

**UNITED STATES OF AMERICA  
BEFORE THE  
SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**

**Release No. 9031 / May 13, 2009**

**SECURITIES EXCHANGE ACT OF 1934**

**Release No. 59914 / May 13, 2009**

**ADMINISTRATIVE PROCEEDING**

**File No. 3-13470**

IN THE MATTER OF CHANDRASHEKHAR GOPINATHAN

The United States Securities and Exchange Commission (Commission) announced the issuance of an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 (Securities Act), and Sections 15(b) and 21C of the Securities Exchange Act of 1934 (Exchange Act) and Notice of Hearing (Order) against Chandrashekhar Gopinathan (Gopinathan or Respondent).

The Division of Enforcement alleges in the Order that this proceeding arises out of materially misleading statements and omissions in offering documents in connection with a major, private securities offering backed by a portfolio of regional aircraft manufactured by Bombardier, Inc. (Bombardier). RASPRO Trust 2005 (RASPRO), a special purpose entity created by Bombardier, sponsored the \$1.67 billion offering and Wachovia Capital Markets, LLC. (Wachovia) served as the underwriter. On September 23, 2005 the offering closed. According to the Order, within the first three months after closing, Bombardier discovered that RASPRO would have to draw on a liquidity reserve to make the first payment on one of the three tranches of securities involved in the offering, the B Notes, and that a guarantor would have to step in and purchase the B Notes in the fifth year of the 18 year transaction.

The Order further alleges Gopinathan, a vice-president and a junior associate served on the Commercial Aviation Team of Wachovia's Structured Asset Finance Group, and were responsible for preparing the cash flow models for the transaction. One of the purposes of the models was to show that the transaction would have sufficient liquidity to pay interest and principal when due. According to the Order, Gopinathan, the junior associate, and the managing director – the three members of the Commercial Aviation Team – were aware of the potential shortfalls as early as July 2005, but did not tell anyone else at Wachovia. The Order alleges that instead, Gopinathan and the junior associate, on a managing director's orders, manipulated certain payment assumptions in the cash flow models in order to hide the shortfalls. Although the models themselves were not part of the offering memorandum, the outputs (or results) from the models and the payment assumptions used in the models were included in the offering. As a result,

according to the Order, the offering memorandum provided materially false and incomplete information about the liquidity of the B Note transaction.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide the Respondent an opportunity to dispute these allegations, and to determine whether Gopinathan should be ordered to cease-and-desist from committing or causing violations of and any future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; and what, if any, remedial action is appropriate in the public interest. The Commission directed that an Administrative Law Judge issue an initial decision within 300 days from the date of service of this Order.