs for the Relevant Funds in FY 2007.

18. Alpine also failed to disclose to the Board of Trustees for the Series Trust ("Board of the Series Trust") the extent to which the Relevant Funds were investing in IPOs and the material impact IPO trading had on the performance of the Relevant Funds in FY 2007.

C. Alpine Failed to Implement Written Policies and Procedures Reasonably Designed to Prevent Violations of the Advisers Act and Rules Thereunder

19. Alpine had policies related to both the disclosure of performance information, including within advertising and marketing materials, and the allocation of IPO shares. Alpine's compliance manual in effect during 2006 and 2007 (dated October 5, 2004 and updated on December 18, 2006) ("Compliance Manual") prohibited any advertising or performance materials from being misleading and required that such materials comply with regulatory guidelines. According to Alpine's Compliance Manual, therefore, in connection with the use of performance results, "[f]ailing to disclose any material conditions, objectives, or investment strategies used to obtain the performance advertised" could be misleading.

20. Alpine's Compliance Manual assigned Samuel Lieber with the specific responsibility of reviewing, approving and documenting his approval of, all advertising or marketing materials containing investment performance information in order to ensure those materials were consistent with Alpine's policy and regulatory requirements. However, the compliance review of advertising and performance disclosures to investors was not adequate and failed to ensure that the "conditions," "objectives" and "strategies" used to obtain the performance advertised were identified and disclosed.

21. Alpine's Compliance Manual also mandated that IPO shares be allocated "fairly and equitably among [Alpine's] advisory clients according to a specific and consistent basis so as not to … favor or disfavor any client, or group of clients, over any other." The Compliance Manual designated Samuel Lieber as having responsibility for ensuring this provision was implemented.

22. In addition, Alpine's Schedule F of Form ADV Part II dated March 15, 2006, pursuant to Item 9D, stated that Alpine "allocates its participation in [IPOs] according to the risk tolerance and account objective guidelines of its clients." Alpine's Schedule F of Form ADV

Part II dated February 25, 2007, pursuant to Item 9D, stated that Alpine would "allocate orders on a basis that Applicant believes to be fair and equitable, consistent with the requirements of the Investment Advisers Act of 1940 and the Investment Company Act of 1940." With respect to IPO allocation specifically, Item 9E of the same Schedule F also stated that Alpine "allocates its participation in initial public offerings of securities (IPOs) according to the risk tolerance and account objective guidelines of its clients. [Alpine] evaluates a potential IPO investment in terms of its industry sector, market geography, income and growth potential, and risk and/or company specific characteristics. Based on these factors, [Alpine] then selects the most appropriate accounts for participation in any underwriting allocation [Alpine] may receive."

23. Alpine did not sufficiently implement these policies regarding the allocation of IPO shares. Samuel Lieber did not take steps to ensure that IPO shares were actually allocated in accordance with Alpine's policies and procedures nor did Samuel Lieber direct anyone at Alpine to conduct a review of the IPO allocation process to ensure that the allocation of IPO shares was consistent with Alpine's policies and procedures. In addition, no review was done of the periodic reports to ensure they adequately disclosed the IPOs' contribution to the performance of each of the Relevant Funds.

24. According to Samuel Lieber's description of Alpine's IPO allocation procedures during the 2006 and 2007 time period, portfolio managers were expected to make themselves aware of IPOs and determine if they wanted to participate in a particular IPO. If they did, they would submit an indication of interest to the head trader. Samuel Lieber himself, however, allocated IPO shares in a manner inconsistent with a *pro rata* allocation based on the portfolio managers' initial indications of interest in at least two instances, favoring the Financial Services Fund both times. One of the factors Samuel Lieber considered in determining to change those two IPO allocations was the asset size of the affected funds – a factor not set forth in Alpine's policies. These allocation changes were made prior to the opening of trading. The portfolio managers of the affected funds were not consulted before the allocations were changed.

25. Underlying the failures described above was the fact that Alpine's compliance program did not have adequate resources to implement necessary policies. Despite the significant increase in assets and funds under Alpine's management between 2003 and 2007, Alpine, through Samuel Lieber, failed to provide adequate resources and staff to support a compliance program which could implement the necessary policies and procedures.

