



DIVISION OF  
INVESTMENT MANAGEMENT

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

December 3, 2007

Charles R. Manzoni, Jr.  
General Counsel  
FAF Advisors  
U.S. Bancorp Center  
800 Nicollet Mall  
BC-MN-H05F  
Minneapolis, MN 55402

Re: First American Funds, Inc.—Prime Obligations Fund (File No. 811-03313)

Dear Mr. Manzoni:

Based on the facts and representations contained in your November 26, 2007 letter, we will not recommend enforcement action to the Securities and Exchange Commission against First American Funds, Inc.—Prime Obligations Fund (the “Fund”) and U.S. Bancorp. (the “Affiliate”) under Section 17(a) of the Investment Company Act of 1940, or the rules thereunder, if the Affiliate purchases from the Fund the securities specified in your letter at the amortized cost (including any accrued and unpaid interest) of the securities. Because our position is based on the facts and representations in your letter, you should note that any different facts or representations may require a different conclusion. This response expresses our views on enforcement action only and does not express any legal conclusion on the issues presented.<sup>1</sup>

We have considered your request for confidential treatment of your letter and our response for a period of 120 days from the date of our response. We have determined that your request is reasonable and appropriate under 17 CFR 200.81(b). Accordingly, your letter and our response will not be made public until March 31, 2008.

Very truly yours,

Dalia Osman Blass  
Senior Counsel

<sup>1</sup> This letter confirms oral no-action relief provided by the undersigned to Charles Manzoni, General Counsel of FAF Advisors, Inc., on November 26, 2007.



FAF ADVISORS™

U.S. Bancorp Center  
800 Nicollet Mall  
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Minneapolis, MN 55402

Charles R. Manzoni, Jr.  
General Counsel  
Direct line: (612) 303-4241  
Fax: (612) 303-4223

**CONFIDENTIAL TREATMENT REQUESTED BY FAF ADVISORS, INC.**

**November 26, 2007**

Mr. Robert E. Plaze  
Associate Director  
U.S. Securities and Exchange Commission (SEC)  
100 F Street, N.E.  
Washington, DC 20549

Re: Request for Confidential Treatment

Dear Mr. Plaze:

Pursuant to 17 C.F.R. §200.81(b), this letter and the attached no-action request are marked "Confidential Treatment Requested by FAF Advisors, Inc." Accordingly, pursuant to 17 C.F.R. §200.180 and other applicable laws and regulations, the confidential materials are submitted to the Commission with our request that they will be kept in a non-public file and that only a member of the Commission or its staff will have access to them for a period of 120 days from the date of the attached no-action request letter.

Because the confidential materials pertain to the activities of U.S. Bancorp and the investment company referenced in the no-action request, and not to the activities of any federal agency, we believe the confidential materials are exempt from disclosure pursuant to exemption 4 of the FOIA, 5 U.S.C. §§552 (b)(4). Disclosure is also prohibited under 18 U.S.C. §1905.

If you have any questions concerning the foregoing, please do not hesitate to contact or the undersigned at (612) 303-4241.

Very truly yours,

Charles R. Manzoni, Jr.  
General Counsel



## FAF ADVISORS™

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### CONFIDENTIAL TREATMENT REQUESTED BY FAF ADVISORS, INC.

November 26, 2007

#### **Investment Company Act of 1940— Sections 17(a)(1), and Rule 17a-9**

Mr. Robert E. Plaze  
Associate Director  
U.S. Securities and Exchange Commission (SEC)  
100 F Street, N.E.  
Washington, DC 20549

Re: First American Funds, Inc.—Prime Obligations Fund

Dear Mr. Plaze:

FAF Advisors, Inc. (“FAF Advisors”) is writing on behalf of its parent company, U.S. Bancorp. (the “Affiliate”), an affiliated person of the First American Funds, Inc.—Prime Obligations Fund (the “Fund”). We seek assurance from the staff of the Division of Investment Management (“Division”) that it will not recommend enforcement action to the Securities and Exchange Commission (the “Commission”) under Section 17(a) of the Investment Company Act of 1940 (“1940 Act”), or the rules thereunder, if the Fund and the Affiliate enter into the transaction described below.

