

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

**SECURITIES ACT OF 1933**  
**Release No. 9319 / May 1, 2012**

**SECURITIES EXCHANGE ACT of 1934**  
**Release No. 66896 / May 1, 2012**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14863**

**In the Matter of**

**UBS Financial Services Inc. of  
Puerto Rico**

**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**

UBS Financial Services Inc. of Puerto Rico has submitted a letter, dated April 24, 2012, 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 UBS Financial Services Inc. of Puerto Rico’s settlement of an administrative and cease-and-desist proceeding instituted by the Commission. On May 1, 2012 the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceeding, Pursuant to Section 8A of the Securities Act of 1933, and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”) against UBS Financial Services Inc. of Puerto Rico.

Under the Order, the Commission found that UBS Financial Services Inc. of Puerto Rico, a registered broker-dealer, violated the antifraud provisions of the Securities Act and Exchange Act by making misrepresentations and omissions to investors involving secondary market prices and liquidity concerning 23 affiliated, non-exchange-traded closed-end funds in Puerto Rico. 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 Financial Services Inc. of Puerto Rico consented to the Order. In the Order, the Commission ordered that UBS Financial Services Inc. of Puerto Rico be censured, cease and desist from committing or causing any

violations and any future violations of Sections 17(a) of the Securities Act, Sections 10(b) and 15(c) of the Exchange Act, and Rules 10b-5 of the Exchange Act, and pay a \$11,500,000.00 million in disgorgement, \$1.1 million in prejudgment interest and a \$14,000,000.00 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 (I) prohibits future violations of the antifraud provisions of the 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 UBS Financial Services Inc. of Puerto Rico’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 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 resulting from the Commission’s Order is hereby granted.

By the Commission.

Elizabeth M. Murphy  
Secretary