



DIVISION OF  
CORPORATION FINANCE

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

May 15, 2015

Thomas J. Kim, Esq.  
Sidley Austin LLP  
1501 K Street, N.W.  
Washington, DC 20005

**Re: In the Matter of *SEC v. Macquarie Capital (USA) Inc.*,  
Case No. 15-CV-02304 (S.D.N.Y. Mar. 31, 2015)  
Waiver of Disqualification under Rule 506(d)(2)(ii) of Regulation D**

Dear Mr. Kim:

This responds to your letter dated May 4, 2015 ("Waiver Letter"), written on behalf of Macquarie Capital (USA) Inc. ("MCUSA") and constituting an application for a waiver of disqualification under Rule 506(d)(2)(ii) of Regulation D under the Securities Act of 1933. In the Waiver Letter, you requested relief from any disqualification that may arise as to MCUSA under Rule 506 of Regulation D by virtue of the Final Judgment entered on April 1, 2015 by the United States District Court for the Southern District of New York in *SEC v. Macquarie Capital (USA) Inc.*, Civil Action No. 15-CV-02304 (the "Final Judgment").

To allow for additional time to provide the Commission with sufficient notice and information about the Waiver Letter, and based on the facts and representations in the Waiver Letter and assuming MCUSA complies with the Final Judgment, the Division of Corporation Finance, acting for the Commission pursuant to delegated authority, has determined that MCUSA has made a showing of good cause under Rule 506(d)(2)(ii) of Regulation D that it is not necessary under the circumstances to deny reliance on Rule 506 of Regulation D by reason of the entry of the Final Judgment for a period not to exceed 60 days from the date of this letter. Accordingly, the relief requested in the Waiver Letter regarding any disqualification that may arise as to MCUSA under Rule 506 of Regulation D by reason of the Final Judgment is granted for a period not to exceed 60 days from the date of this letter on the condition that MCUSA fully complies with the terms of the Final Judgment. Any different facts from those represented or failure to comply with the terms of the Final Judgment would require us to revisit our determination that good cause has been shown and could constitute grounds to revoke or further condition the waiver. The Commission reserves the right, in its sole discretion, to revoke or further condition the waiver under those circumstances.

Very truly yours,

A handwritten signature in cursive script that reads "Sebastian Gomez Abero".

Sebastian Gomez Abero  
Chief, Office of Small Business Policy  
Division of Corporation Finance



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May 4, 2015

**By Electronic Mail**

Sebastian Gomez Abero, Esq.  
Chief, Office of Small Business Policy  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F St., NE  
Washington, DC 20549

Re: *Securities and Exchange Commission v. Macquarie Capital (USA) Inc.*,  
Case No. 15-CV-02304 (S.D.N.Y. Mar. 31, 2015)

Dear Mr. Gomez Abero:

We are writing on behalf of Macquarie Capital (USA) Inc. (“MCUSA”), the defendant in the injunctive action captioned above and brought by the Securities and Exchange Commission (the “Commission”). MCUSA hereby requests a waiver of any disqualifications under Rule 506 of Regulation D under the Securities Act of 1933 (the “Securities Act”) that may be applicable to MCUSA as a result of the entry of final judgment as to MCUSA by the U.S. District Court for the Southern District of New York on April 1, 2015 (the “Final Judgment”).

**BACKGROUND**

MCUSA, a Delaware corporation, is a U.S.-based broker-dealer registered under the Securities Exchange Act of 1934 (the “Exchange Act”) and an indirect, wholly-owned subsidiary of Macquarie Group Limited (“Macquarie”), a global diversified financial services group listed on the Australian Securities Exchange and headquartered in Sydney, Australia. In the U.S., Macquarie has five distinct business groups (separated by both physical and informational barriers), two of which significantly rely on Rule 506 of Regulation D and use MCUSA as their placement agent in Rule 506 offerings:

- Macquarie Capital, the corporate finance, advisory, equity and debt capital markets, structuring and distribution, private equity placements and principal investments business; and

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- Macquarie Asset Management, a full-service asset manager offering direct investment and asset management of infrastructure and other real assets, as well as investment management capabilities across a number of other asset classes, including fixed income, currencies, equities, private markets and hedge funds.