The Fund is registered with the Commission under the 1940 Act as an open-end management investment company. The Fund, as a money market fund, seeks to maintain a stable net asset value per share of \$1.00, and uses the amortized cost method of valuation in valuing its portfolio securities. FAF Advisors serves as investment adviser to the Fund. The Affiliate is a financial holding company that is the ultimate parent of the Fund’s investment adviser.

The Fund currently holds medium term notes issued by Beta Finance, Inc. and medium term notes issued by Sigma Finance Inc. (collectively, the “Securities”). Schedule A to this letter sets forth the principal amount and final maturity of each Security, and the approximate percentage of the Fund’s total assets represented by the Securities.

The issuers of the Securities are structured investment vehicles, commonly referred to as “SIVs.” As has been reported in the general press, securities issued by SIVs continue to be subject to limited liquidity, as the secondary market for such securities is essentially nonexistent, except at distressed prices. FAF Advisors has obtained evaluations from independent pricing sources and market quotations from dealers confirming that the market values of securities held by the Fund that were issued by SIVs (including the Securities) are below the amortized cost values used to calculate the Fund’s net asset value in accordance with Rule 2a-7 under the 1940 Act. Although the resulting deviation between the Fund’s market-based net asset value and its amortized cost value is still within the range permitted by Rule 2a-7, the Fund’s Board of

November 26, 2007

Confidential Treatment Requested by FAF Advisors, Inc

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Trustees has expressed concern with respect to the stress such securities could place on the Fund.

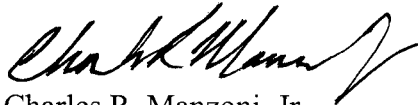
To assist in reducing this stress, subject to obtaining the no-action assurance requested in this letter, the Affiliate is prepared to purchase the Securities in their entirety from the Fund for cash at the Securities' amortized cost (including accrued and unpaid interest). The Fund's Board of Directors has authorized the proposed transaction as being in the best interests of the Fund and its shareholders.

The Affiliate is an "affiliated person" or an "affiliated person of an affiliated person" under Section 2(a)(3) of the 1940 Act because it is the ultimate parent company of the investment adviser to the Fund. The purchase of the Securities by the Affiliate under the proposed arrangement falls within Section 17(a)(2) of the 1940 Act, which makes it unlawful for any affiliated person of a registered investment company or any affiliated person of such person acting as principal to knowingly purchase any security or other property from the investment company. The proposed purchase of Securities from the Fund would satisfy the requirements of Rule 17a-9 of the 1940 Act except that the Securities continue to constitute Eligible Securities as that term is defined in Rule 2a-7 under the 1940 Act.

The Fund, FAF Advisors and the Affiliate believe it would be in the best interest of the Fund's shareholders if the Affiliate is allowed to purchase the Securities from the Fund as above contemplated. On behalf of the Fund and the Affiliate, we hereby request that the Division staff give its assurance that it will not recommend the Commission take enforcement action against the Fund or the Affiliate under Section 17(a) of the 1940 Act if the Affiliate purchases the Securities from the Fund at their amortized cost value (including accrued and unpaid interest).

If you have any questions or other communications concerning this matter, please call the undersigned at (612) 303-4241.

Very truly yours,



Charles R. Manzoni, Jr.  
General Counsel  
FAF Advisors, Inc.

Schedule A

| NAME OF SECURITY  | CUSIP     | PRINCIPAL AMOUNT | MATURUTY |
|-------------------|-----------|------------------|----------|
| Beta Finance MTN  | 0865APH2  | \$90 million     | 04/09/08 |
| Beta Finance MTN  | 0865APS8  | \$100 million    | 5/27/08  |
| Sigma Finance MTN | 826Q0VJ8  | \$100 million    | 1/15/08  |
| Sigma Finance MTN | 8265Q0WU2 | \$100 million    | 4/14/08  |
| Sigma Finance MTN | 8265Q0YT3 | \$100 million    | 8/08/08  |

As of November 23, 2007, the \$190 million of Beta Finance MTNs and the \$300 million of Sigma Finance MTNs represented 0.96% and 1.44%, respectively, of the total assets of the Fund.