



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

DIVISION OF
CORPORATION FINANCE

January 23, 2012

John A. Freedman, Esquire
Arnold & Porter LLP
555 Twelfth Street, N.W.
Washington, D.C. 20549-3628

**Re: SEC v. GE Funding Capital Market Services, Inc.,
Civil Action No. 11-7465 (D.N.J.)
Waiver Request under Regulation A and Rule 505 of Regulation D**

Dear Mr. Freedman:

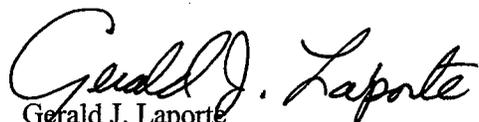
This responds to your letter dated today, written on behalf of GE Funding Capital Market Services, Inc. ("GE Funding CMS"), and constituting an application for waiver relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D under the Securities Act of 1933 (the "Securities Act").

You requested waiver relief from disqualifications from exemptions available under Regulation A and Rule 505 that arose by reason of the Final Judgment as to GE Funding CMS entered on January 23, 2012 by the United States District Court for the District of New Jersey in SEC v. GE Funding Capital Market Services, Inc., Civil Action No. 11- 7465 (the "Judgment"). The Judgment permanently enjoins GE Funding CMS from violating Section 17(a) of the Securities Act and orders GE Funding CMS to pay disgorgement in the amount of \$10,625,775, prejudgment interest thereon in the amount of \$3,775,987, and a civil penalty in the amount of \$10,500,000 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 GE Funding CMS 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 GE Funding CMS. 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 GE Funding CMS.

Very truly yours,


Gerald J. Laporte
Chief, Office of Small Business Policy

January 23, 2012

VIA FEDERAL EXPRESS AND E-MAIL

Gerald J. Laporte, Esq.
Chief, Office of Small Business Policy
U.S. Securities and Exchange Commission
100 F Street, N.E., 3rd Floor
Washington, D.C. 20549-3628

Re: Securities and Exchange Commission v. GE Funding Capital Market Services,
Inc., Case No. 2:11-cv-07465-WJM-MF

Dear Mr. Laporte:

We submit this letter on behalf of our client, General Electric Company (“GE”), General Electrical Capital Corporation (“GE Capital”) and General Electric Capital Services, Inc. (“GECS”), indirect parent companies of GE Funding Capital Market Services, Inc. (“GE Funding CMS”) in connection with the settlement of the above-captioned proceeding by the Securities and Exchange Commission (the “Commission”). The settlement resulted in the entry of a final judgment against GE Funding CMS in an action filed by the Commission in the United States District Court for New Jersey (the “District Court”), as described below (the “Final Judgment”).

GE, GE Capital and GECS hereby request, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D promulgated under the Securities Act of 1933 (the “Securities Act”), waivers of any disqualifications from exemptions under Regulation A and Rule 505 of Regulation D that may be applicable to GE, GE Capital, GECS, their affiliates and any other company which may become a subsidiary or affiliate of GE, GE Capital or GECS in the future or any other person as a result of the entry of the Final Judgment. It is our understanding that the Staff of the Division of Enforcement (the “Staff”) does not oppose the grant of the requested waivers.

BACKGROUND

The Staff has engaged in settlement discussions with GE Funding CMS in connection with the above-captioned civil proceeding. The Commission filed a complaint against it (the “Complaint”) in the District Court. The Complaint alleged that GE Funding CMS engaged in misrepresentations in connection with bidding on certain temporary investment of proceeds from the sale of certain tax-exempt municipal securities by state and local governmental entities in the United States. The Complaint also alleged that GE Funding CMS made misrepresentations in

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connection with bidding for certain investments, violating Section 17(a) of the Securities Act. As a result of these discussions and simultaneous with the filing of the Complaint, GE Funding CMS consented to the entry of the Final Judgment, neither admitting nor denying the allegations in the Complaint (other than those relating to the jurisdiction of the District Court over it and the subject matter of the action). The Final Judgment permanently enjoins GE Funding CMS from violating Section 17(a) of the Securities Act and requires GE Funding CMS to pay disgorgement in the amount of \$10,625,775, prejudgment interest in the amount of \$3,775,987, and a civil monetary penalty of \$10,500,000.

