

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 61631 / March 2, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13801

In the Matter of

FRANCESCO RUSCIANO,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934, 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”) against Francesco Rusciano (“Respondent” or “Rusciano”).

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, Making Findings and Imposing Remedial Sanctions, as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Francesco Rusciano, a U.S. citizen and resident of Stamford, Connecticut, was the fund manager for Ponta Negra Fund I, LLC and Ponta Negra Offshore Fund I, Ltd. He was also the General Manager for Ponta Negra Group, LLC. Before forming the entities, Rusciano

held Series 7 and 63 securities licenses and was a registered representative associated with UBS Securities, LLC, a broker-dealer registered with the Commission, from 2003 to 2006.

2. Rusciano recently settled charges brought by the Board of Governors of the Federal Reserve System arising from alleged misconduct during his employment at UBS. *See* Consent Order of Prohibition Pursuant to Section 8(e) of the Federal Deposit Insurance Act, as Amended, 12 U.S.C. § 1818(e), and Consent Order of Assessment of a Civil Money Penalty Pursuant to FDI Act Section 8(i)(2), 12 U.S.C. § 1818(i)(2), In the Matter of Francesco Rusciano, Docket Nos. 2009-007-I-E and 2009-007-I-CMP.

3. On February 3, 2010, a federal district court entered an agreed final judgment of permanent injunction against Rusciano, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action styled *Securities and Exchange Commission v. Ponta Negra Fund I, LLC et al*, Civ. Action No. 1:09-cv-324-SS, in the United States District Court for the Western District of Texas (Austin Division).

4. The Commission's complaint alleged that, in connection with the sale of interests in hedge funds under Regulation 506 of the Securities Act of 1933, Rusciano misrepresented Ponta Negra's monthly and yearly performance results, overstated the amount of assets under management and misrepresented his historical trading success at UBS.

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, that Respondent Rusciano be and hereby is barred from association with any broker or dealer.

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