



DIVISION OF
CORPORATION FINANCE

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

December 9, 2011

Karen Patton Seymour, Esquire
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004-2498

**Re: SEC v. Wachovia Bank, N.A., now known as Wells Fargo Bank, N.A., successor
by merger, Civil Action No. 11-7135 (D.N.J.)
Waiver Request under Regulation A and Rule 505 of Regulation D**

Dear Ms. Seymour:

This responds to your letter dated today, written on behalf of Wells Fargo Bank, N.A. ("Wells Fargo Bank"), and constituting an application for relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D under the Securities Act of 1933 (the "Securities Act").

You requested relief from disqualifications from exemptions available under Regulation A and Rule 505 that arose by reason of the Final Judgment as to Wells Fargo Bank entered on December 9, 2011 by the United States District Court for the District of New Jersey in SEC v. Wachovia Bank, N.A., now known as Wells Fargo Bank, N.A. successor by merger, Civil Action No. 11-7135 (the "Judgment"). The Judgment permanently enjoins Wells Fargo Bank from violating Section 17(a) of the Securities Act and orders Wells Fargo Bank to pay disgorgement in the amount of \$13,802,984, prejudgment interest thereon in the amount of \$7,275,607, and a civil penalty in the amount of \$25,000,000 under Section 20(d) of the Securities Act.

For purposes of this letter, we have assumed as facts the representations set forth in your letter and the findings supporting entry of the Judgment. We also have assumed that Wells Fargo Bank will comply with the Judgment.

On the basis of your letter, I have determined that you have made showings of good cause under Rule 262 and Rule 505 that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Rule 505 by reason of entry of the Judgment against Wells Fargo Bank. Accordingly, pursuant to delegated authority, on behalf of the Division of Corporation Finance, I hereby grant relief from the disqualifications from exemptions otherwise available under Regulation A and Rule 505 that arose by reason of entry of the Judgment against Wells Fargo Bank.

Very truly yours,


Gerald J. Laporte
Chief, Office of Small Business Policy

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December 9, 2011

By Hand and Via E-mail

Gerald Laporte, Esq.
Chief, Office of Small Business Policy
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: *SEC v. Wachovia Bank, N.A., n/k/a Wells Fargo Bank, N.A.,*
Case No. 11-cv-07135 (D.N.J.)

Dear Mr. Laporte:

We are writing on behalf of our client, Wells Fargo Bank, N.A., successor by merger to Wachovia Bank, N.A. (“Wells Fargo Bank”), and the settling party in the above-captioned action (the “Action”) brought by the U.S. Securities and Exchange Commission (the “Commission”). The Action relates to alleged violations of the federal securities laws by Wachovia Bank (prior to its merger with and into Wells Fargo Bank) in connection with the bidding on and sale of municipal derivative transactions.

Wells Fargo Bank requests, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”), a waiver of any disqualification from exemptions under Regulation A and Rule 505 of Regulation D that may be applicable to Wells Fargo Bank or any of its affiliates, or any issuer, offering participant or other person as a result of the entry of the Final Judgment,¹ as described below. We request that this waiver be made effective upon entry of the Final Judgment. It is our understanding that the Division of Enforcement does not oppose the granting of the requested waiver.

¹ *Securities and Exchange Commission v. Wachovia Bank, N.A., n/k/a Wells Fargo Bank, N.A.,* Case No. 11-cv-07135 (D.N.J.) (Final Judgment) (Dec. 9, 2011).

BACKGROUND

The conduct of Wachovia Bank alleged in the Action involved the bidding on and sale of municipal derivative transactions to municipalities and other issuers of tax-exempt debt. The Commission alleges in the complaint (“Complaint”) that Wachovia Bank engaged in fraudulent practices, misrepresentations, and omissions that affected the prices of the reinvestment instruments, deprived the municipalities of a conclusive presumption that their reinvestment instruments were purchased at fair market value, and/or jeopardized the tax-exempt status of certain securities. Specifically, the Commission alleges that, from at least 1997 to at least 2005, certain Wachovia Bank employees conspired with bidding agents and other providers of municipal derivative transactions to rig at least 29 such transactions for Wachovia Bank to win; the Commission further alleges that certain Wachovia Bank employees provided at least 29 deliberately non-winning bids for municipal derivative transactions so as to facilitate the rigging of those transactions for other providers to win. Based on the alleged misconduct in the Complaint, Wachovia Bank allegedly violated Section 17(a) of the Securities Act.

