

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9350 / August 14, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14982

In the Matter of

**WELLS FARGO BROKERAGE
SERVICES, LLC n/k/a WELLS
FARGO SECURITIES, LLC,**

Respondent.

**ORDER UNDER RULE 602(e) OF
THE SECURITIES ACT OF 1933
GRANTING A WAIVER OF THE
Rule 602(c)(3) DISQUALIFICATION
PROVISION**

I.

Wells Fargo Brokerage Services, LLC n/k/a Wells Fargo Securities, LLC (“Wells Fargo” or “Respondent”) has submitted a letter, dated August 14, 2012, requesting a waiver of the Rule 602(c)(3) disqualification from the exemption from registration under Regulation E under the Securities Act of 1933 arising from Wells Fargo’s settlement of administrative and cease-and-desist proceedings instituted by the Commission.

II.

On August 14, 2012, pursuant to Respondent’s Offer of Settlement, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 15(b) of the Securities Exchange Act of 1934, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”) against Respondent.

The Order censures Respondent and finds that by engaging in a course of business where it recommended and sold asset-backed commercial paper to certain institutional customers without obtaining sufficient information about the nature and risk of the product, Respondent violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 (“Securities Act”). Without admitting or denying the findings in the Order, except as to the Commission’s jurisdiction over it and the subject matter of the proceedings,

Respondent consented to the Order. The Order also requires Respondent to cease and desist from committing or causing violations and future violations of the preceding provisions and to pay a civil penalty of \$6.5 million and disgorgement of \$65,000 plus additional prejudgment interest.

III.

Regulation E provides an exemption from registration under the Securities Act, subject to certain conditions, for securities issued by certain small business investment companies and business development companies. Rule 602(c)(3) makes this exemption unavailable for the securities of such an issuer if, among other things, any of its principal security holders, or any investment adviser or underwriter of the securities to be offered is “subject to an order of the Commission entered pursuant to Section 15(b)” of the Exchange Act. Rule 602(e) 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 [from registration pursuant to Regulation E] be denied.” 17 C.F.R. § 230.602(e).

IV.

Based on the representations set forth in Wells Fargo’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 Order.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver from the application of the disqualification provision of Rule 602(c)(3) under the Securities Act resulting from the Commission’s Order is hereby granted.

By the Commission.

Elizabeth M. Murphy
Secretary