



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

June 9, 2009

Mr. Harry J. Weiss
Wilmer, Cutler, Pickering, Hale and Dorr LLP
1875 Pennsylvania Avenue, NW
Washington, DC 20006

Re: American Skandia, Inc. (C-03827-A)
**Prudential Financial, Inc. - Waiver Request of Ineligible Issuer Status under
Rule 405 of the Securities Act**

Dear Mr. Weiss:

This is in response to your letter dated May 27, 2009, written on behalf of Prudential Financial, Inc. (Company) and its subsidiary American Skandia Investment Services, Inc. (ASISI) and constituting an application for relief from the Company being considered an "ineligible issuer" under Rule 405(1)(vi) of the Securities Act of 1933 (Securities Act). The Company requests relief from being considered an ineligible issuer under Rule 405, due to the entry on April 17, 2009, of a Commission Order (Order) pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, naming ASISI as a respondent.

Based on the facts and representations in your letter, and assuming the Company and ASISI comply with the Order, the Commission, pursuant to delegated authority has determined that the Company has made a showing of good cause under Rule 405(2) and that the Company will not be considered an ineligible issuer by reason of the entry of the Order. Specifically, we determined under these facts and representations that the Company has shown that the terms of the Order were agreed to in principle in a settlement prior to December 1, 2005. Accordingly, the relief described above from the Company being an ineligible issuer under Rule 405 of the Securities Act is hereby granted and the effectiveness of such relief is as of the date of the entry of the Order. Any different facts from those represented or non-compliance with the Order might require us to reach a different conclusion.

Sincerely,

A handwritten signature in cursive script that reads "Mary J. Kosterlitz".

Mary Kosterlitz
Chief, Office of Enforcement Liaison
Division of Corporation Finance

May 27, 2009

Harry J. Weiss

BY E-MAIL AND MESSENGER

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Mary J. Kosterlitz, Esq.
Chief, Office of Enforcement Liaison
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: In the Matter of American Skandia, Inc. (C-03827-A)

Dear Ms. Kosterlitz:

We submit this application on behalf our client Prudential Financial, Inc. ("PFI") in connection with a settlement arising out of the above-entitled investigation by the Securities and Exchange Commission (the "Commission"). The settlement resulted in the issuance of an order on April 17, 2009, that is described below (the "Order") against American Skandia Investment Services, Inc. ("ASISI"), an indirect wholly owned subsidiary of PFI.¹

PFI hereby requests, pursuant to Rule 405 promulgated under the Securities Act of 1933 (the "Securities Act"), 17 C.F.R. § 230.405, that the Commission determine that, for good cause shown, it is not necessary under the circumstances that PFI be considered an "ineligible issuer" under Rule 405. PFI requests that this determination be effective as of the date of the entry of the Order. It is our understanding that the Chicago Regional Office Staff does not object to the Division of Corporation Finance providing the requested determination under Rule 405.

BACKGROUND

The Staff of the Chicago Regional Office and ASISI reached agreement on the terms of a proposed Order. ASISI submitted an executed Offer of Settlement in which it neither admits nor denies the findings in the proposed Order but consents to its entry in the agreed form. The Order addresses market timing in the portfolios (hereafter referred to as "sub-accounts") of the American Skandia Trust ("AST") that serve as funding vehicles for variable annuities issued by American Skandia Life Assurance Corporation ("ASLAC") and finds that ASISI willfully violated Section 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"), a non-scienter based anti-fraud provision of the federal securities laws. More specifically, the Order finds that, from at least January 2000 through in or around September 2003, ASISI accommodated

¹ ASISI now is known as AST Investment Services, Inc.

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widespread market timing in the AST sub-accounts.² The Order also finds that during said period ASISI negligently failed to investigate credible complaints from the investment advisers hired to sub-advise certain of the sub-accounts that market timing was having a detrimental effect and negligently failed to inform the AST Board of Trustees of such complaints. In addition, the Order finds that as a result of ASISI's conduct, the AST Board of Trustees lacked information to give informed consideration to whether the sub-accounts had adequate policies and procedures in place with respect to market timing and as to whether performance in certain sub-accounts was adversely affected by market timing. The Order censures ASISI, and it orders ASISI to: cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act; comply with ASISI's undertakings set forth in the Order; and pay disgorgement of \$34 million and a civil money penalty of \$34 million.

