

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9652 / September 23, 2014

SECURITIES EXCHANGE ACT OF 1934
Release No. 73185 / September 23, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16154

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In the Matter of	:	ORDER UNDER SECTION 27A(b) OF
	:	THE SECURITIES ACT OF 1933 AND
Barclays Capital Inc.,	:	SECTION 21E(b) OF THE SECURITIES
	:	EXCHANGE ACT OF 1934, GRANTING
Respondent.	:	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 BARCLAYS CAPITAL INC.
	:	

I.

Barclays Capital Inc. (“BCI” or “Respondent”), has submitted a letter, dated July 30, 2014, requesting a waiver of Section 27A(b)(1)(A)(ii) disqualification from the safe harbor provision of Section 27A(c) of the Securities Act of 1933, as amended (“Securities Act”), and the Section 21E(b)(1)(A)(ii) disqualification from the safe harbor provision of Section 21E(c) of the Securities Exchange Act of 1934, as amended (“Exchange Act”) arising from Respondent’s settlement of administrative proceedings instituted by the Commission.

On September 23, 2014, pursuant to BCI’s Offer of Settlement, the Commission entered an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant Section 15(b) of the Securities Exchange Act of 1934 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 BCI. In the Order, the Commission found that BCI willfully violated Sections 204(a), 206(2), 206(3), 206(4), and 207 of the Investment Advisers Act of 1940 (“Advisers Act”), and Rules 204-2, 206(4)-2 and 206(4)-7 thereunder. The Commission also found that BCI, a dually-registered investment adviser and broker-dealer, after it acquired Lehman Brothers Inc.’s advisory business in September 2008, did not take the necessary steps to assure that its infrastructure was enhanced to support the newly acquired advisory business; failed to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act; and failed to make and keep certain required books and records. These deficiencies contributed to other violations. Specifically, BCI executed more than 1,500 principal transactions with its advisory client accounts without making the required written

disclosures or obtaining client consent. Additionally, for 2,785 advisory client accounts, BCI charged commissions and fees, and earned revenues, that were inconsistent with its disclosure to clients. BCI also violated certain of the custody provisions of the Advisers Act, and it underreported its assets under management on its March 31, 2011 amendment to its Form ADV by \$754 million. BCI's violations resulted in overcharges and client losses approximating \$472,000, and additional revenue to BCI of more than \$3.1 million. In the Order, the Commission censured BCI; ordered BCI to cease and desist from committing or causing any violations and any future violations of Advisers Act Sections 204(a), 206(2), 206(3), 206(4), and 207, and Rules 204-2, 206(4)-2 and 206(4)-7 thereunder; ordered BCI to pay a \$15 million civil money penalty; and ordered BCI to comply with certain undertakings.

With respect to forward looking statements, 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; 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; Section 21E(b) of the Exchange Act.

Based upon the representations set forth in Respondent's request, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the issuance of the Commission's 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 provision of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act as to BCI and its present and future affiliates resulting from entry of the Order is granted.

By the Commission.

Brent J. Fields
Secretary