26. During the Relevant Period, Alpine's Chief Compliance Officer (CCO) was expected to fulfill that executive role on a full-time basis along with his three other full-time executive roles as the firm's Chief Operating Officer, Chief Financial Officer and Chief Administrative Officer, with little to no staff helping him perform any of those roles. Thus, the CCO was required to devote his time to numerous other tasks rather than spending his full time ensuring that Alpine had adequate policies and procedures and that those policies and procedures were being followed. The CCO himself had little prior compliance experience or training, a fact which Samuel Lieber acknowledged he knew at the time. The CCO recognized that the compliance program needed additional resources, which the CCO requested. Nevertheless, Alpine did not provide its compliance program with adequate resources in a timely manner.

D. Written Documentation of Brokerage Orders

27. In general, Alpine received a smaller number of IPO shares than it initially sought and conveyed through its indications of interest. According to Alpine, once the total number of IPO shares the firm would receive was conveyed to Alpine, these shares were generally divided between or among funds *pro rata*, based on the indications of interest that the portfolio managers had submitted to the head trader. However, neither Samuel Lieber nor anyone else at Alpine established a procedure to document and retain the records of the initial indications of interest. Instead, Alpine portfolio managers apparently often communicated their indications orally to the head trader. Consequently, Alpine failed to create, keep or maintain, sufficient documentation reflecting the portfolio managers' indications of interest for IPOs. While the head trader stated that he ordinarily documented portfolio managers' indications of interest on a prospectus cover or, from time to time, in the perforated portion of an order ticket, these documents were largely discarded. The indications of interest for IPOs should have been retained as part of the terms and conditions of each IPO order.

28. Alpine's order memoranda for IPO purchases also contained other deficiencies. Most were partially completed and time-stamped only at or around the time a trader received a fill for the order from the broker. Many of the order memoranda also failed to identify the persons who recommended and placed the order.

VIOLATIONS

29. An investment adviser has a fiduciary duty to act in the utmost good faith with respect to its clients, to provide full and fair disclosure of all material facts, and affirmatively employ reasonable care to avoid misleading clients. *SEC v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 194 (1963). A fact is material if there is a "substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the total mix of information available." *Basic v. Levinson*, 485 U.S. 224, 231-32 (1988).

30. Reasonable investors would consider the fact that a significant portion of the performance of each of the Relevant Funds in Alpine's FY 2007 was attributable to IPO shares as significantly altering the total mix of information available, particularly since the vagrant nature of IPO trading calls into doubt the ability of the Relevant Funds to continue to trade in IPOs and experience substantially similar performance. *See Matter of Van Kampen Investment Advisory Corp. and Alan Scahtleben*, I.A. Rel. No. 1819 (Sept. 8, 1999). Thus, Alpine's failure to disclose the strategy of IPO trading and the significant impact that strategy had on the performance of the Relevant Funds in Alpine's FY 2007 rendered Alpine's performance disclosures for the Relevant Funds materially misleading.

31. Alpine, as adviser to the Trust, had a fiduciary duty to provide accurate information to the Board of the Series Trust. Alpine failed to disclose to the Board of the Series Trust the extent to which the Relevant Funds were investing in IPOs and the material impact these strategies had on the Relevant Funds' performance in Alpine's FY 2007.

32. As a result of the conduct described above, Alpine willfully[4] violated Section 17(a)(3) of the Securities Act, Sections 206(2) and (4) of the Advisers Act and Rule 206(4)-8 promulgated thereunder.[5] Section 17(a)(3) prohibits any person, in the offer or sale of securities, from engaging in any transaction, practice or course of business which operates as fraud or deceit upon the purchaser. Section 206(2) prohibits any investment adviser from engaging in any transaction, practice or course of business which operates as fraud or deceit upon any client or prospective client. Section 206(4) of the Advisers Act and Rule 206(4)-8 promulgated thereunder prohibits an investment adviser to a pooled investment vehicle from engaging in any act, practice or course of business which is fraudulent, deceptive or manipulative.

33. As a result of the conduct described above, Alpine willfully violated, and Samuel Lieber willfully aided and abetted and caused Alpine's violations of, Section 206(4) of the Advisers Act with respect to Rule 206(4)-7 promulgated thereunder, which requires that investment advisers adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules that the Commission has adopted under the Act.

34. As a result of the conduct described above, Alpine willfully violated Section 34(b) of the Investment Company Act, by filing, transmitting and/or keeping prospectuses, SAIs and annual reports for the Relevant Funds containing misleading statements of material fact or omissions of fact necessary in order to prevent the statements made in those documents, in light of the circumstances in which they are made, from being materially misleading. *See Matter of Davis Selected Advisers-NY Inc.*, I.A. Rel. No. 2055 (Sept. 4, 2002).

