

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

**Securities Act of 1933**  
**Release No. 9007 / February 17, 2009**

**In the Matter of**

**Wachovia Securities, LLC,**

**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.**

Wachovia Securities, LLC (“Wachovia” or “Respondent”) has submitted a letter, dated January 27, 2009, requesting a waiver of the Rule 602(b)(4) and Rule 602(c)(2) disqualifications from the exemption from registration under Regulation E arising from Wachovia’s settlement of an injunctive action commenced by the Commission.

**II.**

On February 5, 2009, the Commission filed a civil injunctive action in the United States District Court for the Northern District of Illinois alleging that Wachovia, a registered broker-dealer, violated the broker-dealer anti-fraud provisions of the Securities Exchange Act of 1934 (“Exchange Act”). In its complaint, the Commission alleged that Wachovia misled its customers about the fundamental nature and increasing risks associated with auction rate securities that Wachovia underwrote, marketed and sold. Without admitting or deny the allegations of the complaint, Wachovia consented to entry of a Judgment, entered on February 17, 2009, permanently enjoining it from violating Section 15(c) of the Exchange Act.

**III.**

The Regulation E exemption is unavailable for the securities of small business investment company issuers or business development company issuers if such issuer or any of its affiliates is subject to a court order entered within the past five years “permanently restraining or enjoining such person from engaging in or continuing any conduct or practice in connection with the purchase or sale of securities” or any of its directors, officers or principal security holders, any investment adviser or underwriter of the securities to be offered, or any partner, director or officer of any such investment

adviser or underwriter of the securities to be offered 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.” Rule 602(e) of the Securities Act of 1933 (“Securities Act”) 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.” 17 C.F.R. § 230.602(e).

#### IV.

Based upon the representations set forth in Respondent’s request, the Commission has determined that pursuant to Rule 602(e) under the Securities Act, 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 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 Rule 602(c)(2) under the Securities Act resulting from the entry of the Judgment is hereby granted.

By the Commission.

Elizabeth M. Murphy  
Secretary