

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 9298 / February 1, 2012**

In the Matter of

**GE FUNDING CAPITAL MARKET  
SERVICES, INC.**

Respondent.

**ORDER UNDER RULE 602(e) OF  
THE SECURITIES ACT OF 1933  
GRANTING A WAIVER OF THE  
DISQUALIFICATION  
PROVISIONS OF RULES 602(b)(4)  
AND 602(c)(2)**

GE Funding Capital Market Services, Inc. (“GE Funding CMS”) has submitted a letter, dated December 20, 2011, requesting a waiver of the disqualification from the exemption from registration under Regulation E arising from the settlement with the Commission of a civil injunctive action.

On December 23, 2011, the Commission filed a civil injunctive action against GE Funding CMS in the United States District Court for the District of New Jersey alleging that GE Funding CMS violated Section 17(a) of the Securities Act of 1933 (“Securities Act”).

Pursuant to an Offer of Settlement from GE Funding CMS, GE Funding CMS simultaneously filed a “Consent of GE Funding Capital Market Services, Inc.” in which it agreed, without admitting or denying the allegations of the Commission’s complaint, to the entry of a Final Judgment against it. Among other things, the Final Judgment permanently enjoins GE Funding CMS from violating Section 17(a) of the Securities Act, and orders GE Funding CMS to pay \$24,901,762 in disgorgement, penalties and interest. In its complaint, the Commission alleges that GE Funding CMS was involved a bid-rigging scheme related to tax-exempt municipal securities.

Rule 602(b)(4) of the Securities Act makes the Regulation E exemption unavailable to an issuer if, among other things, such issuer or any of its affiliates is subject to any “order, judgment, or decree of any court of competent jurisdiction, entered within five years prior to the filing of such [Regulation E] notification, temporarily or permanently restraining or enjoining such person from engaging in or continuing any conduct or practice in connection with the purchase or sale of securities.” Rule 602(c)(2) also makes the exemption unavailable to an issuer if, among other things, any principal

security holder, investment adviser, or underwriter of the securities to be issued is “temporarily or permanently restrained or enjoined by any court from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or arising out of such person’s conduct as an underwriter, broker, dealer or investment adviser.” 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 be denied.”

Based on the representations set forth in GE Funding CMS’s December 20, 2011, request, the Commission has determined that, pursuant to Rule 602(e), a showing of good cause has been made and that it is not necessary under the circumstances that the exemption be denied as a result of the Final Judgment or as a result of any related injunction entered by a U.S. state or territorial court addressing the same activities as the settled injunctive action.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver of the disqualification provision of Rules 602(b)(4) and 602(c)(2) under the Securities Act resulting from the entry of the Final Judgment is hereby granted.

By the Commission.

Elizabeth M. Murphy  
Secretary