

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 67250 / June 25, 2012**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3422 / June 25, 2012**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14926**

**In the Matter of**

**RALPH R. CIOFFI,**

**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 Ralph R. Cioffi (“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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in Section III.2 below, which are admitted, 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. Respondent was a senior managing director and member of the board of directors of Bear Stearns Asset Management ("BSAM"), an investment adviser registered with the Commission. Respondent acted as senior portfolio manager of two hedge funds for which BSAM was the general partner and investment adviser, the Bear Stearns High-Grade Structured Credit Strategies Fund ("High Grade Fund") and Bear Stearns High-Grade Structured Credit Strategies Enhanced Leverage Fund ("Enhanced Leverage Fund"). From August 1985 through November 2007, Respondent was also a registered representative associated with broker-dealers registered with the Commission. Respondent, 56 years old, is a resident of Collier County, Florida.

2. On June 18, 2012, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Section 17(a)(2) of the Securities Act of 1933, in the civil action entitled Securities and Exchange Commission v. Ralph R. Cioffi, et al., Civil Action Number 08 Civ. 2457 (FB), in the United States District Court for the Eastern District of New York.

3. The Commission's complaint alleged that, in connection with the offer or sale of limited partnership interests, Respondent misrepresented the extent to which certain of the assets in the Funds' portfolio were backed by subprime mortgages, and the level of investor redemptions during an investor call. The complaint also alleged that respondent did not tell investors about a redemption of a portion of his personal investment in the Enhanced Leverage Fund used to invest in a third fund for which he acted as portfolio manager.

### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent'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 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,

with the right to apply for reentry after three 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.

Elizabeth M. Murphy  
Secretary