



DIVISION OF
CORPORATION FINANCE

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

May 31, 2006

Mark S. Mandel, Esq.
Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, NY 10178-0060

**Re: A.G. Edwards & Sons, Inc., Administrative Proceeding File No. 3-12310—Waiver
Request under Regulation A and Rule 505 of Regulation D**

Dear Mr. Mandel:

This is in response to your letter dated today, written on behalf of A.G. Edwards & Sons, Inc. ("A.G. Edwards") 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 ("Securities Act"). You requested relief from disqualifications from exemptions available under Regulation A and Rule 505 of Regulation D that arose by virtue of the entry of an order dated today against A.G. Edwards and others as respondents by the Securities and Exchange Commission in the referenced administrative proceeding (the "Order"). The disqualifications arose because the Order was issued under Section 15(b) of the Securities Exchange Act of 1934 and contained paragraphs numbered IV.D and IV.E, which ordered A.G. Edwards, among other things, to provide written descriptions of its material auction practices and procedures for auction rate securities. The order also was issued under Section 8A of the Securities Act and also censured A.G. Edwards, ordered A.G. Edwards to cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) of the Securities Act, and ordered A.G. Edwards to pay a civil money penalty in the amount of \$125,000.

For purposes of this letter, we have assumed as facts the representations set forth in your letter and the findings supporting entry of the Order against A.G. Edwards. We have also assumed that A.G. Edwards has complied and will continue to comply with the Order.

On the basis of your letter, I have determined that A.G. Edwards has made a showing of good cause under Rule 262 and Rule 505(b)(2)(iii)(C) that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Rule 505 of Regulation D by reason of entry of the Order against A.G. Edwards. Accordingly, pursuant to delegated authority, A.G. Edwards is granted relief from any disqualifications from exemptions otherwise available under Regulation A and Rule 505 of Regulation D that arose as a result of entry of the Order against it.

Very truly yours,

Gerald J. Laporte
Chief, Office of Small Business Policy

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May 31, 2006

VIA FEDERAL EXPRESS

Gerald J. Laporte, Esq.
Chief, Office of Small Business Policy
Division of Corporation Finance
U.S. Securities and Exchange Commission
450 Fifth Street, N.W. Room 3501
Washington D.C. 20549-0310

Re: In the Matter of Auction Rate Securities: A.G. Edwards, Inc. (File No. HO-09954)

Dear Mr. Laporte:

We submit this letter on behalf of our client A.G. Edwards & Sons, Inc. ("Edwards"), which has settled the above-referenced proceeding by the Securities and Exchange Commission (the "Commission") into auction rate securities practices which allegedly violated Section 17(a)(2) of the Securities Act of 1933 (the "Securities Act").

Edwards requests, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D, promulgated under the Securities Act, a waiver of any disqualification from exemptions under Regulation A and Rule 505 of Regulation D that may be applicable to Edwards or any of its affiliates as a result of the entry of the Order described below. Edwards requests that these waivers be granted by the Commission. It is our understanding that the Staff of the Division of Enforcement does not object to the grant of the requested waiver.

BACKGROUND

The staff of the Division of Enforcement has engaged in settlement discussions with Edwards as one of a group of broker-dealers in connection with the investigation described above. As a result of these discussions, each firm agreed to the entry of a Commission Order (the "Order").

Under the Order, the Commission made findings, without admission or denial by Edwards, that Edwards violated Section 17(a)(2) of the Securities Act by engaging in one or more practices described in the Order. Additionally, the Order requires that Edwards cease and desist from committing or causing any violations or future violations of the referenced provisions, pay a civil money penalty of \$125,000 to the United States Treasury, and comply with the undertakings specified in the Order.

DISCUSSION

Edwards understands the entry of the Order may disqualify it and its affiliated entities from participating in certain offerings otherwise exempt under Regulation A and Rule 505 of Regulation D promulgated under the Securities Act, insofar as the Contemplated Order may be deemed to cause Edwards to be subject to an order of the Commission pursuant to Section 15(b) of the Exchange Act. The Commission has the authority to waive the Regulation A and Rule 505 of Regulation 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).

For the following reasons, Edwards requests that the Commission waive any disqualifying effect that the Order may have on Edwards, or any of its affiliates, based on a determination that it is not necessary under the circumstances that such exemption under Regulation A and Rule 505 of Regulation D be denied.

1. Edwards' conduct to be addressed in the Order does not relate to offerings under Regulation A or D.
2. The disqualification of Edwards from the exemptions available under Regulation A and Rule 505 of Regulation D would, we believe, have an adverse impact on third parties that have retained Edwards and its affiliates in connection with transactions that rely on these exemptions.
3. The disqualifications would be unduly and disproportionately severe given: (i) the lack of any relationship between the violations addressed in the Contemplated Order and any Regulation A or D related activity conducted by Edwards; and (ii) the fact that the Commission staff has negotiated a settlement with Edwards and reached a satisfactory conclusion to this matter that includes a cease and desist order, together with a censure and the payment of a civil money penalty.
4. Edwards has a strong record of compliance with securities laws. In addition, Edwards voluntarily cooperated with the Division of Enforcement's above-captioned investigation and agreed to pursue a global settlement of this matter at the request of the Division of Enforcement.

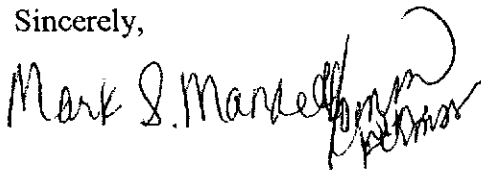
In light of the foregoing, we believe that disqualification is not necessary in the public interest or

Gerald J. Laporte, Esq.
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for the protection of investors, and that Edwards has shown good cause that relief should be granted. Accordingly, we respectfully urge that the Commission, pursuant to delegated authority, waive the disqualification provisions in Regulation A and Regulation D to the extent that they may be applicable to Edwards and any of its affiliates as a result of the entry of the Order.

Please do not hesitate to contact the undersigned at 212.309.7068, if you have any questions regarding this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark S. Mandel". The signature is written in a cursive style and is positioned above the printed name.

Mark S. Mandel

cc: Douglas L. Kelly, A.G. Edwards, Inc.