



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

DIVISION OF
MARKET REGULATION

April 11, 2007

Lauren Burnham Prevost
Morris, Manning & Martin, LLP
1600 Atlanta Financial Center
3343 Peachtree Road, N.E.
Atlanta, Georgia 30326-1044

**Re: Cole Credit Property Trust II, Inc.
Request for Exemptive Relief under Rule 102 of Regulation M
File No.: TP 07-58**

Dear Ms. Prevost:

In your letter dated April 9, 2007, as supplemented by conversations with the staff, you request that the Commission grant an exemption from Rule 102 of Regulation M to permit Cole Credit Property Trust II, Inc. (the "REIT") to effect redemptions of shares of its common stock pursuant to its Share Redemption Program. We have attached a copy of your letter to this response to avoid reciting the facts. Unless otherwise noted, terms in this letter have the same meaning as in your letter.

Response:

As a consequence of the continuous offerings of the REIT's shares of common stock, the REIT will be engaged in a distribution of shares of its common stock pursuant to Rule 102 of Regulation M. As a result, bids for or purchases of shares of its common stock or any reference security by the REIT or any affiliated purchaser of the REIT are prohibited during the restricted period specified in Rule 102, unless specifically excepted by or exempted from Rule 102.

On the basis of your representations and the facts presented, but without necessarily concurring in your analysis, the Commission hereby grants an exemption from Rule 102 of Regulation M to permit the REIT to repurchase shares of its common stock under its Share Redemption Program while the REIT is engaged in a distribution of shares of common stock. In granting this exemption, we considered the following facts, among others:

- shareholders of the REIT must have held the shares of common stock in the REIT for at least one year to participate in the Share Redemption Program. The one year holding requirement may be waived in the event of a stockholder's bankruptcy;
- there is no trading market for the REIT's common stock;
- the REIT will repurchase shares of its common stock at a price lower than, and fixed in relation to, the public offering price of its common stock;

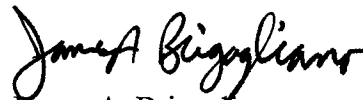
Lauren Burnham Prevost
Morris, Manning & Martin, LLP
April 11, 2007
Page 2

- the number of shares redeemed by the REIT under its Share Redemption Program during any calendar year will not exceed 3.0% of the weighted average number of shares outstanding during the prior calendar year, however, that shares subject to a redemption requested upon the death of a stockholder will not be subject to such cap; and
- the terms of the Share Redemption Program Plan will be fully disclosed in the REIT's prospectus.

This exemption is subject to the condition that the REIT shall terminate its Share Redemption Program during the distribution of its common stock if a secondary market for its common stock develops.

The foregoing exemption from Rule 102 is based solely on your representations and the facts presented to the staff, and are strictly limited to the application of Rule 102 to the Share Redemption Program as described above. The Share Redemption Program should be discontinued, pending presentation of the facts for our consideration, in the event that any material change occurs with respect to any of those facts or representations. In addition, your attention is directed to the anti-fraud and anti-manipulation provisions of the federal securities laws, particularly Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder. Responsibility for compliance with these and any other applicable provisions of the federal securities laws must rest with the REIT. The Division of Market Regulation expresses no view with respect to any other question that the Share Redemption Program may raise, including, but not limited to, the adequacy of the disclosure concerning, and the applicability of other federal or state laws to, the Share Redemption Program.

For the Commission, by the
Division of Market Regulation,
pursuant to delegated authority,



James A. Brigagliano
Associate Director
Office of Trading Practices & Processing
Division of Market Regulation

Attachment

April 9, 2007

Lauren Burnham Prevost
404-504-7744
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AND FEDERAL EXPRESS

Mr. James Brigagliano, Assistant Director
Office of Trading Practices and Processing
Division of Market Regulation
U.S. Securities and Exchange Commission
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Washington, D.C. 20549

SECURITIES AND EXCHANGE COMMISSION
APR 11 2007
DIVISION OF MARKET REGULATION

Re: Cole Credit Property Trust II, Inc. Request for Relief under Rule 102(e) of Regulation M

Dear Mr. Brigagliano:

We are counsel to Cole Credit Property Trust II, Inc. (the "REIT"). The REIT is currently conducting a "best efforts" public offering of up to 54,140,000 shares of common stock at \$10.00 per share and is offering up to 1,202,000 shares pursuant to a distribution reinvestment plan at the greater of (a) \$9.50 per share or (b) 95% of the estimated value per share (the "Initial Offering"). The prospectus contained in the registration statement for the Initial Offering describes the terms of the REIT's share redemption program (the "Share Redemption Program"). Prior to the declaration of effectiveness of the Initial Offering by the Commission, the REIT requested exemptive relief under Rule 102(e) of Regulation M with respect to the Share Redemption Program. Such exemptive relief was granted by the Commission in a letter dated May 24, 2005, a copy of which is enclosed.

