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

DIVISION OF
CORPORATION FINANCE

November 25, 2013

Paul R. Eckert, Esq.
Wilmer Cutler Pickering Hale and Dorr LLP
1875 Pennsylvania Avenue NW
Washington, DC 20006

Re: SEC v. RBS Securities Inc., Civil Action No. 13-1643 (D. Conn.)
Waiver Request under Regulation A and Rules 505 and 506 of Regulation D

Dear Mr. Eckert:

This responds to your letter dated November 25, 2013, written on behalf of RBS Securities Inc. ("RBS Securities"), and constituting an application for relief under Rule 262 of Regulation A and Rules 505(b)(2)(iii)(C) and 506(d)(2)(ii) of Regulation D under the Securities Act of 1933 (the "Securities Act").

You requested relief from disqualifications from exemptions available under Regulation A and Rules 505 and 506 of Regulation D that arose by reason of the Final Judgment as to RBS Securities entered on November 25, 2013 by the United States District Court for the District of Connecticut in SEC v. RBS Securities Inc., Civil Action No. 13-1643) (the "Judgment"). The Judgment, among other things, permanently restrains and enjoins RBS Securities from violations of sections 17(a)(2) and (3) of the Securities Act and requires that RBS Securities pay disgorgement in the amount of $80,352,639, prejudgment interest in the amount of $25,190,552, and a civil monetary penalty of $48,211,583.

For purposes of this letter, we have assumed as facts the representations set forth in your letter and the findings supporting entry of the Judgment. We also have assumed that RBS Securities will comply with the Judgment.

On the basis of your letter, I have determined that you have made showings of good cause under Rule 262 of Regulation A and Rules 505 and 506 of Regulation D that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Regulation D by reason of entry of the Judgment. Accordingly, pursuant to delegated authority, on behalf of the Division of Corporation Finance, I hereby grant relief from any disqualifications from exemptions otherwise available under Regulation A and Rules 505 and 506 of Regulation D that may have arisen by reason of entry of the Judgment, subject to the condition that RBS Securities will provide written disclosure to investors describing the nature of the Final Judgment in any offering for which it claims the Rules 505 or 506 of Regulation D or Regulation A exemptions for five years following entry of the Final Judgment.

Very truly yours,

Mauri L. Osheroff

Mauri L. Osheroff
Associate Director, Division of Corporation Finance

November 25, 2013

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BY ELECTRONIC DELIVERY

Mauri Osheroff, Esq.
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Re: Securities and Exchange Commission v. RBS Securities Inc.,
Civ. Action No. 3:13-cv-01643-WWE (D. Conn. Nov. 25, 2013)

Dear Ms. Osheroff:

This letter is submitted on behalf of our client, RBS Securities Inc. ("RBS Securities"), the settling defendant in the above-captioned civil injunctive action brought by the Securities and Exchange Commission (the "Commission"). RBS Securities hereby requests, pursuant to Rule 262 of Regulation A and Rules 505(b)(2)(iii)(C) and 506 of Regulation D of the Commission promulgated under the Securities Act of 1933 (the "Securities Act"), waivers of any disqualifications from relying on exemptions under Regulation A and Rules 505 and 506 of Regulation D that may be applicable as a result of the entry of a Final Judgment as to Defendant RBS Securities Inc. (the "Final Judgment") entered on November 25, 2013, which is described below.[1] RBS Securities request that these waivers be granted effective upon the entry of the Final Judgment. The staff of the Division of Enforcement has informed RBS Securities that it does not object to the Commission providing the requested waivers.

BACKGROUND

The staff of the Commission engaged in settlement discussions with RBS Securities in connection with the above-captioned civil action. As a result of these discussions, RBS Securities submitted a Consent of Defendant RBS Securities Inc. (the "Consent") that was presented by the staff of the Commission to the United States District Court for the District of Connecticut (the "Court") when the Commission filed its complaint (the "Complaint") against RBS Securities in a civil action captioned above.