35. As a result of the conduct described above, Alpine caused the Trust to violate Rule 31a-1(b)(5) promulgated under Section 31(a) of the Investment Company Act, requiring a registered investment company to maintain and preserve a record of each brokerage order given by, or in behalf of the investment company for, or in connection with, the purchase or sale of securities, whether executed or unexecuted, which include the name of the broker, the terms and conditions of the order and any modification or cancellation thereof, the time of entry or cancellation, the price at which executed, the time of receipt of report of execution and the name of the person who placed the order on behalf of the investment company.

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[4] With respect to direct violations, a "willful" violation of the securities laws means that the violator merely intended to do the act which constitutes the violation. *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000). There is no requirement that the actor "'also be aware that he is violating one of the Rules or Acts.'" *Id.* (quoting *Gearhart v. Otis, Inc. v. SEC*, 348 F.2d 798, 803 (D.C. Cir. 1965)).

[5] Proof of scienter is not required to establish a violation of Section 17(a)(3) of the Securities Act, *Aaron v. SEC*, 446 U.S. 680, 696-97, 100 S.Ct. 1945, 1956 (1980), or Section 206(2) of the Advisers Act, *SEC v. Capital Gains Research Bureau Inc.*, 375 U.S. 180, 195, 84 S.Ct. 275, 284 (1963). Nor is proof of scienter required to establish a violation of Section 206(4) of the Advisers Act or Rule 206(4)-8 thereunder. *Prohibition of Fraud by Advisers to Certain Pooled Investment Vehicles*, IA Rel. No. 2628, at 12-13 (Sept. 10, 2007) (citing *SEC v. Steadman*, 967 F.2d 636, 647 (D.C. Cir. 1992)).

36. As a result of the conduct described above, Alpine violated Section 204 of the Advisers Act and Rule 204-2(a)(3) promulgated thereunder, requiring registered investment advisers to make and keep true and accurate order memoranda for the purchase and sale of any security on behalf of a client.

37. Before the Commission staff's investigation, Alpine hired a Chief Operations Officer and Chief Financial Officer. During the Commission staff's investigation, Alpine voluntarily replaced its Chief Compliance Officer. Alpine also voluntarily retained an independent compliance consultant ("Compliance Consultant")[6] for the purpose of: (a) reviewing the risks and effectiveness of existing written supervisory and compliance policies and procedures; (b) reviewing the effectiveness of Alpine's books and records; (c) assisting in the preparation of additional written policies and procedures for adoption and implementation by Alpine; and (d) assisting in the preparation of additional written disclosure statements for Alpine's use with actual and prospective clients.

RESPONDENTS' REMEDIAL EFFORTS

38. In determining to accept the Offers, the Commission considered the remedial acts promptly undertaken by the Respondents and cooperation afforded the Commission staff.

UNDERTAKINGS

39. Alpine undertakes:

a. To continue to retain, at Alpine's own expense, the Compliance Consultant described in paragraph 37. Alpine and its employees shall cooperate fully with the Compliance Consultant and shall provide the Compliance Consultant with access to files, books, records, and personnel as reasonably requested for the review;

b. To require the Compliance Consultant, in addition to the itemized scope of engagement described in paragraph 37, above, and in paragraph 37 of the Offer of Settlement of Alpine Woods Capital Investors, LLC, to conduct a review of Alpine's written policies and procedures to ensure that they are reasonably designed to prevent violations of the securities laws, including review of the following: Alpine's existing methodology for calculating and disclosing the impact of IPO trading on the performance of its funds; Alpine's implementation of its IPO allocation policies; Alpine's methodology for determining and disclosing the conditions, objectives and strategies used to obtain advertised fund performance; Alpine's policies and procedures for reporting fund performance to the Board(s) of Trustees; and Alpine's creation and maintenance of required books and records

c. To require the Compliance Consultant to prepare, within 150 days of the entry of this Order, a written Report. The Report shall address the issues and reviews

[6] Prior to this engagement, this consultant had no previous relationship with Alpine or its principals.

