

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8991 / December 23, 2008

SECURITIES EXCHANGE ACT OF 1934
Release No. 59157 / December 23, 2008

In the Matter of

**UBS Financial Services, Inc.
and UBS Securities LLC**

Respondents.

**ORDER UNDER SECTION 27A(b)
OF THE SECURITIES ACT OF 1933
AND SECTION 21E(b) OF THE
SECURITIES EXCHANGE ACT OF
1934, GRANTING WAIVERS OF
THE DISQUALIFICATION
PROVISIONS OF SECTION
27A(b)(1)(A)(ii) OF THE
SECURITIES ACT OF 1933 AND
SECTION 21E(b)(1)(A)(ii) OF THE
SECURITIES EXCHANGE ACT OF
1934 AS TO UBS FINANCIAL
SERVICES, INC. AND UBS
SECURITIES LLC**

UBS Financial Services, Inc. and UBS Securities LLC (the “UBS Firms”) have submitted a letter on behalf of themselves and any of their current and future affiliates, dated November 6, 2008, for a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 (“Securities Act”) and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 (“Exchange Act”) arising from their settlement of an injunctive action filed by the Commission.

On December 11, 2008, the Commission filed a civil injunctive action in the United States District Court for the Southern District of New York, charging the UBS Firms, both registered broker-dealers, with violations of the broker-dealer anti-fraud provisions. In its complaint, the Commission alleged that the UBS Firms misled tens of thousands of their customers regarding the fundamental nature and increasing risks associated with auction rate securities (“ARS”) that the UBS Firms underwrote, marketed and sold. On December 23, 2008, pursuant to the UBS Firms’ Consent, the Court entered a Judgment permanently enjoining the UBS Firms from violating Section 15(c) of the Exchange Act. The Judgment provides that the UBS Firms will, among other things, offer to buy back at par certain ARS from certain customers.

The safe harbor provisions of Section 27A(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward looking statement that is “made with respect to the business or operations of an issuer, if the issuer . . . during the 3-year period preceding the date on which the statement was first made . . . has been made the subject of a judicial or administrative decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the federal securities laws; (II) requires that the issuer cease and desist from violating the antifraud provisions of the securities laws; or (III) determines that the issuer violated the antifraud provisions of the securities laws[.]” Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications may be waived “to the extent otherwise specifically provided by rule, regulation, or order of the Commission.” Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act.

Based on the representations set forth in the UBS Firms’ letter, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the entry of the Judgment is appropriate and should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act, that a waiver from the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act as to the UBS Firms and any current or future affiliates resulting from the entry of the Judgment is hereby granted.

By the Commission.

Florence E. Harmon
Acting Secretary