



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

March 29, 2007

DIVISION OF
CORPORATION FINANCE

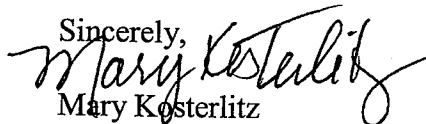
Mr. C. Hunter Wiggins
Sonnenschein, Nath & Rosenthal LLP
7800 Sears Tower
233 South Wacker Drive
Chicago, IL 60606-6404

Re: In the Matter of Nicor, Inc. (C-03652)
Waiver Request of Ineligible Issuer Status under Rule 405 of the Securities Act

Dear Mr. Wiggins:

This is in response to your letter dated January 31, 2007, written on behalf of Nicor, 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. The Commission filed a civil injunctive complaint against the Company in the United States District Court for the Northern District of Illinois alleging that the Company violated, among other things, Sections 17(a) of the Securities Act and Section 10(b) and Rule 10b-5 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 March 29, 2007, permanently enjoins the Company from violating, among other provisions, 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 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,

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

January 31, 2007

VIA FEDERAL EXPRESS AND U.S. MAIL

Mary J. Kosterlitz, Esq.
Chief of the Office of Enforcement Liaison
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F. Street, NE
Washington, DC 20549-0310

Re: In the Matter of Nicor Inc. (File No. C-03652)

Dear Ms. Kosterlitz:

On behalf of our client Nicor Inc. ("Nicor"), we hereby respectfully request a waiver of any "ineligible issuer" status that may arise pursuant to Rule 405 ("Rule 405") promulgated under the Securities Act of 1933 ("Securities Act") with respect to Nicor as a result of a proposed settlement between Nicor and the Securities Exchange Commission ("Commission"). The proposed settlement would result in the filing of a Complaint in the United States District Court for the Northern District of Illinois ("the Court") by the Staff of the Division of Enforcement ("the Staff") and the issuance of a Final Judgment (the "Judgment") by the Court that is described below. We respectfully request that this waiver be granted effective upon the entry of the Judgment. It is our understanding that the Division of Enforcement does not object to the grant of the requested waiver.

BACKGROUND

The Staff has engaged in settlement discussions with Nicor in connection with the investigation described above. As part of an offer of settlement Nicor submitted an executed Consent, solely for the purpose of proceedings by or on behalf of the Commission, which consented to the entry the Judgment in settlement of the Complaint filed by the Staff. In its Complaint the Commission alleged that Nicor violated Sections 10(b) and 13(a) of the Securities Exchange Act of 1934 ("Exchange Act"), Rules 10b-5, 12b-20, 13a-1 and 13a-13 promulgated thereunder, and Section 17(a) of the Securities Act, by engaging in the practices described in the Complaint. Nicor in its Consent neither admitted nor denied the conduct described in the Complaint. In the Judgment, the Court would enjoin Nicor from directly or indirectly violating any of the referenced provisions and order Nicor to pay disgorgement of \$1 and a penalty of \$10,000,000.

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DISCUSSION

Securities Act rules, which were adopted and amended effective December 1, 2005, provide substantial benefits to issuers classified as a “well-known seasoned issuer” (“WKSI”), including the use of a streamlined automatic shelf registration process and exemption from “quiet period” restrictions prohibiting communication during the 30-day period prior to the filing of a registration statement. The new rules also 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. However, these benefits are unavailable to issuers who are excluded from the WKSI definition, and therefore such issuers may not use automatic shelf registrations or make communications within 30 days prior to filing a registration statement. Similarly, the rules prohibit ineligible issuers from using post-filing free writing prospectuses.

An issuer is an ineligible issuer for the purposes of Rule 405 if, among other things,

[w]ithin the past three years . . . the issuer or any entity that at the time was a subsidiary of the issuer was made the subject of any judicial or administrative decree 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; (B) Requires that the person cease and desist from violating the anti-fraud provisions of the federal securities laws.

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.” 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.

Accordingly, Nicor hereby requests a waiver, effective upon entry of the Judgment, of any ineligible issuer status that may arise under Rule 405 as a result of the entry of the Judgment. For the following reasons, we do not believe that the protection of investors or the public interest would be served by denying Nicor the benefits afforded by the Securities Act to issuers that are not classified as ineligible issuers.

Nicor and the Staff had agreed in principle to the settlement described prior to December 1, 2005 (the effective date of Rule 405). The delay in reaching final settlement was not in Nicor’s control. We understand that the Division of Enforcement concurs. Further, the conduct described in the Complaint last occurred in 2001. Although the Judgment itself will be entered by the Court after December 1, 2005, Nicor should be treated as if it were the subject of an order

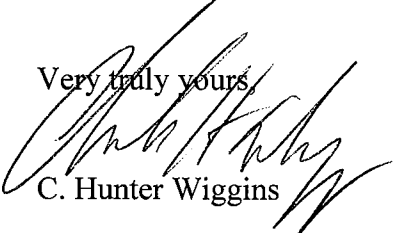
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agreed to in a settlement prior to December 1, 2005. Accordingly, Nicor should be determined not to be an "ineligible issuer" within the meaning of Rule 405.

In light of the grounds for relief discussed above, we believe that Nicor has shown good cause that relief should be granted. Accordingly, we respectfully urge the Division of Corporation Finance to grant a waiver, effective upon the entry of the Judgment, of any ineligible issuer status with regard to Nicor that may arise pursuant to Rule 405.

If you have any questions regarding this request, please contact the undersigned at 312-876-8992.

Very truly yours,


C. Hunter Wiggins

CHW/scd:12139701\V-2

cc: Paul C. Gracey, Jr., Esq., Nicor Inc.