In the Consent, solely for the purpose of proceedings brought by or on behalf of the Commission or to which the Commission is a party, RBS Securities agreed to consent to the entry of the Final Judgment without admitting or denying the matters set forth therein (other than

[1] Securities and Exchange Commission v. RBS Securities Inc., Civ. Action No. 3:13-cv-01643-WWE (D. Conn. Nov. 25, 2013).

those relating to the jurisdiction of the district court over it and the subject matter solely for purposes of that action). The Final Judgment, which was entered on November 25, 2013, resolved the Complaint's allegations that RBS Securities violated Sections 17(a)(2) and (3) of the Securities Act [15 U.S.C. § 77q(a)(2), (3)] arising out of a single offering of residential mortgage-backed securities in 2007. The Complaint alleges that the case is about certain misstatements and omissions made by RBS Securities to the investing public in 2007 in promoting its $2.2 billion offering of a subprime residential mortgage-backed security. The Complaint further alleges that RBS Securities misled investors about the quality and safety of their investments by claiming that the subprime loans backing the multibillion dollar offering were "generally" in compliance with the lender's underwriting guidelines. The Final Judgment enjoins RBS Securities from future violations of Sections 17(a)(2) and (3) of the Securities Act and requires that RBS Securities pay disgorgement in the amount of $80,352,639, prejudgment interest in the amount of $25,190,552, and a civil monetary penalty of $48,211,583.

DISCUSSION

RBS Securities understands that the entry of the Final Judgment may disqualify it, affiliated entities, and other issuers from relying on certain exemptions under Regulation A and Rules 505 and 506 of Regulation D promulgated under the Securities Act. RBS Securities is concerned that, should it or any of its affiliated entities be deemed to be an issuer, predecessor of the issuer, affiliated issuer, general partner or managing member of issuer, promoter, underwriter of securities or in any other capacity described in Securities Act Rules 262, 505, and 506 for the purposes of Securities Act Rule 262(b)(2), Rule 505(b)(2)(iii)(C), and Rule 506(d)(1)(ii), RBS Securities, its issuer affiliates, and other issuers with which it is associated in one of those listed capacities and which rely upon or may rely upon these offering exemptions when issuing securities would be prohibited from doing so. The Commission has the authority to waive the Regulation A and D exemption disqualifications upon a showing of good cause that such disqualifications are not necessary under the circumstances. *See* 17 C.F.R. §§ 230.262, 230.505(b)(2)(iii)(C), and 230.506.

RBS Securities requests that the Commission waive any disqualifying effects that the Final Judgment may have under Regulation A and Rules 505 and 506 of Regulation D as a result of its entry as to RBS Securities on the following grounds:

1. RBS Securities' conduct addressed in the Final Judgment does not pertain to offerings under Regulation A or D. Rather, the conduct alleged in the Complaint relates to conduct by RBS Securities, including certain disclosures, in connection with a single offering of RMBS. The alleged violations were confined in scope to a single transaction with one loan originator. Furthermore, the alleged violations in the Complaint, as described above, and covered by the Final Order relate to loans that were securitized more than six years ago and to conduct that took

place over the span of a short period in 2007.

2. RBS Securities has taken steps to address the conduct alleged in the Complaint. RBS Securities also has taken and will be taking actions reasonably designed to prevent potential violations of Section 17(a)(2) and (3) in connection with disclosures related to, and offer and sale of, residential mortgage-backed securities. Since the RMBS offering that was the subject of the Complaint, RBS Securities has adopted a number of changes to its RMBS business, as well as adopted enhancements to its due diligence and disclosure practices associated generally with new issue private label RMBS offerings collateralized by whole loan pools purchased by RBS Securities or an affiliate ("NIPL RMBS Offerings"). Certain of the changes specified below may not be applicable to securitizations of legacy mortgage loans and/or securitizations in which RBS Securities acts solely as underwriter. These changes and enhancements are subject to periodic reevaluation by senior management at RBS Securities and by senior leadership and control functions within the RBS organization, but may not be unilaterally changed by the RMBS business. First, RBS Securities is no longer engaged in the business of purchasing and securitizing newly originated subprime residential mortgages of the type securitized in the Subprime Offering and has no current intention of resuming that business. Second, each proposed NIPL RMBS Offering of newly originated residential mortgages purchased by RBS Securities or its affiliates currently requires approval of an underwriting committee with participation by the RBS Securities Legal and Credit Risk Department functions (along with Market Risk, depending on nature of transaction). Third, RBS Securities will conduct credit and compliance due diligence reviews on the entirety of whole loan pools associated with new origination NIPL RMBS Offerings. Fourth, due diligence findings and conclusions must be internally documented on a loan-by-loan basis for whole loan pools purchased by RBS Securities affiliates and securitized in NIPL RMBS Offerings. Finally, RBS Securities must provide disclosure concerning due diligence findings in offering materials associated with all NIPL RMBS Offerings. RBS Securities believes that these remedial measures have resulted, and will continue to result, in improvements to the quality of its future NIPL RMBS Offerings.