DISCUSSION

GE, GE Capital and GECS understand that the entry of the Final Judgment could disqualify GE, GE Capital, GECS and their affiliated issuers or other persons from participating in certain offerings otherwise exempt under Regulation A and Rule 505 of Regulation D promulgated under the Securities Act, to the extent that GE, GE Capital and GECS or their affiliated issuers are disqualified pursuant to 17 C.F.R. §§ 230.262(a)(4) or 230.505(b)(2)(iii)(C). The Commission has the authority to waive the Regulations A and D exemption disqualifications upon a showing of good cause that such disqualifications are not necessary under the circumstances. *See* 17 C.F.R. §§ 230.262 and 230.505(b)(2)(iii)(C).

GE, GE Capital and GECS request that the Commission waive any disqualifying effects that entry of the Final Judgment may have under Regulation A and Rule 505 of Regulation D with respect to GE, GE Capital, GECS, their current and future affiliates and subsidiaries or any other person on the following grounds:

1. The conduct expected to be alleged in the Complaint does not relate to offerings under Regulation A or Rule 505 of Regulation D. Furthermore, we note that the conduct occurred more than seven years ago, and the personnel at GE Funding CMS who were involved in the alleged violations are no longer employed by GE Funding CMS.
2. GE, GE Capital, GECS and their affiliates have a strong record of compliance with the securities laws and have cooperated with the Division of Enforcement in the investigation of this matter.
3. The disqualification of GE, GE Capital, GECS and their affiliates or other persons from the exemptions under Regulation A and Rule 505 of Regulation D would be unduly and

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disproportionately severe given that the Final Judgment fully addresses the activity alleged in the Complaint through injunctive and other relief. The Final Judgment is the result of substantial negotiations between GE Funding CMS and the Staff. Its terms have been carefully crafted to meet and balance the competing concerns of all involved. Under the Final Judgment, GE Funding CMS will pay a substantial penalty and is subject to an injunctive order. Applying ineligible issuer status to GE, GE Capital, GECS or their affiliates would, in effect, unfairly impose an additional punishment beyond the agreed-upon settlement terms negotiated by GE Funding CMS in good faith.

4. The disqualification may affect the business operations of GE, GE Capital, GECS or their affiliates by impairing their ability to issue securities pursuant to these exemptions to raise new capital or for other purposes. In addition, the disqualification may place GE, GE Capital, GECS or their affiliates at a competitive disadvantage with respect to third parties.

In light of the grounds for relief discussed above, we believe that disqualification is not necessary, in the public interest, or for the protection of investors, and that GE, GE Capital and GECS have shown good cause that relief should be granted. Accordingly, we respectfully request the Commission to waive the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent that they may be applicable as a result of the entry of the Final Judgment.¹

¹ 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 for similar reasons. *See, e.g.*, UBS Financial Services Inc., SEC No-Action Letter (pub. avail. May 9, 2011); Citigroup Inc., SEC No-Action Letter (pub. avail. Oct. 19, 2010); Evergreen Investment Management Co., LLC, SEC No-Action Letter (pub. avail. June 8, 2009); UBS AG, SEC No-Action Letter (pub. avail. Mar. 19, 2009); Citigroup Global Markets, Inc., SEC No-Action Letter (pub. avail. March 23, 2005); Morgan Stanley & Co. Incorporated, SEC No-Action Letter (pub. avail. Feb. 4, 2005); Lehman Brothers Inc., SEC No-Action Letter (pub. avail. Oct. 31, 2003); Citigroup Global Markets Inc., f/k/a Salomon Smith Barney Inc., SEC No. Action Letter (pub. avail. October 31, 2003); Credit Suisse First Boston Corporation, SEC No-Action Letter (pub. avail. Jan. 29, 2002).

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Please do not hesitate to contact me at the above-listed telephone number if you should have any questions regarding this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'JAF', with a long horizontal flourish extending to the right.

John A. Freedman