

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8598 / August 1, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-11998

In the Matter of

PRUDENTIAL EQUITY GROUP, LLC
f/k/a PRUDENTIAL SECURITIES, INC.,

Respondent.

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

Prudential Equity Group, LLC, f/k/a Prudential Securities, Inc. (“Prudential Equity”) has submitted a letter, dated June 28, 2005, requesting a waiver of the disqualification from the exemption from registration under Regulation E arising from Prudential Equity’s settlement with the Commission of administrative and cease-and-desist proceedings.

On June 25, 2005, 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 Prudential Equity finding that Prudential Equity willfully violated Section 17(b) of the Securities Act of 1933 (“Securities Act”) and Section 17(b) of the Securities Exchange Act of 1934 (“Exchange Act”).

Prudential Equity submitted an Offer of Settlement in which it agreed, without admitting or denying the allegations of the Commission’s Order, to the entry of the Order against it. Among other things, the Order requires Prudential Equity to cease and desist from committing or causing any violation, and any future violation of Section 17(b) of the Exchange Act, censures the firm, and orders Prudential Equity to pay a \$125,000 civil penalty.

Rule 602(c)(3) makes the Regulation E exemption unavailable to an issuer if, among other things, any investment adviser or any underwriter of the securities to be offered is subject to an “order of the Commission entered pursuant to section 15(b) or 15A(1) of the Securities Exchange Act of 1934; has been found by the Commission to be a cause of any such order which is still in effect; or is subject to an order of the Commission entered pursuant to section 203(d) or

(e) of the Investment Advisers Act of 1940.” Rule 602(e) 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.”

Based on the representations set forth in Prudential Equity’s June 28, 2005, request, the Commission has determined that, pursuant to Rule 602(e), a showing of good cause has been made and 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 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.

Jonathan G. Katz
Secretary