



DIVISION OF  
CORPORATION FINANCE

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

February 4, 2010

Mr. R. Daniel O'Connor  
Ropes & Gray LLP  
One International Place  
Boston, Massachusetts 02110

Re: In the Matter of State Street Bank and Trust Company, (B-2320)  
**State Street Corporation – Waiver Request of Ineligible Issuer Status under Rule  
405 of the Securities Act**

Dear Mr. O'Connor:

This is in response to your letter dated February 4, 2010, written on behalf of State Street Corporation (Company) and constituting an application for relief from the Company being considered an "ineligible issuer" under Rule 405(1)(vi) of the Securities Act of 1933 (Securities Act). The Company requests relief from being considered an "ineligible issuer" under Rule 405, due to the entry on February 4, 2010, of a Commission Order (Order) pursuant to Section 8A of the Securities Act, naming the Company's subsidiary, State Street Bank and Trust Company (SBT), as a respondent. The Order requires that SBT cease and desist from committing or causing any violations, and any future violations of Section 17(a)(2) and Section 17(a)(3) of the Securities Act.

Based on the facts and representations in your letter, and assuming the Company and SBT comply with the Order, the Commission, pursuant to delegated authority has determined that the Company has made a showing of good cause under Rule 405(2) and that the Company will not be considered an ineligible issuer by reason of the entry of the Order. Accordingly, the relief described above from the Company being an ineligible issuer under Rule 405 of the Securities Act is hereby granted. Any different facts from those represented or non-compliance with the Order might require us to reach a different conclusion.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Kosterlitz", written over a horizontal line.

Mary Kosterlitz  
Chief, Office of Enforcement Liaison  
Division of Corporation Finance



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February 4, 2010

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John Madison  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-0506

Re: State Street Global Advisors (B-02320)

Dear Mr. Madison:

We submit this letter on behalf of State Street Corporation (“SSC”) (the “Applicant”), in connection with the anticipated settlement of administrative proceedings with the Securities and Exchange Commission (the “Commission”) arising out of the above-captioned investigation. Pursuant to Rule 405 under the Securities Act of 1933 (the “Securities Act”), the Applicant respectfully requests that the Commission determine, for the reasons described below, that it is not necessary under the circumstances that it be considered an “ineligible issuer” under Rule 405 as a result of the entry of the Order (as defined below).<sup>1</sup> The Applicant also requests that this determination be made effective upon entry of the Order. It is our understanding that the Division of Enforcement does not object to the grant of the requested waiver by the Division of Corporation Finance.

## **BACKGROUND**

The staff of the Division of Enforcement engaged in settlement discussions with State Street Bank and Trust Company (“SBT”) in connection with the contemplated administrative proceedings arising out of the above-captioned investigation, which were brought pursuant to Sections 17(a)(2) and (3) of the Securities Act. As a result of these discussions, SBT submitted an offer of settlement. In the offer of settlement, solely for the purpose of proceedings brought by or on behalf of the Commission or in which the Commission is a party, SBT consented to the entry of an Order of the Commission (the “Order”) without admitting or denying the matters set

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<sup>1</sup> SSC currently qualifies as a “well-known seasoned issuer” under Rule 405. State Street Bank and Trust Company is a “subsidiary” of SSC within the meaning of paragraph (1)(vi) of the definition of “ineligible issuer” contained in Rule 405.

forth therein (other than those relating to the jurisdiction of the Commission and the subject matter of these proceedings).

Under the terms of the Order, the Commission will make the following findings, without admission or denial by SBT:

- 1) State Street engaged in a course of business that misled investors about the extent of subprime mortgage-backed securities held in certain unregistered funds under its management. In doing so, State Street violated Sections 17(a)(2) and (3) of the Securities Act.

Based on these findings, the Order requires SBT to cease and desist from future violations of Sections 17(a)(2) and (3) of the Securities Act.

#### **WAIVER REQUEST**

The Applicant understands that the entry of the Order could result in its being an "ineligible issuer" under Rule 405 insofar as the Order will cause SBT to be subject to an administrative decree or order arising out of a governmental action that prohibits certain conduct or activities regarding the anti-fraud provisions of the federal securities laws. As a consequence of being an "ineligible issuer," the Applicant could not qualify as a "well-known seasoned issuer," which would, among other things, mean that it could not use the exemption from the prohibition on offers of securities before the filing of a registration statement under Rule 163 under the Securities Act or file an "automatic shelf registration statement" (as defined in Rule 405 under the Securities Act). In addition, as a consequence of being an "ineligible issuer," the Applicant would be ineligible to use post-filing free writing prospectuses under Rule 164 of the Securities Act and Rule 433 of Regulation C. The Commission has the authority to determine upon a showing of good cause that such disqualifications are not necessary under the circumstances, and has delegated this authority to the Division of Corporate Finance. *See* 17 C.F.R. §§ 200.30-1(a)(10). The Applicant respectfully requests, pursuant to Rule 405, that the Commission determine that it is not necessary that it be considered an "ineligible issuer" under Rule 405 on the following grounds:

- 1) The conduct to be addressed in the Order does not relate to any disclosures made by the Applicant or offerings of securities by the Applicant.
- 2) The Applicant has a strong record of compliance with the securities laws. In addition, SBT voluntarily cooperated with the Division of Enforcement in the investigation of this matter.

- 3) The classification of the Applicant as an ineligible issuer under Rule 405 would deny it the use of the exemption from the prohibition on offers of securities before the filing of a registration statement under Rule 163, post-filing free writing prospectuses under Rules 164 and 433, and the automatic shelf registration statement process, among other things.
- 4) The classification of the Applicant as an ineligible issuer under Rule 405 would be unduly and disproportionately severe, given that: (i) the Order relates to activity which has already been addressed; and (ii) the Commission staff negotiated a settlement with SBT and reached a satisfactory conclusion to this matter that requires SBT to pay a total disgorgement of \$7,331,020, plus prejudgment interest thereon in the amount of \$1,019,161 and a civil penalty in the amount of \$50,000,000, and to undertake to compensate investors an additional \$255,240,472 for losses in settlement of the matters addressed in the Order (which when taking into account other payments made or being made to investors will result in SBT paying investors total compensation of \$663,191,540).
- 5) The Commission has previously exercised its waiver authority in comparable situations. *See, e.g.*, JPMorgan Chase & Co., 2009 SEC No-Act. LEXIS 720 (November 4, 2009), TD Ameritrade Holding Corporation, 2009 SEC No-Act. LEXIS 638 (July 20, 2009), Prudential Financial Inc., 2006 SEC No-Act. LEXIS 784 (August 28, 2006).

In light of the foregoing, we believe that disqualification is not necessary, in the public interest or for the protection of investors, and the Applicant has shown good cause that relief should be granted. Accordingly, we respectfully urge the Commission, pursuant to Rule 405 of Regulation C, to determine, effective upon entry of the Order, that it is not necessary that the Applicant be considered an ineligible issuer as a result of the entry of the Order.

If you have any questions regarding this request, please contact me at (617) 951-7260.

Very truly yours,



R. Daniel O'Connor