

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

SECURITIES ACT OF 1933  
Release No. 8705 / May 31, 2006

SECURITIES EXCHANGE ACT OF 1934  
Release No. 53896 / May 31, 2006

ADMINISTRATIVE PROCEEDING  
File No. 3-12310

**In the Matter of**

**BEAR, STEARNS & CO. INC.; CITIGROUP  
GLOBAL MARKETS, INC.; GOLDMAN,  
SACHS & CO.; J.P. MORGAN SECURITIES,  
INC.; LEHMAN BROTHERS INC.;  
MERRILL LYNCH, PIERCE, FENNER &  
SMITH INCORPORATED; MORGAN  
STANLEY & CO. INCORPORATED AND  
MORGAN STANLEY DW INC.; RBC DAIN  
RAUSCHER INC.; BANC OF AMERICA  
SECURITIES LLC; A.G. EDWARDS & SONS,  
INC.; MORGAN KEEGAN & COMPANY,  
INC.; PIPER JAFFRAY & CO.; SUNTRUST  
CAPITAL MARKETS INC.; AND  
WACHOVIA CAPITAL MARKETS, LLC,**

**Respondents.**

**ORDER UNDER SECTION 27(A)(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 AS TO RBC DAIN RAUSCHER  
INC. AND ITS AFFILIATES**

RBC Dain Rauscher Inc. has submitted a letter on behalf of itself and its affiliates, dated January 31, 2006, for 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 its settlement of an administrative proceeding commenced by the Commission. On May 31, 2006, pursuant to the Offer of Settlement by RBC Dain Rauscher, 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 Section 8A of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934 (the "Order"). Under the Order, the Commission found that RBC Dain Rauscher willfully violated Section 17(a)(2) of the Securities Act.

The Order censures RBC Dain Rauscher and requires RBC Dain Rauscher (1) to cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) of the Securities Act; (2) within 10 days of the entry of this Order, to pay a civil money penalty in the amount of \$1,500,000 to the United States Treasury; (3) to make certain disclosures regarding its material auction practices and procedures ; and (4) not later than 6 months after the date of this order, unless otherwise extended by the staff of the Commission for good cause shown, have its chief executive officer or general counsel certify in writing to the staff of the Commission that RBC Dain Rauscher has implemented procedures that are reasonably designed to prevent and detect failures by RBC Dain Rauscher to conduct the auction process in accordance with the auction procedures disclosed in the disclosure documents and any supplemental disclosures and that RBC Dain Rauscher is in compliance with Section IV.E. of the Order.

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 an 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 an . . . administrative decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the federal 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 and 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 and Section 21E(b) of the Exchange Act.

Based on the representations set forth in RBC Dain Rauscher’s letter, 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 27E(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 RBC Dain Rauscher and its affiliates resulting from the entry of the Order is hereby granted.

By the Commission.

Nancy M. Morris  
Secretary