

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

**Securities Act of 1933**  
**Release No. 8955 / September 5, 2008**

**In the Matter of**

**Prudential Financial, Inc.,**  
**Respondent.**

**ORDER UNDER RULE 602(e) OF THE**  
**SECURITIES ACT OF 1933 GRANTING A**  
**WAIVER OF THE RULE 602(b)(4) and**  
**602(c)(2) DISQUALIFICATION PROVISIONS.**

**I.**

Prudential Financial, Inc. (“Prudential”) has submitted a letter, dated July 1, 2008, requesting a waiver of the Rule 602(b)(4) and 602(c)(2) disqualifications from the exemption from registration under Regulation E arising from Prudential’s settlement of a civil injunctive action commenced by the Commission.

**II.**

On August 6, 2008, the Commission filed a civil injunctive action in the United States District Court for the District of New Jersey charging Prudential, a provider of financial services, with violating the financial reporting, books-and-records, and internal control provisions of the Securities Exchange Act of 1934 (“Exchange Act”). In its complaint, the Commission alleged that from 1997 to 2002, Prudential’s former property and casualty subsidiaries known as the Prupac companies (“Prupac”) entered into a series of so-called finite reinsurance contracts with General Reinsurance Corporation (“Gen Re”) that had no economic substance and no purpose other than to build up and then draw down on an off-balance sheet asset, or “bank,” that Gen Re held for Prupac. Prupac built up the bank in 1997, 1998 and 1999 and then in 2000, 2001 and 2002 drew down on the bank and improperly recorded the repayments as income. In 2001, Prudential became a public company and the inaccurate financial statements became a part of its annual, quarterly and current filings. On September 4, 2008, pursuant to Prudential’s consent, the Court entered a Final Judgment permanently enjoining Prudential from violating Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11 and 13a-13 thereunder.

### III.

The Regulation E exemption is unavailable for the securities of small business investment company issuers or business development company issuers if the issuer or any of its affiliates is subject to any order, judgment, or decree of any court of competent jurisdiction “temporarily or permanently restraining or enjoining such person from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security.” *See* Rule 602(b)(4) of the Securities Act of 1933 (“Securities Act”). The Regulation E exemption is also not available for the securities of an issuer if any of its directors, officers, principal security holders, any investment adviser or underwriter of the securities to be offered, or any partner, director or officer of such investment adviser or underwriter is temporarily or permanently restrained or enjoined by any court from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or arising out of such person’s conduct as an underwriter, broker, dealer or investment adviser. *See* Rule 602(c)(2). Rule 602(e) provides, however, that the disqualification “shall not apply . . . if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the exemption be denied.”

### IV.

Based upon the representations set forth in Prudential’s request, the Commission has determined that pursuant to Rule 602(e), a showing of good cause has been made that it is not necessary under the circumstances that the exemption be denied as a result of the Final Judgment.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver from the application of the disqualification provisions of Rule 602(b)(4) and 602(c)(2) under the Securities Act resulting from the entry of the Final Judgment is hereby granted.

By the Commission.

Florence E. Harmon  
Acting Secretary