



DIVISION OF
CORPORATION FINANCE

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

July 26, 2012

Lindi Beaudreault, Esq.
Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022-6069

**Re: SEC v. Mizuho Securities USA Inc.,
Civil Action No. 12-5550 (S.D.N.Y.)
Waiver Request under Regulation A and Rule 505 of Regulation D**

Dear Ms. Beaudreault:

This responds to your letter dated today, written on behalf of Mizuho Securities USA Inc., (“Mizuho Securities”) and constituting an application for waiver relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D under the Securities Act of 1933 (the “Securities Act”).

You requested a waiver of disqualification from exemptions available under Regulation A and Rule 505 that arose by reason of the Final Judgment as to Mizuho Securities entered on July 26, 2012 by the United States District Court for the Southern District of New York in SEC v. Mizuho Securities USA Inc., Civil Action No. 12-5550 (the “Judgment”). The Judgment permanently enjoins Mizuho Securities from violating Sections 17(a)(2) and (a)(3) of the Securities Act in the offer or sale of any security or security-based swap agreement.

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 Mizuho 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 and Rule 505 that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Rule 505 by reason of entry of the Judgment against Mizuho Securities. Accordingly, pursuant to delegated authority, on behalf of the Division of Corporation Finance, I hereby grant waiver relief from the disqualifications from exemptions otherwise available under Regulation A and Rule 505 that arose by reason of entry of the Judgment against Mizuho Securities.

Very truly yours,

Gerald J. Laporte
Chief, Office of Small Business Policy

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Mr. Gerald J. Laporte, Esq.,
Chief, Office of Small Business Policy
U.S. Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, DC 20549

Re: *Securities and Exchange Commission v. Mizuho Securities USA Inc.*, 12-CV-5550 (S.D.N.Y. July 26, 2012)

Dear Mr. Laporte:

On behalf of Mizuho Securities USA Inc. (“MSUSA”), we hereby respectfully request, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D of the Securities Act of 1933 (“Securities Act”), a waiver of any disqualification that arose pursuant to Rule 262(a)(4) or (b)(2) or Rule 505(b)(2)(iii) with respect to MSUSA as a result of the entry today of the final judgment permanently restraining and enjoining MSUSA from violations of Section 17(a)(2) and (a)(3) of the Securities Act of 1933 in *Securities and Exchange Commission v. Mizuho Securities USA Inc.*, 12-CV-5550 (S.D.N.Y. July 26, 2012) (the “Judgment”), as described in greater detail below. We respectfully request that this waiver be granted effective as of today. It is our understanding that the Division of Enforcement does not object to the grant of the requested waiver.

BACKGROUND

The conduct described in the Complaint concerned the Delphinus CDO 2007-1 (“Delphinus”) collateralized debt obligation (“CDO”), which was offered to investors in July 2007. MSUSA structured, marketed, and obtained ratings for Delphinus. The Complaint alleged that certain of MSUSA’s employees knowingly provided Standard & Poor’s (“S&P”) inaccurate and misleading information in connection with the ratings process for Delphinus issued notes. In particular, the Complaint alleged that MSUSA employees did not provide S&P with Delphinus’ actual closing date portfolio, which caused S&P to issue ratings which it might not have otherwise issued. The Complaint also alleged that MSUSA employees did not accurately represent Delphinus’ effective date to S&P, Fitch and Moody’s in order to obtain confirmation that these rating agencies had not reduced or withdrawn the rating they had assigned to each class of notes on the closing date. The complaint did not allege that MSUSA engaged in

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violations of any provisions of the federal securities laws that require intentional or reckless misconduct.

The SEC staff engaged in settlement discussions with MSUSA in connection with the investigation described above. MSUSA submitted an offer of settlement, which the Commission accepted, solely for the purpose of proceedings by or on behalf of the Commission and without admitting or denying the allegations contained in the Complaint and the Consent Judgment, except as to the Commission's jurisdiction over MSUSA and the subject matter of the proceedings.

The Complaint alleged that, as a result of the conduct of MSUSA's former employees described in the Complaint, MSUSA violated Sections 17(a)(2) and 17(a)(3) of the Securities Act. Under the terms of the Consent Judgment, MSUSA consented to the entry of a Judgment that permanently restrains and enjoins MSUSA from future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act, ordered MSUSA to pay disgorgement in the amount of \$10,000,000, together with \$2,517,330 in prejudgment interest, and ordered MSUSA to pay a civil penalty in the amount of \$115,000,000.

DISCUSSION

We understand that the entry of the Judgment may have resulted in MSUSA and any affiliated issuers being disqualified from relying on certain exemptions under Regulation A and Rule 505 of Regulation D pursuant to 17 C.F.R. § 230.262(a)(4) and (b)(2). *See also* 17 C.F.R. § 230.505(b)(3). Section 262(a)(4) provides that the exemptions contained in Regulation A are unavailable if, among other things, the issuer or an affiliate "is subject to any order, judgment or decree of any court of competent jurisdiction...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." Moreover, Rule 262(b)(2) states that the exemptions are unavailable to any promoter or underwriter of the offered securities that "is temporarily or permanently restrained or enjoined by any court from engaging in 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." In addition, Rule 505(b)(2)(iii) of Regulation D disqualifies from its exemption the securities of any issuer described in Rule 262 of Regulation A.

The Commission may waive these disqualifications upon a showing of good cause that it is not necessary under the circumstances that the exemptions be denied. *See* 17 C.F.R. §§ 230.262; 230.505(b). Accordingly, MSUSA hereby requests a waiver of any disqualifications that arose under Regulation A and Rule 505 of Regulation D, effective as of the date of the entry of the Judgment. For the reasons discussed below, we believe that it is not necessary under the circumstances that the exemption be denied.

First, the conduct alleged in the Complaint does not relate to offerings under Regulation A or Regulation D. In addition, the Complaint did not charge MSUSA with having violated

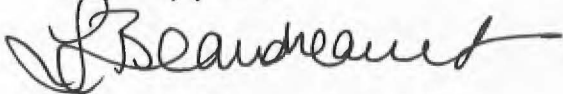
Gerald J. Laporte, Esq.
July 26, 2012
Page 3

provisions of the federal securities laws that require intentional or reckless misconduct. Disqualification of MSUSA would have an adverse impact on third parties that have retained or will retain MSUSA in connection with transactions that rely on such exemptions. Further, the SEC does not seek to suspend, revoke or otherwise limit the business activities of MSUSA in connection with the settlement, and the settlement terms reflected in the Judgment were deemed to be a satisfactory conclusion of the matter by the Division of Enforcement. Under the circumstances, disqualification would be unduly and disproportionately severe, given the nature of the alleged violations.

In light of the grounds for relief discussed above, MSUSA believes that disqualification is not necessary under the circumstances, either in the public interest or for the protection of investors, and that it has shown good cause for the requested relief to be granted. Therefore, we respectfully urge the Commission, acting through you or another person in the Division of Corporation Finance pursuant to delegated authority, to waive, pursuant to Rule 262 and Rule 505(b)(2)(iii)(C), the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent that they may be applicable, as a result of the entry of the Judgment, to MSUSA or any of its affiliates.

If you have any questions regarding this request, please contact the undersigned at (212) 848-8142.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Lindi Beaudreault".

Lindi Beaudreault