



DIVISION OF
CORPORATION FINANCE

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

October 23, 2009

Christopher M. Salter, Esq.
O'Melveny & Myers LLP
1625 Eye Street, NW
Washington, DC 20006-4001

Re: In the Matter of Banc of America Investment Services, Inc. and Virginia Holliday
Administrative Proceeding File No. 3-13664
Waiver Request under Regulation A and Rule 505 of Regulation D

Dear Mr. Salter:

This responds to your letter dated today, written on behalf of Banc of America Investment Services, Inc. ("BAI"), 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 waivers from any disqualification from exemptions available under Regulation A and Rule 505 of Regulation D that may have arisen by virtue of the order entered on October 22, 2009 by the Securities and Exchange Commission under Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") in In the Matter of Banc of America Investment Services, Inc. and Virginia Holliday, Securities Exchange Act Release No. 60870 (the "Order"). The Order censured BAI, imposed a civil penalty in the amount of \$150,000, and ordered BAI to comply with the undertakings set forth in Section IV of the Order.

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 BAI. We also have assumed that BAI has complied and will continue to comply with the Order.

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 Order against BAI. 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 Order against BAI.

Very truly yours,

Handwritten signature of Gerald J. Laporte in cursive script.
Gerald J. Laporte
Chief, Office of Small Business Policy



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WRITER'S E-MAIL ADDRESS
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**Re: *In the Matter of Banc of America Investment Services, Inc. and
Virginia Holliday***

Dear Mr. Laporte:

We submit this letter on behalf of our client Banc of America Investment Services, Inc. ("**BAI**") in connection with the settlement of the above-referenced matter on this date, which followed an investigation by the Securities and Exchange Commission ("**Commission**") into the conduct of Brent Lemons, a former employee of BAI who misappropriated certain BAI clients' funds.

BAI 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, as amended ("**Securities Act**"), a waiver of any disqualification from exemptions under Regulation A and Rule 505 of Regulation D that may be applicable to BAI and any of its affiliates as a result of the entry of an order by the Commission relating to the above-referenced matter ("**Order**"). BAI asks that any such waiver be granted upon entry of the Order. We understand that the Division of Enforcement does not object to the grant of the requested waiver by the Division of Corporation Finance.

Background

The staff of the Commission's Division of Enforcement engaged in settlement discussions with BAI in connection with the above-described investigation. The discussions resulted in an understanding that the Commission would enter the Order against BAI pursuant to Section 15(b) of the Securities Exchange Act of 1934, as amended ("**Exchange Act**"). The Order includes allegations, which BAI neither admits nor denies, that BAI and Mr. Lemons' former supervisor failed to adequately supervise Mr. Lemons in violation of Section 15(b)(4)(E)

of the Exchange Act. In addition, the Order imposes on BAI a censure and a fine of \$150,000, and requires that BAI retain an independent consultant. The consultant is required to review and evaluate the effectiveness of BAI's supervisory and compliance systems, policies and procedures concerning the following: (1) review of customer accounts and securities transactions; and (2) periodic compliance inspections.

Discussion

BAI understands that because the Order was issued pursuant to Section 15(b) of the Exchange Act, BAI and its affiliates may be disqualified from participating in certain offerings that are otherwise exempt under Regulation A and Rule 505 of Regulation D under the Securities Act. The Commission has the authority to waive the exemption disqualifications of Regulation A and Rule 505 of Regulation D upon a showing of good cause that such disqualifications are not necessary under the circumstances.¹ BAI respectfully requests that effective upon entry of the Order, the Commission waive the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent they may be applicable to BAI and any of its affiliates for the following reasons:

1. The Order does not relate to offerings under Regulation A or Regulation D. Rather, the conduct alleged by the Commission related to BAI's alleged failure to supervise the activities of one of its registered personnel who surreptitiously engaged in the misappropriation of client funds.
2. BAI has agreed to certain undertakings as set forth in the Order, and intends to fully comply with all applicable undertakings. Furthermore, BAI terminated Mr. Lemons upon discovering that he misappropriated client funds, and has fully reimbursed those customers from whom Mr. Lemons had stolen funds.
3. The disqualification of BAI and its affiliates from the exemptions under Regulation A and Rule 505 of Regulation D would have an unduly adverse impact on third parties that have retained or will retain BAI and its affiliates in connection with transactions that rely on these exemptions.
4. The disqualification of BAI and its affiliates from the exemptions available under Regulation A and Rule 505 of Regulation D would be unduly and disproportionately severe, given the nature of the alleged violation and the agreement by BAI to settle the matter and comply with the terms of the Order. The settlement terms reflected in the Order were deemed to be a satisfactory conclusion of the matter by the Commission's Division of Enforcement staff, which does not object to the grant of the waivers sought herein.

¹ See 17 C.F.R. §§ 230.262 and 230.505(b)(2)(iii)(C).

In light of the foregoing, we believe that disqualification from the exemptions under Regulation A and Rule 505 of Regulation D is not necessary to serve the public interest or to enhance investor protection, and that BAI has shown good cause that relief should be granted. Accordingly, we respectfully request that the Commission waive the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent they may be applicable to BAI and any of its affiliates.²

Please do not hesitate to contact me at (202) 383-5371 regarding this request.

Sincerely,



Christopher M. Salter
of O'MELVENY & MYERS LLP

² We note in support of this request that the Commission has in other instances granted relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D for similar reasons. *See, e.g.*, Hartford Investment Financial Services, LLC, SEC No-Action Letter (pub. avail. May 14, 2008); Bear, Stearns & Co., Inc., SEC No-Action Letter (pub. avail. Dec. 15, 2006); J.P. Morgan Securities, Inc., SEC No-Action Letter (pub. avail. May 31, 2006); RBC Dain Rauscher, SEC No-Action Letter (pub. avail. May 31, 2006).