



DIVISION OF  
CORPORATION FINANCE

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

August 11, 2009

Paul R. Eckert, Esq.  
Wilmer Cutler Pickering Hale and Dorr LLP  
1875 Pennsylvania Avenue NW  
Washington, DC 20006

**Re: SEC v. General Electric Company, Civil Action No. 3:09-cv-01235 (RNC) (District of Connecticut)  
Waiver Request under Regulation A and Rule 505 of Regulation D**

Dear Mr. Eckert:

This responds to your letter dated August 11, 2009, written on behalf of General Electric Company ("GE"), and constituting an application for relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D under the Securities Act of 1933 (the "Securities Act"). You requested relief from disqualifications from exemptions available under Regulation A and Rule 505 that arose by reason of the Final Judgment as to GE entered on August 11, 2009 by the United States District Court for the District of Connecticut in SEC v. General Electric Company, Civil Action No. 3:09-01235 (RNC) (the "Judgment"). The Judgment, among other things, permanently restrains and enjoins GE from violating section 17(a) of the Securities Act and sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Securities Exchange Act of 1934 and Rules 10b-5, 12b-20, 13a-1, 13a-11, and 13a-13 under that statute.

For purposes of this letter, we have assumed as facts the representations set forth in your letter and the findings supporting entry of the Judgment. We also have assumed that GE will comply with the Judgment.

On the basis of your letter, I have determined that you have made showings of good cause under Rule 262 and Rule 505 that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Rule 505 by reason of entry of the Judgment. Accordingly, pursuant to delegated authority, I hereby grant relief from any disqualifications from exemptions otherwise available under Regulation A and Rule 505 that may have arisen by reason of entry of the Judgment.

Very truly yours,

A handwritten signature in black ink that reads "Gerald J. Laporte".

Gerald J. Laporte  
Chief, Office of Small Business Policy

August 11, 2009

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**BY E-MAIL AND U.S. MAIL**

Gerald J. Laporte, Esq.  
Chief, Office of Small Business Policy  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re: SEC v. General Electric Company,  
3:09-cv-01235-RNC (D.Conn. Aug. 11, 2009)

Dear Mr. Laporte:

This letter is submitted on behalf of our client, General Electric Company, a New York corporation ("GE"), the settling defendant in an injunctive action arising out of the above-captioned investigation by the Securities and Exchange Commission (the "Commission"). GE hereby requests, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D of the Commission promulgated under the Securities Act of 1933 (the "Securities Act"), waivers of any disqualifications from relying on exemptions under Regulation A and Rule 505 of Regulation D that may be applicable to GE and any of its affiliates as a result of the entry of Final Judgment as to Defendant GE (the "Final Judgment"), which is described below. GE requests that these waivers be granted effective upon the entry of the Final Judgment. It is our understanding that the staff of the Commission's Boston Regional Office does not object to the grant of the requested waivers.

**BACKGROUND**

The staff of the Commission's Boston Regional Office engaged in settlement discussions with GE in connection with an injunctive action arising out of the above-captioned investigation pursuant to Sections 20(b) and 22(a) of the Securities Act and Sections 21(d), 21(e), and 27 of the Securities Exchange Act of 1934 (the "Exchange Act"). As a result of these discussions, GE submitted a Consent to Entry of Final Judgment (the "Consent") that was presented by the staff of the Commission to the United States District Court for the District of Connecticut (the "Court") on August 4, 2009, when the Commission filed its complaint (the "Complaint") against GE in a civil action captioned Securities and Exchange Commission v. General Electric Company, Civil Action No. 3:09-cv-01235-RNC (D.Conn. Aug. 11, 2009).

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In the Consent, solely for the purpose of proceedings brought by or on behalf of the Commission or to which the Commission is a party, GE agreed to consent to the entry of the Final Judgment without admitting or denying the matters set forth therein (other than those relating to the jurisdiction of the district court over it and the subject matter of the action). Under the terms of the Final Judgment, which was entered on August 11, 2009, the Court permanently enjoined GE from future violations of Section 17(a) of the Securities Act, Sections 10(b), 13(a), 13(b)(2)(A) and Section 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1, 13a-11 and 13a-13 thereunder. The Final Judgment resolved the Complaint's allegations that, in 2002 and 2003, high level GE accounting executives or other finance personnel approved accounting that was not in compliance with generally accepted accounting principles (GAAP) so as to increase earnings or revenues or to avoid reporting negative financial results. The specific allegations concerned improper accounting related to: (a) GE's commercial paper funding program resulting in an estimated \$200 million pretax charge to earnings; (b) certain interest rate swaps; (c) end of year sales of locomotives involving over \$370 million in revenue; and (d) sales of commercial aircraft spare parts that increased GE's 2002 net earnings by \$585 million. The Final Judgment also permanently enjoined GE from future violations of the securities law provisions referenced in the Complaint and requires that GE pay a civil monetary penalty of \$50 million pursuant to Section 20(d) of the Securities Act and Section 21(d) of the Exchange Act.

