

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9213 / May 27, 2011

In the Matter of

UBS FINANCIAL 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)**

UBS Financial Services Inc. (“UBS”) has submitted a letter, dated April 13, 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 proceeding.

On May 4, 2011, the Commission filed a civil injunctive complaint against UBS in the United States District Court for the District of New Jersey alleging that UBS violated Section 15(c)(1)(A) of the Securities Exchange Act of 1934 (“Exchange Act”).

Pursuant to an Offer of Settlement from UBS, UBS simultaneously filed a “Consent of UBS Financial 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 UBS from violating Section 15(c)(1)(A) of the Exchange Act, orders UBS to pay \$47, 207,180 million in disgorgement, penalties and interest. In its complaint, the Commission alleges that UBS was involved a bid-rigging scheme related to tax-exempt municipal securities.

Rule 602(b)(4) 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 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 UBS’ April 13, 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 proceeding.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act of 1933 (“Securities Act”), that a waiver of the disqualification provisions 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