### The Complaint

On March 27, 2015, the Commission filed a complaint against MCUSA and two individuals, Aaron Black and William F. Fang, in the U.S. District Court for the Southern District of New York (the "Complaint"), alleging violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act. As discussed below, MCUSA consented to the entry of the Final Judgment without admitting or denying the allegations made in the Complaint.

According to the Complaint, MCUSA was the lead underwriter of a follow-on registered offering of common stock in December 2010 by Puda Coal, Inc. ("Puda Coal"), a Delaware corporation that purported to own a coal company in the People's Republic of China ("PRC"), named the Shanxi Puda Coal Group Co., Ltd ("Shanxi Coal"). According to the Complaint, in the offering documents, Puda Coal falsely disclosed that it held a 90% ownership stake in Shanxi Coal. Those statements were repeated in the marketing materials for the offering despite the fact that MCUSA had received a report from Kroll Associates Inc. ("Kroll") showing that Puda Coal did not own any part of Shanxi Coal. The Complaint alleges that, according to corporate registry filings in the PRC that Kroll accessed in its due diligence review, Puda Coal's chairman had transferred ownership of Shanxi Coal to himself and then sold nearly half of his interest to the largest state-owned investment firm in the PRC. Hence, at the time of the offering, Puda Coal no longer had any ownership stake in, or source of revenue from, Shanxi Coal.

William Fang, a member of the Puda Coal deal team, served as MCUSA's point of contact with Kroll. According to the Complaint, Kroll provided its report to Fang, who read it but failed to act on information indicating that Puda Coal no longer owned Shanxi Coal. Instead, Fang emailed the report to other members of the deal team, including to MCUSA's outside counsel, and stated that "no red flags were identified." Aaron Black served as one of the transaction directors on the Puda Coal deal team and, at the time of the offering, was a managing director at MCUSA in its New York City office. According to the Complaint, Black was the only other person at MCUSA who read the Kroll report at the time of the offering. The Complaint alleges that after receiving the report from Fang, Black read portions stating that Puda Coal's chairman owned 50% of Shanxi Coal, which was in conflict with Puda Coal's statements in the offering documents claiming to own 90%, but failed to act on this information.

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In its follow-on registered offering, Puda Coal sold shares of common stock to investors at a price of \$12 per share. When reports about Puda Coal's false claim of ownership of Shanxi Coal were publicly disclosed, Puda Coal's stock price plunged. According to the Complaint, Puda Coal is now a delisted and deregistered shell company with no ongoing business operations.

The Complaint alleges that Black and Fang were negligent by failing to act on due diligence information about the true ownership interest in Shanxi Coal and instead moving forward with underwriting and marketing the offering. The Complaint alleges that MCUSA was negligent as an organization by underwriting and marketing the offering while in possession of this information.

#### The Final Judgment

MCUSA submitted an executed Consent of the Defendant Macquarie Capital (USA) Inc. to Entry of Final Judgment (the "Consent") that was presented to the U.S. District Court for the Southern District of New York when the Commission filed its Complaint. In the Consent, solely for the purpose of proceedings brought by or on behalf of the Commission or in which the Commission is a party, MCUSA agreed to consent to the entry of the Final Judgment without admitting or denying the allegations made in the above-captioned proceeding (except as to personal and subject matter jurisdiction, which MCUSA admitted).

On April 1, 2015, the Final Judgment was entered as to MCUSA. It permanently restrains and enjoins MCUSA from violating Sections 17(a)(2) and 17(a)(3) of the Securities Act in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly: (a) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (b) to engage in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser. The Final Judgment requires MCUSA to pay a total of \$15 million, comprised of \$10,728,525 in disgorgement, \$1,271,475 in prejudgment interest and \$3,000,000 in civil penalty, which MCUSA has paid. MCUSA will also cover the costs of setting up a Fair Fund to compensate investors who suffered losses after purchasing shares in the offering.