described in paragraphs 37 and 39(a) and (b) of this Order, and shall include a description of: the review performed; the conclusions reached; the Compliance Consultant's recommendations for changes in and/or improvements to Alpine's policies, practices and procedures; and the Compliance Consultant's recommendations for a procedure to implement the recommended changes to the policies, practices and procedures, with a copy of such recommendation to be given simultaneously to the staff of the Commission's New York Regional Office (NYRO), the management of Alpine and the boards of directors of Alpine's investment companies;

d. Alpine shall adopt all recommendations with respect to it and to its subsidiaries contained in the Report of the Compliance Consultant; provided, however, that within 30 days after the date of the submission of the Report described in paragraph 39(c), above, Alpine shall in writing advise the Compliance Consultant and the staff of the Commission of any recommendations that it considers to be unnecessary or inappropriate. With respect to any recommendation that Alpine considers unnecessary or inappropriate, Alpine need not adopt that recommendation at that time but shall propose in writing an alternative policy, practice, procedure or system designed to achieve the same objective or purpose;

e. As to any recommendation with respect to Alpine's policies, practices and procedures on which Alpine and the Compliance Consultant do not agree, such parties shall attempt in good faith to reach an agreement within 60 days of the date of the Report. In the event Alpine and the Compliance Consultant are unable to agree on an alternative proposal acceptable to the staff of the Commission, Alpine will abide by the determinations of the Compliance Consultant;

f. To apply to the Commission's staff for any extension of the deadlines set forth above, before their expiration, and upon a showing of good cause by Alpine, the Commission's staff may, in its sole discretion, grant such extensions for whatever time period it deems appropriate;

g. To agree that Alpine:

    1) shall not have authority to terminate the Compliance Consultant without prior approval of the Commission's staff;

    2) shall compensate the Compliance Consultant and persons engaged to assist the consultant for services rendered pursuant to this Order at their reasonable and customary rates;

    3) shall require the Compliance Consultant to enter into an agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the Compliance Consultant shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with Alpine, or any of its present or former

affiliates, directors, officers, employees, or agents acting in such capacity. The agreement will also provide that the Compliance Consultant will require that any firm with which it/he/she is affiliated or of which it/he/she is a member, and any person engaged to assist the Compliance Consultant in performance of his/her duties under this Order shall not, without prior written consent of the NYRO, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Alpine, or any of its present or former affiliates, directors, officers, employees, or agents acting in such capacity as such for the period of the engagement and for a period of two years after the engagement. However, Alpine may apply to the Commission's staff for authorization to continue to retain and compensate at reasonable and customary rates the Compliance Consultant for services in furtherance of the objectives stated in paragraphs 37 and 39(a) and (b) of this Order after the completion of the engagement;

h. To certify, in writing, compliance with the undertaking(s) set forth above. The certification shall identify the undertaking(s), provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Alpine agrees to provide such evidence. The certification and supporting material shall be submitted to Alison T. Conn, Assistant Regional Director, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertakings.

IV.

In view of the foregoing, the Commission deems it appropriate, in the public interest to impose the sanctions agreed to in the Offers of Alpine and Samuel Lieber.

Accordingly, pursuant to Section 8A of the Securities Act, Sections 203(e), (f) and (k) of the Advisers Act and Sections 9(b) and (f) of the Investment Company Act, **IT IS HEREBY ORDERED** that:

A. Alpine cease and desist from committing or causing any violations and any future violations of Section 17(a)(3) of the Securities Act, Sections 204 and 206(2) and (4) of the Advisers Act and Rules 204-2(a)(3), 206(4)-7 and 206(4)-8 thereunder, Section 34(b) of the Investment Company Act and Rule 31a-1(b)(5) promulgated under Section 31(a) of the Investment Company Act.

B. Samuel Lieber cease and desist from committing or causing any violations or future violations of Section 206(4) of the Advisers Act with respect to Rule 206(4)-7 promulgated thereunder.

C. Alpine is censured.

D. Alpine shall, within 30 days of the entry of this Order, pay a civil money penalty in the amount of $650,000 to the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. 3717. Such payment shall be: (A) made by wire transfer, United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies Alpine Woods Capital Investors, LLC as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Andrew M. Calamari, Associate Regional Director, Division of Enforcement, Securities and Exchange Commission, 3 World Financial Center, New York, New York 10281.

E. Samuel Lieber shall, within 30 days of the entry of this Order, pay a civil money penalty in the amount of $65,000 to the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. 3717. Such payment shall be: (A) made by wire transfer, United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies Samuel A. Lieber as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Andrew M. Calamari, Associate Regional Director, Division of Enforcement, Securities and Exchange Commission, 3 World Financial Center, New York, New York 10281.

F. Alpine shall comply with the undertakings enumerated above.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 203(e), (f) and (k) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940, Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), on the Respondents and their legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

Andrew M. Calamari, Esq.
New York Regional Office
Securities and Exchange Commission
3 World Financial Center
New York, NY 10281

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(Counsel for Alpine Woods Capital Investors, LLC and Samuel A. Lieber)