

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

**SECURITIES ACT OF 1933**  
**Release No. 9487 / November 26, 2013**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 70949 / November 26, 2013**

**In the Matter of**

**The Royal Bank of Scotland  
Group plc,**

**Respondent.**

**ORDER UNDER SECTION 27A(b) OF THE  
SECURITIES ACT OF 1933 AND  
SECTION 21E(b) OF THE SECURITIES  
EXCHANGE ACT OF 1934, GRANTING  
WAIVERS OF THE DISQUALIFICATION  
PROVISIONS OF SECTION 27A(b)(1)(A)(ii)  
OF THE SECURITIES ACT OF 1933 AND  
SECTION 21E(b)(1)(A)(ii) OF THE  
SECURITIES EXCHANGE ACT OF 1934 AS  
TO THE ROYAL BANK OF SCOTLAND  
GROUP PLC AND ITS AFFILIATES**

The Royal Bank of Scotland Group plc (“RBSG”) has submitted a letter on behalf of itself and its affiliates, dated October 28, 2013, for a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 (the “Securities Act”) and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 (the “Exchange Act”) arising from the settlement of a civil injunctive action filed by the Commission against a subsidiary of RBSG known as RBS Securities Inc. (“RBS”).

On November 7, 2013, the Commission filed a civil injunctive action in U.S. District Court for the District of Connecticut against RBS for violating the antifraud provisions of the federal securities laws. The complaint alleged that the violations resulted from certain misstatements and omissions made by RBS to the investing public in 2007 in promoting its \$2.2 billion offering of a subprime residential mortgage-backed security. RBS allegedly misled investors about the quality and safety of their investments by claiming that the subprime loans backing the multi-billion dollar offering were “generally” in compliance with the lender’s underwriting guidelines when RBS knew or should have known at the time that almost 30% of the loans backing the offering deviated so much from the lender’s underwriting guidelines that they should have been kicked out of the offering entirely. On November 25, 2013, pursuant to RBS’s consent, the U.S. District Court for the District of Connecticut entered a Final Judgment permanently enjoining RBS from violating Sections 17(a)(2) and (3) of the Securities Act, and requiring RBS to pay disgorgement, prejudgment interest and a penalty.

The safe harbor provisions of Section 27(A)(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward looking statement that is “made with respect to the business or operations of an issuer, if the issuer . . . during the 3-year period preceding the date on which the statement was first made . . . has been made the subject of a judicial or administrative decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the securities laws. . . .” Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications may be waived “to the extent otherwise specifically provided by rule, regulation, or order of the Commission.” Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act.

Based on the representations set forth in RBSG’s letter, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the entry of the Final Judgment is appropriate and should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act, that a waiver from the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act as to RBSG and its affiliates resulting from the entry of the Final Judgment is hereby granted.

By the Commission.

Elizabeth M. Murphy  
Secretary