Also on April 1, 2015, final judgments were entered as to Black and Fang, similarly permanently restraining and enjoining them from violating Sections 17(a)(2) and 17(a)(3) of the

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Securities Act in the offer or sale of any security.<sup>1</sup> Black is required to pay \$97,500 in disgorgement, \$13,211 in prejudgment interest and \$100,000 in civil penalty; Fang is required to pay \$35,000 in civil penalty. We understand from a press release issued by the Commission that Black is subject to a supervisory bar for a period of at least five years, and Fang is subject to an associational bar for a period of at least five years.<sup>2</sup>

## DISCUSSION

MCUSA understands that the entry of the Final Judgment currently disqualifies MCUSA and any issuer with respect to which MCUSA acts in any capacity described in Rule 506(d)(1) (in each such capacity, a “covered person”) from relying on Rule 506 of Regulation D. The Commission has the authority to waive these disqualifications upon a showing of good cause that such disqualifications are not necessary under the circumstances. MCUSA requests that the Commission waive any disqualifying effects – which waiver would take effect as of the date it is granted and prospectively therefrom – that the Final Judgment has and will continue to have under Rule 506(d)(1) with respect to MCUSA, on the following grounds:

1. *The Alleged Misconduct Was Non-Scienter Based*

The Commission did not allege in the Complaint that MCUSA acted with scienter or intent to defraud. The Complaint alleges violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act, which are civil, non-scienter-based antifraud statutes.

2. *Although the Alleged Misconduct Involved the Offer and Sale of Securities, It Was an Isolated Incident and of Limited Duration*

We acknowledge that the alleged misconduct involved the offer and sale of securities – and more specifically, the alleged failure by the Puda Coal deal team to exercise appropriate care in conducting due diligence in connection with underwriting a single, registered follow-on offering in December 2010. According to the Complaint, MCUSA’s U.S. Underwriting Committee directed the deal team to commission the report by Kroll. Kroll emailed its report to

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<sup>1</sup> Black and Fang each consented to the entry of final judgment containing the same injunctions as in the Final Judgment. *Securities and Exchange Commission v. Macquarie Capital (USA) Inc., et al.*, Civil Action No. 15-CV-02304 (S.D.N.Y. Apr. 1, 2015) (Final Consent Judgment as to Defendant Aaron Black); *Securities and Exchange Commission v. Macquarie Capital (USA) Inc., et al.*, Civil Action No. 15-CV-02304 (S.D.N.Y. Apr. 1, 2015) (Final Consent Judgment as to Defendant William F. Fang).

<sup>2</sup> Press Release No. 2015-51, “SEC Charges New York-Based Brokerage Firm With Faulty Underwriting of Public Offering by China-Based Company” (Mar. 27, 2015), available at: <http://www.sec.gov/news/pressrelease/2015-51.html>.

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Fang, the junior team member assigned to review the report, on Thursday, December 2, 2010. The offering priced on Wednesday, December 8, 2010 and closed on December 13, 2010.<sup>3</sup>

During this six-day period between receipt of the report and pricing, the Complaint alleges that Fang failed to act appropriately in responding to the information contained in the report. The Complaint alleges that Black, a senior deal team member, read portions of the report, including those containing information inconsistent with the offering materials, but failed to respond appropriately. No other deal team member read the report.

However, even though the alleged misconduct involved the offer and sale of securities, as set forth in the Complaint, such alleged misconduct was an isolated incident and of limited duration. There is no indication whatsoever that this alleged misconduct was part of a pattern or course of conduct in MCUSA's advisory and capital markets business, or that it should be viewed as reflecting more broadly on MCUSA as a whole. Indeed, it bears noting that since its incorporation and registration as a broker-dealer in 1994, the Final Judgment is the first and only instance in which MCUSA has been subject to any antifraud injunction, and MCUSA has never been the subject of any administrative or other enforcement proceedings brought by the Commission or any state securities regulators.<sup>4</sup>

3. *The Personnel Involved in the Alleged Misconduct Are No Longer Employed by MCUSA*

The two employees who allegedly read the Kroll report but failed to act or respond appropriately to the information it disclosed are no longer with MCUSA. Fang is no longer employed by MCUSA or any of its affiliates. Black has moved back to Sydney, Australia and is no longer licensed or affiliated with MCUSA or with any other U.S. registered broker-dealer. He is currently employed by another subsidiary of MCUSA's parent company, Macquarie Group Limited, and will have no role in supervising any securities offerings in the U.S. in compliance with his supervisory bar. Both are also subject to permanent injunctions and, in addition to Black's supervisory bar, Fang is subject to an associational bar. In short, there is no ability or opportunity for either of them to work on any matter on behalf of MCUSA.

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<sup>3</sup> See Puda Coal's Form 8-K, filed Dec. 14, 2010.

