

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9044 / June 9, 2009

In the Matter of

Banc of America Securities, LLC, and
Banc of America Investment Services, Inc.,

Respondents.

**ORDER UNDER RULE 602(e) OF THE
SECURITIES ACT OF 1933 GRANTING A
WAIVER OF THE RULE 602(b)(4) AND
602(c)(2) DISQUALIFICATION
PROVISIONS**

I.

Banc of America Securities LLC (“BAS”) and Banc of America Investment Services, Inc. (“BAI” collectively with BAS, “BOA” or “Respondents”) have submitted a letter, dated May 29, 2009, requesting a waiver of the Rule 602(b)(4) and 602(c)(2) disqualification from the exemption from registration under Regulation E arising from Respondents’ settlement of an injunctive action commenced by the Commission.

II.

On June 3, 2009, the Commission filed a civil injunctive action in the United States District Court for the Southern District of New York, charging BAS and BAI, both registered broker-dealers, with violations of the broker-dealer anti-fraud provisions of the Securities Exchange Act of 1934 (“Exchange Act”). In its complaint, the Commission alleged that BAS and BAI misled thousands of their customers regarding the fundamental nature and increasing risks associated with auction rate securities that BAS underwrote, marketed and sold. On June 9, 2009, pursuant to BOA’s consent, the Court entered a Judgment permanently enjoining Respondents from violating Section 15(c) of the Exchange Act.

III.

The Regulation E exemption is unavailable for the securities of small business investment company issuers or business development company issuers if the issuer or any of its affiliates is subject to any order, judgment, or decree of a court “temporarily or permanently restraining or enjoining such person from engaging in or continuing any conduct or practice in connection with the purchase or sale of securities.” See Rule 602(b)(4) of the Securities Act of 1933 (“Securities Act”). The Regulation E exemption is also not available for the securities of an issuer if an investment adviser or underwriter of the securities to be offered is “temporarily or permanently restrained or enjoined by

any court from engaging or continuing any conduct or practice in connection with the purchase or sale of any security or arising out of such person's conduct as an underwriter, broker, dealer or investment adviser." See Rule 602(c)(2). Rule 602(e) of the Securities Act 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." 17 C.F.R. § 230.602(e).

IV.

Based upon the representations set forth in Respondents' request, the Commission has determined that pursuant to Rule 602(e) under the 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 Judgment.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver from the application of the disqualification provisions of Rule 602(b)(4) and 602(c)(2) under the Securities Act resulting from the entry of the Judgment is hereby granted.

By the Commission.

Elizabeth M. Murphy
Secretary