The REIT has now filed a new registration statement under the Securities Act of 1933, as amended (Registration No. 333-138444), pursuant to a "best efforts" public offering of up to 125,000,000 shares of common stock at \$10.00 per share and up to 25,000,000 shares pursuant to a distribution reinvestment plan at the greater of (a) \$9.50 per share or (b) 95% of the estimated value per share (the "Second Offering"). The Commission has informed the REIT that the registration statement for the Second Offering has been granted "no review" status; however, the REIT has not yet requested effectiveness of the Second Offering. The REIT will terminate the Initial Offering prior to commencement of the Second Offering.

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Charlotte, North Carolina

April 9, 2007

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The prospectus contained in the registration statement for the Second Offering also contains a description of the terms of the Share Redemption Program. In general, these terms are the same as those contained in the registration statement for the Initial Offering, with the following modifications:

- the administrative fee that the REIT will charge with respect to a Uniform Commercial Code search that is used to determine whether there are any liens held against the shares to be redeemed has been changed from \$250 to the lesser of \$250 or 4% of the original purchase price of the shares to be redeemed (any additional costs in conducting the search will be borne by the REIT);
- the administrative fee will be waived if the redemption occurs upon the death of a stockholder or if the REIT's advisor, in its sole discretion, determines that the redeeming stockholder has suffered an economic hardship;
- the REIT may waive the one-year holding requirement for the redemption of shares in the event of a stockholder's bankruptcy;
- during any calendar year, the REIT will not redeem in excess of 3% of the weighted average number of shares outstanding during the prior calendar year, provided, however, that shares subject to a redemption requested upon the death of stockholder will not be subject to such cap; and
- if the REIT is unable to purchase all shares presented for redemption in any quarter, based upon insufficient cash available or the limit on the number of shares that the REIT may redeem during any calendar year, the REIT may give priority to the redemption of a deceased stockholder's shares, rather than attempting to honor all redemption requests on a pro rata basis.

The REIT believes that these modifications are consistent with the terms of other share redemption programs that have been granted exemptive relief by the Commission under Rule 102(e) of Regulation M, and in any event, are not material modifications to the terms of the Share Redemption Program that was granted exemptive relief by the Commission on May 24, 2005. As a result, and on behalf of the REIT, we request that the Division of Market Regulation grant the REIT an exemption from the prohibitions of Rule 102(a) of Regulation M promulgated under the Securities Exchange Act of 1934, as amended, with respect to redemptions by the REIT of shares of its common stock pursuant to terms of the Share Redemption Program contained in the registration statement of the Second Offering.

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If you have any questions regarding this request, or if you need any additional information, please do not hesitate to contact me at (404) 504-7744 or my colleague, Heath D. Linsky, Esq. at (404) 504-7691.

Very truly yours,

MORRIS, MANNING & MARTIN, LLP

A handwritten signature in cursive script, reading "Lauren Burnham Prevost". The signature is written in black ink and is positioned above the printed name.

Lauren Burnham Prevost

Enclosure

cc: Blair D. Koblenz
Heath D. Linsky, Esq.



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

DIVISION OF
MARKET REGULATION

May 24, 2005

SECURITIES AND EXCHANGE COMMISSION
MAY 24 2005
DIVISION OF MARKET REGULATION

Lauren Burnham Prevost
Morris, Manning & Martin, LLP
1600 Atlanta Financial Center
3343 Peachtree Road, N.E.
Atlanta, Georgia 30326-1044

Re: Cole Credit Property Trust II, Inc.
Request for Exemptive Relief under Rule 102 of Regulation M

Dear Ms. Prevost:

In your letter dated May 6, 2005, as supplemented by conversations with the staff, you request that the Commission grant an exemption from Rule 102 of Regulation M to permit Cole Credit Property Trust II, Inc. (the "REIT") to effect redemptions of shares of its common stock pursuant to its proposed Share Redemption Program. We have attached a copy of your letter to this response to avoid reciting the facts. Unless otherwise noted, terms in this letter have the same meaning as in your letter.

Response:

As a consequence of the continuous offerings of the REIT's shares of common stock, the REIT will be engaged in a distribution of shares of its common stock pursuant to Rule 102 of Regulation M. As a result, bids for or purchases of shares of its common stock or any reference security by the REIT or any affiliated purchaser of the REIT are prohibited during the restricted period specified in Rule 102, unless specifically excepted by or exempted from Rule 102.

