

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8604 / August 18, 2005

SECURITIES EXCHANGE ACT OF 1934
Release No. 52299 / August 18, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-11998

In the Matter of

PRUDENTIAL EQUITY GROUP,
LLC, F/K/A PRUDENTIAL
SECURITIES, INC.,

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 AND SECTION
21E(b)(1)(A)(ii) OF THE EXCHANGE
ACT

Prudential Equity Group, LLC (“Prudential Equity”), formerly known as Prudential Securities, Inc., has submitted a letter on behalf of itself and its affiliates, dated June 28, 2005, requesting 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 the settlement of administrative and cease-and-desist proceedings with the Commission.

On June 25, 2005, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Sections 15(b)(4) and 21C of the Securities Exchange Act of 1934 (“Order”) against Prudential Equity finding that Prudential Equity willfully violated Section 17(b) of the Securities Act of 1933 (“Securities Act”) and Section 17(b) of the Securities Exchange Act of 1934 (“Exchange Act”).

Prudential Equity submitted an Offer of Settlement in which it agreed, without admitting or denying the allegations of the Commission’s Order, to the entry of the Order against it. Among other things, the Order requires Prudential Equity to cease and desist from committing or

causing any violation, and any future violation of Section 17(b) of the Exchange Act, censures the firm, and orders Prudential Equity to pay a \$125,000 civil penalty.

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 the 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 . . . (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 on the representations set forth in Prudential Equity’s June 28, 2005 request, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the entry of the Order 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 Prudential Equity and its affiliates resulting from the entry of the Order is hereby granted.

By the Commission.

Jonathan G. Katz
Secretary