

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9439 / August 6, 2013

SECURITIES EXCHANGE ACT OF 1934
Release No. 70122 / August 6, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15407

In the Matter of

UBS SECURITIES LLC,

Respondent.

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 SECURITIES LLC AND ITS AFFILIATES

UBS Securities LLC (“UBS”) has submitted a letter on behalf of itself and its affiliates, dated July 1, 2013, for a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 (the “Securities Act”) and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 (the “Exchange Act”) arising from UBS’s settlement of public administrative and cease-and-desist proceedings instituted by the Commission. On August 6, 2013 the Commission instituted an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 15(b)(4) of the Exchange Act, and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”) against UBS.

Under the Order, the Commission found that UBS, a registered broker-dealer and investment adviser, willfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act and caused violations of Section 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”) by its undisclosed retention of approximately \$23.6 million in “upfront points” in connection with the structuring of a CDO known as ACA ABS 2007-2. Without admitting or denying the findings in the Order, except as to the Commission’s jurisdiction over it and the subject matter of the proceedings, UBS consented to the Order. In the Order, the Commission ordered that UBS be censured, cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act and Section 206(2) of the Advisers Act, and pay disgorgement of \$34,408,185, prejudgment interest of \$9,719,002.24, and a civil money penalty of \$5,655,000 to the United States Treasury.

The safe harbor provisions of Section 27(A)(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 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 UBS’s letter, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the entry of the order instituting proceedings 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 UBS and its affiliates resulting from the Commission’s Order is hereby granted.

By the Commission.

Elizabeth M. Murphy
Secretary