On the basis of your representations and the facts presented, but without necessarily concurring in your analysis, the Commission hereby grants an exemption from Rule 102 of Regulation M to permit the REIT to repurchase shares of its common stock under its Share Redemption Program while the REIT is engaged in a distribution of shares of common stock. In granting this exemption, we considered the following facts, among others:

- shareholders of the REIT must have held the shares of common stock in the REIT for at least one year to participate in the Share Redemption Program;
- there is no trading market for the REIT's common stock;

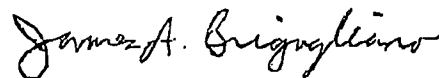
Lauren Burnham Prevost
Morris, Manning & Martin, LLP
May 24, 2005
Page 2

- the REIT will repurchase shares of its common stock at a price lower than, and fixed in relation to, the public offering price of its common stock;
- at no time during the calendar year will the number of shares redeemed by the REIT under its Share Redemption Program exceed 3.0% of the weighted average number of shares outstanding during the prior calendar year; and
- the terms of the Share Redemption Program Plan will be fully disclosed in the REIT's prospectus.

This exemption is subject to the condition that the REIT shall terminate its Share Redemption Program during the distribution of its common stock if a secondary market for its common stock develops.

The foregoing exemption from Rule 102 is based solely on your representations and the facts presented to the staff, and are strictly limited to the application of Rule 102 to the Share Redemption Program as described above. The Share Redemption Program should be discontinued, pending presentation of the facts for our consideration, in the event that any material change occurs with respect to any of those facts or representations. In addition, your attention is directed to the anti-fraud and anti-manipulation provisions of the federal securities laws, particularly Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder. Responsibility for compliance with these and any other applicable provisions of the federal securities laws must rest with the REIT. The Division of Market Regulation expresses no view with respect to any other question that the Share Redemption Program may raise, including, but not limited to, the adequacy of the disclosure concerning, and the applicability of other federal or state laws to, the Share Redemption Program.

For the Commission, by the
Division of Market Regulation,
pursuant to delegated authority,



James A. Brigagliano
Assistant Director
Office of Trading Practices & Processing
Division of Market Regulation

Attachment



May 6, 2005

Lauren Burnham Prevost
404-504-7744
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VIA FACSIMILE (202-942-9638) AND FEDERAL EXPRESS

Mr. James Brigagliano, Assistant Director
Office of Trading Practices and Processing
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U.S. Securities and Exchange Commission
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Washington, D.C. 20549

Re: Cole Credit Property Trust II, Inc. Request for Relief under Rule 102(e) of
Regulation M

Dear Mr. Brigagliano:

We are counsel to Cole Credit Property Trust II, Inc. (the "REIT"). On behalf of the REIT, we request that the Division of Market Regulation grant the REIT an exemption from the prohibitions of Rule 102(a) of Regulation M promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to redemptions by the REIT of shares of its common stock pursuant to its proposed share redemption program (the "Share Redemption Program").

Cole Credit Property Trust II, Inc.

The REIT was incorporated in Maryland on September 29, 2004, and was formed primarily to invest in commercial real estate properties, generally freestanding, single tenant commercial properties net leased to investment grade and other creditworthy tenants. The REIT intends to qualify as a real estate investment trust under federal tax law.

The REIT has filed a registration statement under the Securities Act of 1933, as amended (the "Securities Act") (Registration No. 333-121094), with respect to 50,000,000 shares of its common stock. Up to 45,000,000 of the shares are being registered in connection with an initial public offering (the "Offering") and 5,000,000 of the shares are being registered in connection with the REIT's distribution reinvestment plan (the "Reinvestment Plan"). The REIT proposes to sell the shares in the Offering on a "best efforts" basis at \$10.00 per share, and at \$9.15 per share under the Reinvestment Plan. The Commission has not yet declared the Offering effective.

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Page 2

The REIT has no current plan to cause its shares of common stock to be listed for trading on any national securities exchange or for quotation on The Nasdaq Stock Market, nor does it anticipate that such shares will be the subject of bona fide quotes on any inter-dealer quotation system or electronic communication network. To provide stockholders with limited liquidity for their common stock, under certain circumstances, the REIT intends to adopt the Share Redemption Program. If a secondary trading market does develop, however, the REIT will terminate the Share Redemption Program.

The Share Redemption Program

The REIT's board of directors has approved the Share Redemption Program for the REIT, the terms of which are fully disclosed in the prospectus included in the registration statement described above. The REIT's board of directors has delayed the implementation of the Share Redemption Program until the earlier of the (1) completion of the Offering (approximately two years from the effective date of the Offering) or (2) receipt of the relief requested by this letter.

