

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

**SECURITIES ACT OF 1933**  
**Release No. 9558 / March 12, 2014**

**Administrative Proceeding File No. 3-15785**

**In the Matter of**

**JEFFERIES LLC, (formerly known as  
JEFFERIES & COMPANY, INC.)**

**Respondent.**

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

**I.**

Jefferies LLC (formerly known as Jefferies & Company, Inc.) (“Jefferies”) has submitted a letter, dated February 7, 2014, requesting a waiver of the Rule 602(c)(3) disqualification from relying on the exemption under Regulation E from registering securities of certain issuers under the Securities Act of 1933 (the “Securities Act”) arising from Jefferies’ settlement of Administrative Proceedings commenced by the Commission.

**II.**

On March 12, 2014, pursuant to Jefferies’ Offer of Settlement, the Commission entered an Order Instituting Administrative Proceedings Pursuant to Section 15(b)(4) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (the “Order”) against Jefferies. In the Order, the Commission found that Jefferies failed reasonably to supervise Jesse C. Litvak and certain other representatives on Jefferies’ mortgage-backed securities (“MBS”) desk with a view to preventing and detecting their violations of the federal securities laws during the time period from 2009 to 2011. During this period, Litvak and certain other representatives lied to, or otherwise misled, customers about the price at which Jefferies had bought residential MBS and consequently the amount of the firm’s profit on the trades. Jefferies’ implementation of its supervisory procedures relating to review of its MBS desk representatives’ electronic communications with customers was inadequate to prevent and detect these misrepresentations to customers.

**III.**

The Regulation E exemption is unavailable for the securities of small business investment

company issuers or business development company issuers if, among others, any investment adviser or underwriter of the securities to be offered is “subject to an order of the Commission entered pursuant to section 15(b) . . . of the Securities Exchange Act of 1934.” 17 C.F.R. § 230.602(c)(3). Rule 602(e) of Regulation E under the Securities Act provides, however, that the disqualification “shall not apply . . . if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the exemption be denied.” 17 C.F.R. § 230.602(e).

#### IV.

Based upon the representations set forth in Jefferies’ request, the Commission has determined that pursuant to Rule 602(e) under the Securities Act a showing of good cause has been made that it is not necessary under the circumstances that the exemption be denied as a result of the Order.

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

By the Commission.

Jill M. Peterson  
Assistant Secretary