

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 8796 / May 2, 2007**

**ADMINISTRATIVE PROCEEDING**  
**FILE NO. 3-12624**

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<b>In the Matter of</b>	:	
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<b>A.G. Edwards &amp; Sons, Inc.,</b>	:	<b>ORDER UNDER RULE 602(e) UNDER</b>
	:	<b>THE SECURITIES ACT OF 1933 GRANTING</b>
	:	<b>A WAIVER OF THE DISQUALIFICATION</b>
<b>Respondent.</b>	:	<b>PROVISION OF RULE 602(c)(3)</b>
	:	
	:	

A.G. Edwards & Sons, Inc. (“AG Edwards”) has submitted a letter, dated December 22, 2006, requesting a waiver of the disqualification from the exemption under Regulation E arising from its settlement of administrative proceedings commenced by the Commission under Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”).

On May 2, 2007, pursuant to AG Edwards’ offer of settlement, the Commission issued an Order Instituting Administrative Proceedings, Making Findings, and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Order”). The Order found that AG Edwards failed reasonably to supervise its registered representatives with a view to preventing their willful violations of the federal securities laws and censured AG Edwards. The Order also required AG Edwards to pay disgorgement of \$1.93 million, prejudgment interest of \$430,000 and a civil monetary penalty in the amount of \$1.5 million 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 Sections 15(b) or 15A(1) of the Exchange Act or Section 203(d) or (e) of the Investment Advisers Act of 1940. See Rule 602(c)(3) under the Securities Act. The Commission may waive the disqualification under a showing of good cause. See Rule 602(e) under the Securities Act.

Based on the representations set forth in AG Edwards December 22, 2006 request, the Commission has determined that a showing of good cause has been made pursuant to Rule 602(e) 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 from the application of the disqualification provision of Rule 602(c)(3) under the Securities Act resulting from the entry of the Order is hereby granted.

By the Commission.

Nancy M. Morris  
Secretary