PFI is a publicly traded company listed on the New York Stock Exchange, and it is a reporting company under the Securities Exchange Act of 1934 ("Exchange Act"). It has identified itself as a well-known seasoned issuer in its recent Forms 10-K filed with the Commission. ASISI is registered under the Advisers Act and is the investment adviser to AST. PFI is at this time the only issuer that is a parent of ASISI.

DISCUSSION

In 2005, the Commission revised the registration, communications, and offering processes under the Securities Act.³ As part of its reform, the Commission added a new category of issuer, *i.e.*, a well-known seasoned issuer, that was permitted to benefit to the greatest degree from the changes to the rules governing the offering process. The Commission defined a well-known seasoned issuer as an issuer that is required to file reports pursuant to Section 13(a) or Section 15(d) of the Exchange Act and that satisfies other requirements, including the requirement that the issuer not be an ineligible issuer. The Commission also adopted rules permitting the use of free-writing prospectuses in registered offerings by issuers, including, but not limited to, well-known seasoned issuers and other offering participants. Pursuant to Securities Act Rules 164 and 433, an issuer may use a free-writing prospectus only if it is not an ineligible issuer.⁴

² ASISI became an indirect subsidiary of Prudential Financial, Inc. ("PFI") on May 1, 2003. Thus, most of the alleged misconduct that will be described in the Order occurred before PFI acquired ASISI.

³ Securities Offering Reform, Securities Act Release No. 8591, Exchange Act Release No. 52,056, Investment Company Act Release No. 26,993, 70 Fed. Reg. 44,722, 44,790 (Aug. 3, 2005).

⁴ This request for relief is being made not only for the purpose of continuing to qualify as a well-known seasoned issuer, but for all purposes of the definition of "ineligible issuer" in Rule

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PFI understands that the entry of the Order against its subsidiary ASISI could operate to make PFI an "ineligible issuer" under Securities Act Rule 405. If it is not deemed to be an "ineligible issuer," PFI would continue to qualify as a well-known seasoned issuer and would anticipate taking advantage of the securities offering reforms discussed above when appropriate to do so.

In relevant part, Rule 405 defines "ineligible issuer," as "an issuer with respect to which any of the following is true as of the relevant date of the determination:"

* * * * *

(vi) Within the past three years (but in the case of a decree or order agreed to in a settlement, not before December 1, 2005), the issuer or any entity that at the time was a subsidiary of the issuer was made the subject of any judicial or administrative decree or order arising out of a governmental action that:

- (A) Prohibits certain conduct or activities regarding, including future violations of, the anti-fraud provisions of the federal securities laws;
- (B) Requires that the person cease and desist from violating the anti-fraud provisions of the federal securities laws; or
- (C) Determines that the person violated the anti-fraud provisions of the federal securities laws.

Pursuant to section (2) of the definition, the Commission may determine "upon a showing of good cause, that it is not necessary under the circumstances that the issuer be considered an ineligible issuer."

PFI requests that the Commission determine that it is not necessary for PFI to be deemed an ineligible issuer on the following grounds:

1. ASISI and the Staff of the Chicago Regional Office had agreed in principle to a settlement substantially before December 1, 2005 (the effective date of the offering reforms), first agreeing on the amounts to be paid, which were subsequently reduced, and later agreeing on the violations to be alleged. We understand that the Chicago Regional Office concurs in this statement.

405, *i.e.*, for whatever purpose the definition may now or hereafter be used under the federal securities laws, including SEC rules.

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2. Under such circumstances, ASISI should be treated as if it was the subject of an order agreed to in a settlement before December 1, 2005. Accordingly, PFI should be determined not to be an "ineligible issuer" within the meaning of Rule 405.

In light of these considerations, there is good cause to determine that PFI should not be considered an ineligible issuer under Rule 405. We respectfully request the Commission to make that determination.

Please do not hesitate to contact me at the above listed telephone number regarding this request.

Very truly yours,

A handwritten signature in black ink, appearing to read "Harry J. Weiss", with a long horizontal flourish extending to the right.

Harry J. Weiss