In connection with the Action, Wells Fargo Bank and the Division of Enforcement reached an agreement to settle the Action as described below, and Wells Fargo Bank submitted to the Commission an executed consent in which, for the purpose of this Action, it consents to the imposition of a Final Judgment, including imposition of an injunction, without admitting or denying the matters set forth in the Complaint (except as to the jurisdiction of the Commission).

In the Final Judgment, Wells Fargo Bank is enjoined from violating Section 17(a) of the Securities Act. The Final Judgment also orders Wells Fargo Bank to disgorge \$13,802,984, pay pre-judgment interest in the amount of \$7,275,607, and pay a civil penalty in the amount of \$25,000,000.

DISCUSSION

Wells Fargo Bank understands that the Final Judgment disqualifies it, its affiliated entities and issuers, offering participants and other persons from participating in certain offerings otherwise exempt under Regulation A and Rule 505 of Regulation D promulgated under the Securities Act insofar as Wells Fargo Bank is subject to a court order enjoining it from future violations of Section 17(a) of the Securities Act. The Commission has the authority to waive the exemption disqualifications under Regulation A and Rule 505 of Regulation D upon a showing of good cause that such disqualifications are not necessary under the circumstances. *See* Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D.² Wells Fargo Bank requests that the

² We note in support of this request that the Commission has in other instances granted relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D. *See, e.g.*, UBS Financial Services Inc., SEC No-Action Letter (pub. avail. May 9, 2011); Citigroup, Inc., SEC No-Action Letter (pub. avail. October 19, 2010); Goldman Sachs & Co., SEC No-Action Letter (pub. avail. July 20, 2010); Evergreen Investment Management Company, LLC, SEC No-Action Letter (pub.

Commission waive any disqualifying effects that the Final Judgment may have under Regulation A and Rule 505 of Regulation D with respect to Wells Fargo Bank, its affiliates or any issuer, offering participant or other person on the following grounds:

1. The conduct of Wells Fargo Bank alleged in the Complaint does not relate to offerings under Regulation A or Rule 505 of Regulation D.
2. The disqualification of Wells Fargo Bank, its affiliates and other persons from the exemptions under Regulation A and Rule 505 of Regulation D would have an adverse impact on third parties that retain or provide services to Wells Fargo Bank or any of its affiliates in connection with transactions that may need to be made in reliance on these exemptions.
3. The disqualification of Wells Fargo Bank, its affiliates and other persons from the exemptions under Regulation A and Rule 505 of Regulation D would be unduly and disproportionately severe, given that the Commission staff has negotiated a settlement with Wells Fargo Bank and reached a satisfactory conclusion to this matter.

* * * * *

In light of the foregoing, Wells Fargo Bank believes that it has shown good cause that relief should be granted. Accordingly, we respectfully request that the Commission, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D, waive, effective as of the entry of the Final Judgment, the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent they may be applicable to Wells Fargo Bank, any of its affiliates or any issuer, offering participant or other person as a result of the Final Judgment or any related state order, judgment or decree.

avail. July 8, 2009); Banc of America Investment Services, Inc., SEC No-Action Letter (pub. avail. June 20, 2008); Hartford Investment Financial Services, SEC No-Action Letter (pub. avail. May 14, 2008); Friedman, Billings, Rarmsey & Co, Inc., SEC No-Action Letter (pub. avail. January 16, 2007).

Gerald Laporte, Esq.

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If you have any questions regarding this request, please contact the undersigned at (212) 558-3196, Matthew Fitzwater at (212) 558-1632 or Christopher Viapiano at (202) 956-6985.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Patton Seymour". The signature is fluid and cursive, with the first name "Karen" being the most prominent.

Karen Patton Seymour

cc: Mark R. Zehner, Esq.
(U.S. Securities and Exchange Commission)

Douglas R. Edwards
(Wells Fargo Law Department)