<sup>4</sup> To complete the picture of MCUSA's regulatory history, MCUSA is the subject of two FINRA AWCs, one having to do with inaccurate, incomplete or improperly formatted data submitted to FINRA's Order Audit Trail System, for which it was censured and paid a fine of \$9,000, see FINRA AWC No. 20120315068-01 (Jan. 21, 2014); and the other having to do failure to report 63 short interest positions, for which it was censured, paid a fine of \$20,000 and agreed to undertake to revise its written supervisory procedures, see FINRA AWC No. 20130379569-01 (Sept. 29, 2014).

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4. *Remedial Steps Were, and Continue to Be, Undertaken*

In general, MCUSA's global due diligence policies and procedures are embodied in internal policy documents and are reinforced through training. MCUSA closely reviews its policies and procedures from time to time to ensure that they reflect legal requirements and market practice.

Over the past four years, MCUSA has continuously reviewed its due diligence policies and procedures – with the assistance of a number of different outside law firms to gain multiple perspectives on best practices – and has subsequently implemented a number of significant changes to these policies and procedures. MCUSA has also stepped up the training of its investment banking staff, with a focus on (1) training bankers on how to conduct effective diligence and identify potential red flags, (2) encouraging bankers to follow up and report up the chain when they identify potential red flags, and (3) reinforcing responsibility and accountability by senior bankers for conducting due diligence.

- Prior to and during the period of the Puda Coal offering, MCUSA's policies and procedures for conducting due diligence for U.S. offerings were comprised of a Global Procedures Manual that addressed the topic of due diligence for U.S. offerings in a two-page addendum. This addendum outlined the purpose of due diligence and focused primarily on the role of underwriters' counsel.
- In 2011, MCUSA engaged the law firm of Sidley Austin LLP to review and enhance its due diligence policies and procedures. In July 2011, Sidley Austin presented a training session to MCUSA investment banking staff on capital markets due diligence. Sidley Austin also advised MCUSA in preparing a standalone policy for due diligence, titled "U.S. Due Diligence Considerations for Capital Markets," which was finalized and circulated to MCUSA staff in April 2012 (the "2012 Policy"). Running at 12 pages, the 2012 Policy comprehensively described the due diligence process, with a particular focus on the investment bankers' role in due diligence. Indeed, there was even a separate chapter titled the "Role of Investment Bank in the Transaction."
- In December 2012, MCUSA engaged the law firm of Weil, Gotshal & Manges LLP to present a training session to MCUSA investment banking staff on capital markets due diligence. In connection with this training session, Weil, Gotshal reviewed the 2012 Policy and confirmed its view that they reflected current market practice.

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- In July 2014, MCUSA engaged the law firm of Jones Day LLP to review and enhance its due diligence policies and procedures. In September 2014, Jones Day presented a training session to MCUSA investment banking staff on capital markets due diligence. Jones Day also advised MCUSA in revising the 2012 Policy.
- In January 2015, MCUSA adopted a new due diligence policy, also titled “US Due Diligence Considerations for Capital Markets” (the “2015 Policy”). The 2015 Policy reads like a “how to” manual on due diligence for investment bankers. What was previously a chapter in the 2012 Policy is now the entire policy. For example, whereas the 2012 Policy stated that “Any red flags should be addressed with the issuer and brought to the attention of underwriter’s counsel,” the 2015 Policy states, “Red flags – if an issue is identified it should be escalated and remedied to the satisfaction of the underwriters and/or disclosed” (emphasis added). This change in tone and emphasis is exemplified in Section 3.C, “The Guts of Successful Due Diligence,” which includes statements such as “The underwriters should play devil’s advocate.”
- With the 2015 Policy came new enhancements to the due diligence process itself, including the requirement that, for any capital markets offering for which MCUSA acts as syndicate manager, the Series 24 Principal (and the relevant transaction director if not the Series 24 Principal) for such offering must confirm in writing to the U.S. Underwriting Committee, prior to the date of launch of such offering, that he or she is familiar with MCUSA’s U.S. due diligence policies and procedures and is satisfied that the due diligence process was performed appropriately and that all material issues identified in the due diligence process have been either resolved or appropriately disclosed. This new requirement is intended to reinforce the personal responsibility of the senior banker on the transaction for the due diligence process.
- In March 2015, Jones Day and MCUSA in-house counsel presented a training session to MCUSA investment banking staff on capital markets due diligence and on the 2015 Policy.

