

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

Securities Act of 1933
Release No. 8787 / March 14, 2007

Administrative Proceeding
File No. 3-12591

In the Matter of	:	
	:	
Banc of America Securities LLC,	:	ORDER UNDER RULE 602(e) OF THE SECURITIES ACT OF 1933 GRANTING A WAIVER OF THE DISQUALIFICATION PROVISION OF RULE 602(c)(3)
	:	
<u>Respondent.</u>	:	

I.

Banc of America Securities LLC (“BAS” or “Respondent”) has submitted a letter, dated February 8, 2007, requesting a waiver of the Rule 602(c)(3) disqualification from the exemption from registration under Regulation E arising from BAS’s settlement of an administrative proceeding commenced by the Commission.

II.

On March 14, 2007, pursuant to BAS’s Offer of Settlement, 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 Sections 15(b)(4) and 21C of the Securities Exchange Act of 1934 (“Order”) against BAS. In its Order, the Commission found that BAS failed to establish, maintain and enforce written policies and procedures reasonably designed to detect and prevent the misuse of material nonpublic information concerning the firm’s equity research, as required by Section 15(f) of the Securities Exchange Act of 1934 (“Exchange Act”), and published materially false and misleading equity research in violation of Section 15(c) of the Exchange Act and Rule 15c1-2(a) thereunder. In the Order, the Commission ordered BAS to cease and desist from committing or causing any violations and any future violations of these provisions, censured BAS pursuant to Section 15(b)(4) of the Exchange Act, ordered BAS to pay a civil penalty in the amount of \$16 million and to disgorge \$10 million of ill-gotten gains, and order BAS to comply with specific undertakings.

III.

The Regulation E exemption is unavailable for the securities of small business investment company issuers or business development company issuers 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 or Section 203(e) of the Investment Advisers Act of 1940. 17 C.F.R. § 230.602(c)(3).

IV.

Based upon the representations set forth in BAS's request, the Commission has determined that pursuant to Rule 602(e) under the Securities Act of 1933 ("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 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