3. The disqualification of RBS Securities and any of its affiliates from relying on the exemptions under Regulation A and Rules 505 and 506 of Regulation D would, we believe, have an adverse impact on third parties that have retained, or may retain, RBS Securities and its affiliates in connection with transactions that rely on these exemptions.

4. The disqualification of RBS Securities and its affiliates from relying on the exemptions available under Regulation A and Rules 505 and 506 of Regulation D would be unduly and disproportionately severe, given (i) the lack of any relationship between the transactions that are the subject of the staff's allegations and any activity related to either Regulation A or D conducted by RBS Securities and its affiliates, and (ii) the fact that the Commission staff has negotiated a settlement with RBS Securities and reached a satisfactory

conclusion to this matter that resulted in the entry of a Final Judgment compelling prospective compliance with specified federal securities laws and requiring the payment of disgorgement in the amount of $80,352,639, prejudgment interest in the amount of $25,190,552, and civil monetary penalty of $48,211,583.

5. For a period of five years from the date of the Final Judgment, RBS Securities will furnish (or cause to be furnished) to each purchaser in a Rule 506 offering that would otherwise be subject to the disqualification under Rule 506(d)(1) as a result of the Final Judgment, a description in writing of the Final Judgment a reasonable time prior to sale.

In light of the grounds for relief discussed above, we believe that disqualification is not necessary under the circumstances and that RBS Securities has shown good cause that relief should be granted. Accordingly, we respectfully urge the Commission, pursuant to Rule 262 of Regulation A and Rules 505(b)(2)(iii)(C) and 506 of Regulation D, to waive, effective upon the entry of the Final Judgment, the disqualification provisions in Regulation A and Rules 505 and 506 of Regulation D to the extent they may be applicable as a result of the entry of the Final Judgment as to RBS Securities.[2]

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[2] We note in support of this request that the Commission has granted relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D for similar reasons or in similar circumstances. *See, e.g.*, A.R. Schmeidler & Co., S.E.C. No-Action Letter (pub. avail. July 31, 2013); Oppenheimer Asset Management Inc. and Oppenheimer Alternative Investment, LLC, S.E.C. No-Action Letter (pub. avail. Mar. 11, 2013); J.P. Morgan Securities LLC, et al., S.E.C. No-Action Letter (pub. avail. Jan. 8, 2013); J.P. Turner & Company, LLC and William L. Melo, S.E.C. No-Action Letter (pub. avail. Sept. 10, 2012); Mizuho Securities USA Inc., S.E.C. No-Action Letter (pub. avail. July 26, 2012); Harbert Management Corporation, et al., S.E.C. No-Action Letter (pub. avail. July 3, 2012); H & R Block, S.E.C. No-Action Letter (pub. avail. May 2, 2012); GE Funding Capital Market Services, Inc., S.E.C. No-Action Letter (pub. avail. Jan. 23, 2012); Wachovia Bank, N.A. now known as Wells Fargo Bank. N.A., S.E.C. No-Action Letter (pub. avail. Dec. 9, 2011); J.P. Morgan Securities LLC, S.E.C. No-Action Letter (pub. avail. July 8, 2011); J.P. Morgan Securities LLC, S.E.C. No-Action Letter (pub. avail. June 29, 2011); UBS Financial Securities Inc., S.E.C. No-Action Letter (pub. avail. May 9, 2011); Charles Schwab & Co., Inc., S.E.C. No-Action Letter (pub. avail. Jan. 11, 2011); Goldman Sachs & Co., S.E.C. No-Action Letter (pub. avail. Jul. 20, 2010); In the Matter of Banc of America Investment Services, Inc. and Virginia Holliday, S.E.C. No-Action Letter (pub. avail. Oct. 23, 2009); General Electric Co., S.E.C. No-Action Letter (pub. avail. Aug. 11, 2009); Investools Inc., S.E.C. No-Action Letter (pub. avail. Dec. 16, 2009); A.G. Edwards & Sons, S.E.C. No-Action Letter (pub. avail. May 31, 2006) (waiver after Securities Act Section 17(a)(2) violation); Bear, Stearns & Co., S.E.C. No-Action Letter (pub. avail. May 31, 2006) (same); Goldman, Sachs & Co., S.E.C. No-Action Letter (pub. avail. May 31, 2006) (same).

Please do not hesitate to call me at the number listed above if you have any questions.

Sincerely,

Paul R. Eckert