July 10, 2003

Harry J. Weiss, Esq.
Wilmer, Cutler & Pickering
2445 M Street, N.W.
Washington, DC 20037-1420

Re: Prudential Securities Incorporated – Waiver Request under Regulation A and Rule 505 of Regulation D

Dear Mr. Weiss:

This responds to your letter dated July 10, 2003, written on behalf of Prudential Securities Incorporated ("PSI"), 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. You requested relief from disqualifications from exemptions available under Regulation A and Rule 505 of Regulation D that arise by virtue of the entry today of a Commission order under Section 15(b) of the Securities Exchange Act of 1934 (the "Order").

For purposes of this letter, we have assumed as facts the representations set forth in your letter. We also have assumed that PSI will comply with the Order.

On the basis of your letter, the Commission, pursuant to delegated authority, has determined that you have made a showing of good cause under Rule 262 and Rule 505(b)(2)(iii)(C) that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Rule 505 of Regulation D by reason of entry of the Order. Accordingly, the relief described above from the disqualifying provisions of Regulation A and Rule 505 of Regulation D is hereby granted.

Sincerely,

Gerald J. Laporte
Chief, Office of Small Business Policy
July 10, 2003

BY MESSENGER

Gerald J. Laporte, Esq.
Chief, Office of Small Business Policy
Division of Corporation Finance
U.S. Securities and Exchange Commission
450 Fifth Street, N.W., Room 3501
Washington, D.C. 20549-0310

Re: In the Matter of Prudential Securities Incorporated, File No. P-918

Dear Mr. Laporte:

We submit this letter on behalf of our client, Prudential Securities Incorporated ("PSI"), in connection with a settlement agreement (the "Settlement") arising out of an investigation by the Philadelphia District Office of the Securities and Exchange Commission (the "Commission"). PSI below requests, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D of the Commission promulgated under the Securities Act of 1933 (the "Securities Act"), a waiver of any disqualification from exemptions under Regulation A and Rule 505 of Regulation D that may be applicable to PSI and any of its affiliates as a result of the entry of the Commission order described below. PSI also requests that these waivers be granted effective upon the entry of the Commission order. It is our understanding that the Division of Enforcement does not object to the grant of the requested waivers by the Division of Corporation Finance.

BACKGROUND

The staff of the Philadelphia District Office engaged in settlement discussions with PSI in connection with the contemplated administrative proceeding arising out of the above-captioned investigation, which will be brought pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act"). As a result of these discussions, PSI has 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, PSI consents to the entry of an
Order of the Commission (the "Order") without admitting or denying the matters set forth therein (other than those relating to the jurisdiction of the Commission).

The Order states that PSI, a registered broker-dealer, failed to reasonably supervise one of its former registered representatives with a view to preventing his violations of the federal securities laws. According to the Order, from 1998 through 2000, the representative sold Class B shares in certain PSI proprietary mutual funds to his customers, without disclosing the existence of sales charge discounts for large purchases ("breakpoints") that would have made purchases of the funds' Class A shares lower cost investments for most of his customers. In doing so, the representative increased his own compensation, generating excess commissions as a result of his improper Class B share sales practices.

The Order also states that, during the former representative's fraudulent conduct, PSI had policies and procedures in effect concerning sales of mutual fund shares. However, PSI failed to adopt a sufficient system to determine whether the existing policies and procedures were followed above the branch office manager's level. According to the Order, as a result, when the representative's branch officer manager and direct supervisor failed to follow and enforce PSI's policies and procedures related to the sale of mutual fund shares, PSI had inadequate means to detect that branch office manager's failure.

Under the terms of the Order, the Commission will make findings, without admission or denial by PSI, that PSI failed reasonably to supervise the former representative, within the meaning of Section 15(b)(4)(E) of the Exchange Act, with a view to preventing the representative's violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder. Based on these findings, the Order will censure PSI, require PSI to pay disgorgement and prejudgment interest thereon in the amount of $82,000, require PSI to pay a civil penalty in the amount of $300,000, and require it to comply with its undertakings.

DISCUSSION

PSI understands that the entry of the Order could disqualify it and its affiliated entities from participating in certain offerings otherwise exempt under Regulation A and Rule 505 of Regulation D promulgated under the Securities Act, insofar as the Order will cause PSI to be subject to an order of the Commission entered pursuant to Section 15(b) of the Exchange Act. The Commission has the authority to waive the Regulation A and Rule 505 of Regulation 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). PSI requests that the Commission waive any disqualifying effects that the Order may have under Regulation A and Rule 505 of Regulation D with respect to PSI or its affiliates on the following grounds:

1. PSI's conduct addressed in the Order does not relate to offerings under Regulation A or D.
2. PSI will undertake or has undertaken to maintain the revised policies, procedures and systems that it implemented to enhance supervision of Class B share sales, and to review its procedures and systems regarding the sale of Class B shares for compliance with the federal securities laws and regulations, and the rules of the NASD and the New York Stock Exchange, and, if necessary, to establish additional systems or procedures reasonably designed to achieve compliance with those laws, regulations, and rules concerning the sale of Class B shares.

3. The disqualification of PSI from the exemptions under Regulation A and Rule 505 of Regulation D would, we believe, have an adverse impact on third parties that have retained PSI and its affiliates in connection with transactions that rely on these exemptions.

4. The disqualification of PSI from the exemptions available under Regulation A and Rule 505 of Regulation D would be unduly and disproportionately severe, given that: (i) the Order relates to activity which has already been addressed pursuant to the undertakings set forth in the offer of settlement; and (ii) the Commission staff has negotiated a settlement with PSI and reached a satisfactory conclusion to this matter that will require PSI to make payments aggregating $382,000 in settlement of the matters addressed in the Order and to comply with the undertakings set forth in the offer of settlement and listed in the Order.

In light of the foregoing, we believe that disqualification is not necessary, in the public interest or for the protection of investors, and that PSI has shown good cause that relief should be granted. Accordingly, we respectfully request the Commission, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D, to waive, effective upon entry of the Order, the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent they may be applicable to PSI and any of its affiliates as a result of the entry of the Order.1

If you have any questions regarding this request, please contact Kevin P. McEnery of this office at 202/663-6596 or the undersigned at 202/663-6993.

Sincerely,

[Signature]

Harry J. Weiss

---