Prudential Equity Group, LLC, formerly known as Prudential Securities Inc. ("Respondent") has submitted a letter, dated August 8, 2006, requesting a waiver of the Rule 602(c)(3) disqualification from the exemption under Regulation E under the Securities Act of 1933 ("Securities Act") arising from the settlement of an administrative proceeding commenced by the Commission. On August 28, 2006, pursuant to Respondent’s Offer of Settlement, the Commission instituted an Order Instituting Administrative Proceedings, Making Findings, and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("OIP") against Respondent.

The OIP finds that some registered representatives formerly employed by Respondent used deceptive practices to conceal their identities, and those of their customers, to evade mutual funds’ prospectus limitations on market timing. By engaging in such conduct, Respondent willfully violated Section 17(a) of the Securities Act, Sections 10(b) and 17(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rules 10b-5, 17a-3, and 17a-4 thereunder. The OIP also requires Respondent to pay disgorgement of $270 million and to comply with certain undertakings.

Regulation E provides an exemption from registration under the Securities Act, subject to certain conditions, for securities issued by certain small business investment companies and business development companies. The Regulation E exemption is not available for the securities of an issuer 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. See Rule 602(c)(3) under the Securities Act. The Commission may waive the disqualification upon a showing of good cause. See Rule 602(e) under the Securities Act. Based on the representations set forth in Respondent’s August 8, 2006 request, the Commission has determined that, pursuant to Rule 602(e), a showing of good cause has been made and that the request for a waiver of the disqualification should be granted.

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 OIP is hereby granted.

By the Commission.

Nancy M. Morris
Secretary