During the term of Offering, the redemption price per share will depend on the length of time the stockholder has held such shares. After one year from the purchase date, the redemption price per share will be 92.5% of the amount the stockholder paid for each share. This percentage will increase to 95.0% after two years from the purchase date, then to 97.5% after three years from the purchase date and to 100.0% of the purchaser price after four years from the purchase date (in each case, as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to the REIT's common stock). At any time the REIT is engaged in an offering of shares, the per share price for shares purchased under the Share Redemption Plan will always be equal to or lower than the applicable per share offering price. Thereafter the per share redemption price will be based on the then-current net asset value of the shares (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to our common stock). The REIT's board of directors will announce any redemption price adjustment and the time period of its effectiveness as a part of its regular communications with our stockholders. At any time the redemption price is determined by any method other than the net asset value of the shares, if the REIT has sold property and has made one or more special distributions to the stockholders of all or a portion of the net proceeds from such sales, the per share redemption price will be reduced by the net sale proceeds per share distributed to investors prior to the redemption date as a result of the sale of such property in the special distribution. The board of directors will, in its sole discretion, determine which distributions, if any, constitute a special distribution. While the REIT's board of directors does not have specific criteria for determining a special distribution, it is anticipated that a special distribution will only occur upon the sale of a property and the subsequent distribution of the net sale proceeds. Subject to the waiver of the one-year holding period requirement, shares required to be redeemed in

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connection with the death of a stockholder may be repurchased without the one-year activity period requirement, at a purchase price equal to the price actually paid for the shares.

Prior to the time the REIT's shares are listed on a national securities exchange or for quotation on The Nasdaq Stock Market and pursuant to the terms of the Share Redemption Program, a stockholder who has held shares of common stock for at least one year may, with appropriate notice, present all or a portion consisting of at least 25% of such stockholder's shares for repurchase, subject to the requirements described below.

During each calendar year, the REIT will not redeem in excess of 3.0% of the weighted average number of shares outstanding during the prior calendar year. The cash available for redemption will be limited to the proceeds from the sale of shares pursuant to the Reinvestment Plan.

The REIT will redeem shares on a quarterly basis. If the REIT does not have sufficient funds set aside to accommodate all of the redemption requests made during any quarter, or the REIT has reached the limit on the number of shares it may redeem during any calendar year, then the REIT will attempt to honor all requests on a pro-rata basis. The unsatisfied portion of any redemption request will be treated as a request for redemption the following quarter. The requestor may (1) withdraw its request for redemption at any time prior to the last day of the new quarter or (2) ask that the redemption request be honored at such time, if, any, when sufficient funds are available and the REIT has not reached its calendar year redemption limit. Such pending requests will generally be honored on a pro rata basis.

The REIT's redeemed shares will become authorized but unissued shares of the REIT's common stock. The REIT does not intend to reissue the shares without registration under the Securities Act or an exemption therefrom. The Share Redemption Program will terminate upon the development of a trading market for the REIT's shares of common stock. In addition, the board of directors may choose to amend, suspend or terminate the Share Redemption Program upon 30 days notice at any time and will be required to discontinue sales of shares under the Reinvestment Plan on the earlier of (i) two years following the date the Offering is declared effective, or (ii) the date the REIT has sold 5,000,000 shares under the Reinvestment Plan, unless the REIT has filed a new registration statement with the Securities and Exchange Commission and applicable states. Because the redemption of shares will be funded with the net proceeds the REIT receives from the sale of shares under the Reinvestment Plan, the discontinuance or termination of the Reinvestment Plan will adversely affect the REIT's ability to redeem shares under the Share Redemption Plan. The REIT will notify the stockholders of such developments (i) in its annual or quarterly reports or (ii) by means of a separate mailing, accompanied by disclosure in a current or periodic report under the Exchange Act. During the Offering, the REIT will also include this information in a prospectus supplement or post-effective amendment to the registration statement, as required under federal securities laws.

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Discussion

Rule 102(a) of Regulation M, which is intended to preclude manipulative conduct by those with an interest in the outcome of a distribution, prohibits issuers and those affiliated with issuers, from among other things, bidding for, purchasing or attempting to induce another to bid for or purchase a security that is the subject of a distribution while such distribution is underway. Rule 102(e) of Regulation M, however, authorizes the Commission to exempt from the provisions of Rule 102 any transaction or series of transactions, either unconditionally or subject to specified terms and conditions.

