

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

**SECURITIES ACT OF 1933**

**Release No. 8734 / August 28, 2006**

**SECURITIES EXCHANGE ACT OF 1934**

**Release No. 54372 / August 28, 2006**

**ADMINISTRATIVE PROCEEDING**

**File No. 3-12400**

**In the Matter of**

**PRUDENTIAL EQUITY  
GROUP, LLC,  
formerly known as  
PRUDENTIAL SECURITIES  
INC.,**

**Respondent.**

**ORDER UNDER SECTION 27A(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**

Prudential Equity Group, LLC, formerly known as Prudential Securities Inc. (collectively, "PSI" or "Respondent"), has submitted a letter on behalf of itself and its affiliates, including Prudential Financial, Inc., a publicly traded holding company traded on the New York Stock Exchange, dated August 17, 2006, requesting 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 the settlement of PSI to an administrative proceeding instituted by the Commission.

On August 28, 2006, pursuant to Respondent's Offer of Settlement, the Commission issued an Order Instituting Administrative Proceedings Making Findings, and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Order") against Respondent. Under the Order, the Commission found that:

1. As a result of the conduct described in the Order, PSI willfully violated Section 17(a) of the Securities Act, which prohibits fraudulent conduct in the offer or sale of securities.
2. As a result of the conduct described in the Order, PSI also willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

3. Also as a result of the conduct described in the Order, PSI willfully violated Section 17(a) of the Exchange Act and Rules 17a-3 and 17a-4 thereunder. Section 17(a) of the Exchange Act and Rules 17a-3 and 17a-4 thereunder required PSI to make and keep certain books and records relating to its business, including trade blotters and trade tickets related to mutual fund trading. Implicit in the Commission's recordkeeping rules is a requirement that information contained in a required book or record be accurate. PSI failed to maintain complete and current copies of trade blotters concerning mutual fund trading and trade tickets related to mutual fund trading in a readily accessible place. In instances where PSI did maintain trade tickets, information included on them did not represent the actual time at which the orders were placed.

The Order requires, among other things:

1. Respondent to pay disgorgement in the total amount of \$270,000,000 ("Disgorgement"); and

2. Respondent to retain the services of an Independent Distribution Consultant acceptable to the staff of the Commission to develop a plan of distribution for the Disgorgement.

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 Respondent's request, 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 21E(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 PSI and its affiliates resulting from the entry of the Order is hereby granted.

By the Commission.

Nancy M. Morris  
Secretary