



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

August 7, 2007

DIVISION OF
CORPORATION FINANCE

Mr. Wayne Carlin
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, N.Y. 10019-6150

Re: **In the Matter of Cardinal Health, Inc. (HO-09773)**
Waiver Request of Ineligible Issuer Status under Rule 405 of the Securities Act

Dear Mr. Carlin:

This is in response to your letter dated July 16, 2007, written on behalf of Cardinal Health, Inc. (Company), and constituting an application for relief from the Company being considered an "ineligible issuer" under Rule 405(1)(vi) of the Securities Act of 1933 (Securities Act) arising from the settlement of a civil injunctive proceeding with the Commission. On July 26, 2007, the Commission filed a civil injunctive complaint (Complaint), in the United States District Court for the Southern District of New York, against The Company. The complaint alleges that the Company, among other things, violated Section 17(a) of the Securities Act and Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act). The Company filed a consent in which it agreed without admitting or denying the allegations of the Commission's Complaint, to the entry of a Final Judgment against it. Among other things, the Final Judgment as entered on August 1, 2007, permanently enjoins the Company from violating Section 17(a) of the Securities Act and Section 10(b) and Rule 10b-5 of the Exchange Act.

Based on the facts and representations in your letter, and assuming the Company complies with the Final Judgment, the Commission, pursuant to delegated authority has determined that the Company has made a showing of good cause under Rule 405(2) and that the Company will not be considered an ineligible issuer by reason of the entry of the Final Judgment. Specifically, we determined under these facts and representations that the Company has shown that the terms of the Order and the Final Judgment were agreed to in a settlement prior to December 1, 2005. Accordingly, the relief described above from the Company being an ineligible issuer under Rule 405 of the Securities Act is hereby granted. Any different facts than as represented or non-compliance with the Final Judgment might require us to reach a different conclusion.

Sincerely,

A handwritten signature in cursive script that reads "Mary Kosterlitz".

Mary Kosterlitz
Chief, Office of Enforcement Liaison
Division of Corporation Finance

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July 16, 2007

VIA FEDERAL EXPRESS

Mary Kosterlitz, Esq.
Chief, Office of Enforcement Liaison
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: In the Matter of Cardinal Health, Inc.
(HO-09773)

Dear Ms. Kosterlitz:

On behalf of our client, Cardinal Health, Inc. ("Cardinal"), we hereby respectfully request a waiver of any "ineligible issuer" status that may arise pursuant to Rule 405 promulgated under the Securities Act of 1933 with respect to Cardinal as a result of a proposed settlement between Cardinal and the Securities and Exchange Commission. It is our understanding that the Division of Enforcement does not object to the grant of the requested waiver.

Mary Kosterlitz, Esq.
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Background

Beginning in mid-2005, Cardinal engaged in settlement discussions with the staff of the Division of Enforcement (“Staff”) concerning a contemplated settlement of the above-captioned investigation. Prior to December 1, 2005, Cardinal reached an agreement in principle with the Staff regarding the terms of the settlement. We understand that the Staff concurs with this statement. Cardinal disclosed the agreement in principle in a Form 8-K filed on January 26, 2006, in which the Company announced its financial results for the quarter ended December 31, 2005. Pursuant to the proposed settlement, the Commission will file a Complaint (the “Complaint”) against Cardinal in the United States District Court for the Southern District of New York. Cardinal has executed a Consent of Defendant Cardinal Health, Inc. (the “Consent”) in which Cardinal neither admits nor denies any of the allegations in the Complaint, except as to jurisdiction, but consents to the entry of a final judgment by the District Court against Cardinal (the “Final Judgment”). The allegations in the Complaint will relate primarily to certain disclosure and financial reporting practices at Cardinal, and related books and records and controls. The Final Judgment, among other things, will order Cardinal not to commit any future violations of Section 17(a) of the Securities Act; Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act; and Exchange Act Rules 10b-5, 12b-20, 13a-1, 13a-11 and 13a-13; and will order Cardinal to pay a civil money penalty of \$35 million and disgorgement of \$1.00 for violations of the same provisions.

Discussion

Under the recently adopted and amended Securities Act rules, an issuer classified as a “well-known seasoned issuer” (“WKSI”)¹ is entitled to the use of a streamlined automatic shelf registration process² and exemption from “quiet period” restrictions prohibiting communication during the 30-day period prior to the filing of a registration statement.³ The new rules further permit most other issuers to use a “free writing prospectus” after a registration statement is filed to communicate information about a registered offering of securities.⁴ Rule 405, however, defines a class of certain “ineligible issuers” who may not use automatic shelf registrations or make communications within 30 days prior to filing a registration statement.⁵ Ineligible issuers are also prohibited from using post-filing free writing prospectuses.⁶

An issuer is an ineligible issuer for the purposes of Rule 405 if, among other things, “[w]ithin the past three years (but in the case of a decree or order agreed to in a settlement, not before December 1, 2005), the issuer or any entity that at the time was a subsidiary of

¹ See *Securities Offering Reform*, Rel. Nos. 33-8591, 34-52056 (July 19, 2005) (to be codified at 17 C.F.R. § 230.405) (“Rule 405”) (definition of a “well-known seasoned issuer”).

² See Rule 405 (definition of an “automatic shelf registration statement”).

³ See *Securities Offering Reform*, *supra* (rule to be codified at 17 C.F.R. § 230.163).

⁴ See *id.* (rule to be codified at 17 C.F.R. § 230.164) (“Rule 164”).

⁵ See Rule 405 (definition of an “ineligible issuer”).

⁶ See Rule 164.

Mary Kosterlitz, Esq.
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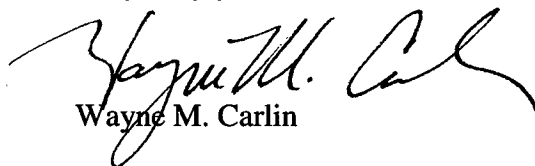
the issuer was made the subject of any judicial or administrative decree or order arising out of a governmental action that: (A) Prohibits certain conduct or activities regarding, including future violations of, the anti-fraud provisions of the federal securities laws.”⁷ Ineligible issuer status may be waived if “the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the issuer be considered an ineligible issuer.”⁸ The Commission has delegated to the Division of Corporation Finance the authority to grant or deny applications requesting that an issuer not be considered an ineligible issuer as defined in Rule 405.

Cardinal seeks a waiver of any ineligible issuer status that may arise under Rule 405 as a result of the entry of the Final Judgment, on the ground that Cardinal entered into an agreement in principle as described above prior to December 1, 2005. Under such circumstances, Cardinal should be treated as if it were the subject of an order agreed to in a settlement prior to December 1, 2005. Accordingly, Cardinal should be determined not to be an “ineligible issuer” within the meaning of Rule 405.

In light of the ground for relief discussed above, we believe that ineligible issuer status is unwarranted, is not in the public interest, and is not necessary for the protection of investors, and we respectfully urge the Division of Corporation Finance to grant a waiver, effective upon the entry of the Final Judgment, of any ineligible issuer status with regard to Cardinal that may arise pursuant to Rule 405.

If you have any questions regarding this request, please contact me at 212-403-1324.

Very truly yours,



Wayne M. Carlin

WMC:dln

⁷ Rule 405.

⁸ *Id.*