MCUSA believes that its due diligence policies and procedures reflect legal requirements and current market practice and intends to continuously monitor these policies and procedures and update them where appropriate. In addition, MCUSA intends to continue engaging law firms from time to time to review its due diligence procedures and train its investment banking staff in an effort to ensure that it is following best practices in diligence. It should be noted that the three law firms that advised MCUSA over this four-year period have represented MCUSA in other matters. MCUSA engaged these firms because of their knowledge of and experience with

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MCUSA's business. MCUSA is of the view that the scope of their engagement – *i.e.*, to advise MCUSA on industry best practices on due diligence – did not create a conflict of interest or otherwise incent the law firms to recommend practices that were anything other than best practices.

In light of the steps taken to date and MCUSA's program of continuous review and training, which it has implemented and followed for four years now, we do not believe that MCUSA's continued disqualification from Rule 506 offerings is warranted. In our view, the steps MCUSA has taken since 2011 evidence MCUSA's commitment to performing due diligence in a robust and conscientious manner and in compliance with legal requirements. There is no reason to believe that MCUSA cannot be relied on to act responsibly as a covered person in Rule 506 offerings and in a manner that will protect investors and our markets. MCUSA's regulatory history buttresses this conclusion, and shows the Final Judgment to be an isolated incident.

*5. Material and Disproportionate Impact of Waiver Denial on MCUSA, on its Affiliates, on its Clients and on Investors*

MCUSA's disqualification from participating in transactions conducted pursuant to Rule 506 of Regulation D has and will continue to have a material adverse impact on MCUSA, its affiliated funds and corporate finance clients that have retained, or would like to retain, MCUSA in connection with Rule 506 offerings, as well as on the investors in these offerings. From January 1, 2014 to March 31, 2015: MCUSA has served as placement agent for Macquarie Capital's corporate finance clients in 15 Rule 506 offerings that raised approximately \$6 billion from over 500 institutional investors; and MCUSA has served as placement agent for 8 pooled investment funds managed in Macquarie Asset Management that raised approximately \$2 billion in Rule 506 offerings from over 100 institutional investors.

The Final Judgment was entered on April 1, 2015. Without a waiver, the disqualification from Rule 506 triggered by the entry of the Final Judgment will continue for five years. As market practice favors the use of Rule 506 because it provides issuers and market participants with the benefit of a safe harbor, during this five-year period, Macquarie Capital will not be able to compete for or to continue working on engagements in which their clients or prospective clients choose or are advised to conduct their offerings in reliance on Rule 506, and will therefore forego any fees it would have earned in connection with such engagements. In addition, it is possible that some of Macquarie Capital's employees who participate in Rule 506 offerings could seek employment elsewhere to continue to serve clients, and the clients could leave with them.

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Without a waiver, Macquarie Asset Management, an independent business unit of Macquarie with no involvement in the conduct giving rise to the Final Judgment, will need to consider the feasibility of whether or how its managed funds can raise capital in the U.S., either without MCUSA or in a manner consistent with the statutory exemption, Section 4(a)(2).<sup>5</sup> In the event the determination is made that neither alternative is reasonable or attractive from a business standpoint, then such funds would be materially impaired in their ability to raise new capital in the U.S. for the next five years.

The effect of MCUSA's disqualification extends well beyond MCUSA and Macquarie. If MCUSA does not receive a waiver, then Macquarie Capital's corporate finance clients would be materially adversely affected by losing access to capital from MCUSA's institutional investor clients. In turn, MCUSA's institutional investor clients would be deprived of the opportunity to invest in Macquarie Capital private placements and in funds managed in Macquarie Asset Management. In addition, Macquarie Asset Management has one fund, the Macquarie Asia Infrastructure Fund, that is currently in capital-raising mode in reliance on Rule 506 (although it has suspended all offering activity since April 1, 2015). Existing investors in this fund may be materially adversely affected if the fund is not able to realize its intended size and therefore may not be able to make the types or amounts of investments anticipated, which may affect rates of return.

Although it is possible that Macquarie Asset Management could utilize a third-party placement agent in lieu of MCUSA, MCUSA has longstanding and extensive relationships with institutional investors around the world, which include public pension funds, sovereign wealth funds, governments and institutions such as universities and foundations. A third-party placement agent will not have these same relationships, and Macquarie Asset Management would likely not be able to raise the same amount of capital with a third-party agent as it could with MCUSA.

