

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8775 / January 23, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12543

In the Matter of

Pacific Growth Equities, LLC

Respondent.

**ORDER UNDER RULE 602(e) OF
THE SECURITIES ACT OF 1933
GRANTING A WAIVER OF THE
DISQUALIFICATION PROVISION OF
RULE 602(c)(3)**

Pacific Growth Equities, LLC (“Respondent”) has submitted a letter, dated December 6, 2006, requesting a waiver of the Rule 602(c)(3) disqualification from the exemption under Regulation E under the Securities Act of 1933 (“Securities Act”) arising from the settlement of a cease-and-desist and administrative proceeding commenced by the Commission. On January 23, 2007, pursuant to the Respondent’s Offer of Settlement, the Commission instituted an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 15(b) and 21C of the Securities Exchange Act of 1934 (“OIP”) against Respondent.

The OIP censures Respondent and finds that by engaging in a course of business where it double-charged certain customers for securities transactions, Respondent violated Sections 15(c)(1) and 17(a) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 17a-3 thereunder. In addition, the OIP requires Respondent to cease and desist from committing or causing violations and future violations of the preceding provisions, to pay a civil penalty of \$425,000, and to comply with certain undertakings.

Regulation E provides an exemption from registration under the Securities Act, subject to certain conditions, for securities issued by certain small business investment companies and business development companies. The Regulation E exemption is not available for the securities of an issuer if, among other things, any investment adviser or underwriter for the securities to be offered is subject to an order of the Commission entered pursuant to Section 15(b) of the

Exchange Act. *See* Rule 602(c)(3) under the Securities Act. The Commission may waive the disqualification upon a showing of good cause. *See* Rule 602(e) under the Securities Act.

Based on the representations set forth in Respondent's December 6, 2006 request, the Commission has determined that, pursuant to Rule 602(e), a showing of good cause has been made and that the request for a waiver of the disqualification should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver of the disqualification provision of Rule 602(c)(3) under the Securities Act resulting from the entry of the OIP is hereby granted.

By the Commission.

Nancy M. Morris
Secretary