#### DISCUSSION

GE understands that the entry of the Final Judgment may disqualify it and its affiliated entities from relying on certain exemptions under Regulation A and Rule 505 of Regulation D promulgated under the Securities Act, insofar as the Final Judgment causes GE to be subject to an order, judgment, or decree of a court of competent jurisdiction permanently enjoining it from engaging in or continuing prescribed conduct in connection with the purchase or sale of any security. GE is concerned that, should it or any of its affiliates need to serve in the capacities subject to the disqualifications set forth in Securities Act Rule 262, GE and those of its issuer affiliates who rely upon or may rely upon these offering exemptions when issuing securities would be prohibited from doing so. The Commission has the authority to waive the Regulation A and D exemption disqualifications upon a showing of good cause that such disqualifications are not necessary under the circumstances. See 17 C.F.R. §§ 230.262 and 230.505(b)(2)(iii)(C).

GE requests that the Commission waive any disqualifying effects that the Final Judgment may have under Regulation A and Rule 505 of Regulation D with respect to GE or its issuer affiliates on the following grounds:

1. GE's conduct addressed in the Final Judgment does not pertain to either Regulation A or D.

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2. Under the supervision of its Audit Committee, GE has implemented extraordinary and far reaching remedial steps to address the conduct at issue and to prevent the recurrence of similar issues in the future. In response to the accounting errors identified, the Company undertook a thorough and wide-ranging review of its accounting practices, overhauled its controllership, added significant technical accounting and operational expertise, bolstered its internal controls, enhanced its internal audit function, and improved its processes concerning communications and interactions with its outside auditor.

3. The disqualification of GE and any of its issuer affiliates from relying on the exemptions under Regulation A and Rule 505 of Regulation D would be unduly and disproportionately severe given the nature of the violations addressed in the Final Judgment and the extent to which disqualification may affect the business operations of GE and those of its issuer affiliates by impairing their ability to issue securities pursuant to these exemptions to raise new capital or for other purposes. In addition, the disqualification of GE and its issuer affiliates from the exemptions may place GE or its issuer affiliates at a competitive disadvantage with respect to third parties that might seek to invest in securities that rely on the regulatory exemptions.

4. The disqualification of GE and its issuer affiliates from relying on the exemptions available under Regulation A and Rule 505 of Regulation D would be unduly and disproportionately severe, given (i) the lack of any relationship between the accounting errors that are the subject of the Staff's allegations and any activity related to either Regulation A or D conducted by GE and its issuer affiliates, and (ii) the fact that the Commission staff has negotiated a settlement with GE and reached a satisfactory conclusion to this matter that resulted in the issuance of an injunctive order compelling prospective compliance with specified federal securities laws and requiring the payment of \$50 million in civil monetary penalties.

In light of the grounds for relief discussed above, we believe that disqualification is not necessary and that GE has shown good cause that relief should be granted. Accordingly, we respectfully urge the Commission to waive, effective upon the entry of the Final Judgment, the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent they may be applicable to GE and any of its issuer affiliates as a result of the entry of the Final Judgment.<sup>1</sup>

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<sup>1</sup> We note in support of this request that the Commission has granted relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D for similar reasons and/or in similar circumstances. *See, e.g.*, American International Group, Inc., S.E.C. No-Action Letter (pub. avail. Feb. 21, 2006); Sybaris Clubs International, Inc., S.E.C. No-Action Letter (pub. avail. July 1, 1996); The Cooper Companies, Inc., S.E.C. No-Action Letter (pub. avail. Dec. 20, 1994); Michigan National Corporation, S.E.C. No-Action Letter (pub. avail. Dec. 17, 1993); and General Electric Company, S.E.C. No-Action Letter (pub. avail. May 24, 1988). *See also*, Citigroup Global Markets Inc., S.E.C. No-Action Letter (pub. avail. Dec. 23, 2008); UBS Securities LLC et al., S.E.C. No-Action Letter (pub. avail. Dec.

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Please do not hesitate to call me at (202) 663-6537 if you have any questions.

Sincerely,

Handwritten signature of Paul R. Eckert in black ink, including a stylized flourish on the right side.

Paul R. Eckert

cc: Michael R. McAlevey, Esq., Vice President, Chief Corporate,  
Securities and Finance Counsel, General Electric Company

William R. McLucas, Esq., Wilmer Cutler Pickering Hale and Dorr LLP

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23, 2008); Prudential Financial, Inc., S.E.C. No-Action Letter (pub. avail. Sept. 4, 2008); First Southwest Company, S.E.C. No-Action Letter (pub. avail. May 27, 2008); Hartford Investment Financial Services, LLC, et al., S.E.C. No-Action Letter (pub. avail. May 14, 2008); Gabelli Funds LLC, S.E.C. No-Action Letter (pub. avail. Apr. 24, 2008); and Pritchard Capital Partners, LLC et al., S.E.C. No-Action Letter (pub. avail. Apr. 23, 2008).