We do not believe these collateral consequences serve or promote investor protection, nor do they advance the public interest. For example, Macquarie Infrastructure and Real Assets ("MIRA"), the infrastructure fund management business within Macquarie Asset Management,

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<sup>5</sup> For example, although the Supreme Court in SEC v. Ralston Purina Co., 346 U.S. 119, 125 (1953), rejected the argument that numbers are determinative, at least four courts have said that the more offerees there are, the more likely it is a public offering. See SEC v. Murphy, 626 F.2d 633, 645 (9th Cir. 1980); Doran v. Petroleum Mgmt. Corp., 545 F.2d 893, 901 (5th Cir. 1977); Hill York Corp. v. Am. Int'l Franchises, Inc., 448 F.2d 680, 688 (5th Cir. 1971); W.-Realco Ltd. P'ship 1983-A v. Harrison, 791 P.2d 1139, 1144 (Colo. Ct. App. 1989). Also, Securities Act Release No. 4552 (1962) lists the number of offerees as a relevant factor for determining whether the statutory exemption is available. This is only one example of the types of issues that Macquarie Asset Management's managed funds would need to address and resolve before they could offer and sell securities in reliance on the statutory exemption.

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is the largest infrastructure asset manager in the world and relies on Rule 506 to raise capital in all of its private funds that are marketed to U.S. investors through MCUSA. One of its funds, Macquarie Infrastructure Partners III, completed raising \$3 billion in 2014 in reliance on Rule 506. This fund's first investment is to finance the replacement of the Goethals Bridge, which connects Staten Island and New Jersey, through a public-private partnership. If MIRA were to continue to be disqualified from raising capital for its funds over the next five years in reliance on Rule 506, then, once its existing capital is spent, it would be materially impaired in its ability to finance new infrastructure projects, including public-private partnerships, which means that MCUSA's institutional investor clients would lose the valuable opportunity to invest in infrastructure – as strategic infrastructure investments have delivered superior returns – and correspondingly, burdens on U.S. taxpayers could increase if they are called upon to finance infrastructure projects in the event private financing cannot be obtained.

We submit that the impact of Rule 506(d)(1)'s disqualification on MCUSA, its affiliates and its clients today, and over the next five years in the event the waiver is not granted, is grossly disproportionate to the conduct at issue in the Final Judgment – and for which MCUSA has paid \$15 million and will fund the costs of a Fair Fund to compensate investors. In light of the limited nature of the violation, the enforcement remedies already obtained by entry of the Final Judgment, and the remedial measures taken since 2011, we do not believe that disqualification from relying on Rule 506 for five years is reasonable, warranted or in the public interest.

6. *Disclosure of Written Description of Final Judgment to Investors*

For a period of five years from the date of the Final Judgment, MCUSA will furnish (or cause to be furnished) to each purchaser to whom MCUSA offers and sells securities in a Rule 506 offering that would otherwise be subject to the disqualification under Rule 506(d)(1) as a result of the Final Judgment, a description in writing of the Final Judgment a reasonable time prior to sale.

\* \* \*

**REQUEST FOR WAIVERS**

In light of the grounds for relief discussed above, we believe that disqualification is not necessary under the circumstances and that MCUSA has shown good cause that relief should be granted. Accordingly, we respectfully urge the Commission, pursuant to Rule 506(d)(2)(ii), to

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waive the disqualification provisions in Rule 506 under the Securities Act to the extent they may be applicable to MCUSA as a result of the entry of the Final Judgment.<sup>6</sup>

Sincerely,



Thomas J. Kim

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<sup>6</sup> We note in support of this request that the Commission has granted relief under Rule 506 of Regulation D for similar reasons or in similar circumstances. See, e.g., *Oppenheimer & Co. Inc.*, Release No. 33-9712 (Jan. 27, 2015), *Bank of America, N.A.*, Release No. 33-9682 (Nov. 25, 2014); *Citigroup Global Markets Inc.*, Release No. 33-9657 (Sept. 26, 2014). MCUSA is not requesting waivers of the disqualifications from relying on Regulation A and Rule 505 of Regulation D at this time because it does not now use or participate in transactions under such offering exemptions. MCUSA understands that it may request such waivers in a separate request if circumstances change.