

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT of 1933
Release No. 9091 / December 16, 2009

In the Matter of

Investools Inc.,

Respondent.

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

I.

Investools Inc. (“Investools”) has submitted a letter, dated November 20, 2009, requesting a waiver of the Rule 602(b)(4) and 602(c)(2) disqualifications from the exemption from registration under Regulation E arising from Investools’ settlement of an injunctive action commenced by the Commission.

II.

On December 10, 2009, the Commission filed a civil injunctive action in the United States District Court for the District of Columbia, alleging that Investools is liable as a controlling person under Section 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”) for violations by its employees of Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5. In its complaint, the Commission alleged that certain Investools sales personnel committed fraud during sales presentations at workshops that Investools held throughout the United States. The complaint further alleged that, from 2004 to approximately June 2007, Investools failed to adequately supervise its sales personnel. The complaint alleged that, during that time, Investools management learned that certain of its speakers were claiming, at investor workshops, that their securities trading was tremendously profitable. The complaint also alleged that Investools never required its speakers to provide it with documentation substantiating their trading success claims, such as brokerage account statements or tax forms. On December 16, 2009, pursuant to Investools’ consent, the United States District Court for the District of Columbia entered a Final Judgment permanently enjoining Investools from violating, directly or indirectly, Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder.

III.

Under Rule 602(b)(4) of the Securities Act of 1933 (“Securities Act”), the Regulation E exemption is unavailable for the securities of small business investment company issuers or business development company issuers if such issuer or any of its affiliates is subject to a court order entered within the past five years “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) of the Securities Act makes this exemption unavailable for the securities of any issuer if, among other things, any investment adviser or underwriter of the securities to be offered 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) of the Securities Act 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.”

IV.

Based upon the representations set forth in Investools’ 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 provisions of Rules 602(b)(4) and 602(c)(2) under the Securities Act resulting from the entry of the Order is hereby granted.

By the Commission.

Elizabeth M. Murphy
Secretary