The REIT respectfully requests that the Division of Market Regulation grant it an exemption from the prohibitions of Rule 102 of Regulation M, thereby permitting the REIT to effect redemptions under its Share Redemption Program. The REIT will not actively solicit shares for redemption, and redemptions will not be made with the purpose of and will not have the effect of manipulating the price of the REIT's stock.

The REIT has no current plans to cause such shares to be listed on any securities exchange or The Nasdaq National Market, nor does it anticipate that such shares will be the subject of bona fide quotes on any inter-dealer quotation system or electronic communications network. The Share Redemption Program was created solely to address the illiquidity by providing stockholders of the REIT with a vehicle through which, after having held shares for at least one year, they could liquidate all or a portion of their investment in the REIT's common stock. Should a secondary trading market for the REIT's shares develop, the REIT will terminate the Share Redemption Program.

Although stockholders of the REIT are apprised of the availability of the Share Redemption Program at the time they purchase their shares by means of a description in the prospectus, the REIT will not actively solicit its stockholders' participation in the program. Stockholders desiring to present all or a portion of their shares for repurchase will do so of their own volition and not at the behest, invitation or encouragement of the REIT. In addition, the REIT's only role in the program will be the ministerial facilitation of redemption requests. To date, no shares of common stock have been issued to the public by the REIT and no shares have been redeemed pursuant to the Share Redemption Program.

Repurchasing shares under the Share Redemption Program during the Offering would not manipulate the REIT's stock price because the repurchase price under the Share Redemption Program will be fixed at an amount less than or equal to the offering price of the REIT's common stock. Moreover, the scope of the Share Redemption Program is limited by (1) the requirement that redemptions be funded solely from the net proceeds received from the sale of shares under the Reinvestment Plan and (2) the prohibition on redemptions during any calendar year in excess of 3.0% of the weighted average number of shares outstanding during the prior calendar year. The potential for manipulation is further reduced by the Share Redemption Program's one-year holding requirement. These and all other terms of the Share

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Redemption Program are clearly set forth in the prospectus included in the REIT's registration statement.

Furthermore, because purchasers in the Offering must die in order to take advantage of the potentially more favorable terms applicable upon the death of a stockholder, the potentially more favorable terms available in such situations would not have a manipulative effect on the REIT's stock price.

The REIT believes that the relief it requests in this letter is consistent with the relief granted by the Division of Market Regulation in **CNL Income Properties, Inc.** (March 11, 2004), **Wells Real Estate Investment Trust II, Inc.** (December 9, 2003), **Inland Western Retail Real Estate Trust, Inc.** (August 25, 2003), **T REIT, Inc.** (June 4, 2001) and **CNL American Properties Fund** (August 13, 1998) under Regulation M and in **Excel Realty Trust, Inc.** (May 21, 1992) under former Rule 10b-6. In particular, except for certain features of the Share Redemption Program limited to repurchases upon the death of a stockholder, we note that (1) the REIT's stockholders must hold shares of common stock for at least one year to participate in the Share Redemption Program at all; (2) the REIT will terminate its Share Redemption Program in the event a secondary market for its common stock develops; (3) during the term of the Offering, the shares will be repurchased at a price that is fixed and less than the price of the shares in the Offering; (4) the number of shares to be repurchased under the Share Redemption Program will not exceed, during any calendar year, 3.0% of the REIT's weighted average number of shares of common stock outstanding during the prior calendar year; and (5) the terms of the Share Redemption Program are fully disclosed in the REIT's prospectus.

The REIT believes the requested relief is consistent with relief granted in **Panther Partners, L.P.** (March 3, 1994) and **Dean Witter Cornerstone Funds II, III and IV** (June 3, 1992) with respect to certain limited partnerships under former Rule 10b-6 where (1) no secondary market existed or was expected to develop for the limited partnership interests; (2) the motivation for repurchasing limited partnership interests was to create liquidity for limited partners; (3) the limited partnership interests were repurchased at prices that were based on the valuation of the partnerships' net assets; and (4) the repurchase programs were to be terminated in the event a secondary market developed. The REIT believes that its proposed Share Redemption Program is consistent with the programs described in the aforementioned letters and, similarly, poses a very low risk for the type of manipulative acts and practices that Regulation M and former Rule 10b-6 were promulgated to prevent.

MORRIS, MANNING & MARTIN, LLP

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If you have any questions regarding this request, or if you need any additional information, please do not hesitate to contact me at (404) 504-7744 or my colleague, David M. Calhoun, Esq. at (404) 504-7613.

Very truly yours,

MORRIS, MANNING & MARTIN, LLP

Lauren Burnham Prevost

cc: Blair D. Koblenz
David M. Calhoun, Esq.