

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 57300 / February 11, 2008

ORDER GRANTING REGISTRATION OF LACE FINANCIAL CORP. AS A
NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION

LACE Financial Corp. (“LACE”), a credit rating agency, furnished to the Securities and Exchange Commission (“Commission”) an application for registration as a nationally recognized statistical rating organization (“NRSRO”) under Section 15E of the Securities Exchange Act of 1934 (“Exchange Act”) for the classes of credit ratings described in clauses (i) through (v) of Section 3(a)(62)(B) of the Exchange Act.

Based on the information provided in the application, LACE has a conflict of interest relating to the fourth class that would cause the firm to be in violation of Exchange Act Rule 17g-5(c)(1) (17 CFR 240.17g-5(c)(1)) if it became registered. LACE requested that the Commission grant LACE an exemption from the conflict of interest prohibition in Exchange Act Rule 17g-5(c)(1). Simultaneously with this Order, the Commission is issuing an Order (“Exemptive Order”) granting LACE an exemption from Exchange Act Rule 17g-5(c)(1) until January 1, 2009.¹

The Commission finds that the application furnished by LACE is in the form required by Exchange Act Section 15E, Exchange Act Rule 17g-1 (17 CFR 240.17g-1), and Form NRSRO (17 CFR 249b.300) and contains the information described in subparagraph (B) of Section 15E(a)(1) of the Exchange Act.

¹ Release No. 34-57301 (February 11, 2008).

Based on the application and Exemptive Order, the Commission finds that the requirements of Section 15E of the Exchange Act are satisfied.

Accordingly,

IT IS ORDERED, under paragraph (a)(2)(A) of Section 15E of the Exchange Act, that the registration of LACE Financial Corp. with the Commission as an NRSRO under Section 15E of the Exchange Act for the classes of credit ratings described in clauses (i) through (v) of Section 3(a)(62)(B) of the Exchange Act is granted.

By the Commission.

Nancy M. Morris
Secretary