

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8915 / May 1, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-13030

In the Matter of

**BANC OF AMERICA
INVESTMENT SERVICES, INC.,
and COLUMBIA MANAGEMENT
ADVISORS, LLC,
as successor in interest to Banc of
America Capital Management, LLC,

Respondents.**

**ORDER UNDER RULE 602(e) OF THE
SECURITIES ACT OF 1933 GRANTING A
WAIVER OF THE RULE 602(c)(3)
DISQUALIFICATION PROVISION.**

I.

Banc of America Investment Services, Inc. (“BAISI”) and Columbia Management Advisors, LLC (“CMA”) (collectively “Respondents”) have submitted a letter, dated March 20, 2008, requesting a waiver of the Rule 602(c)(3) disqualification from the exemption from registration under Regulation E arising from Respondents’ settlement of an administrative proceeding commenced by the Commission.

II.

On May 1, 2008, pursuant to Respondents’ Offers of Settlement, the Commission issued an Order Instituting Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b) and 21C of the Securities Exchange Act of 1934, Section 9(b) of the Investment Company Act of 1940, and Sections 203(e) and (k) of the Investment Advisers Act of 1940, Making Findings, and Imposing a Cease-and-Desist Orders, Penalties, and Other Relief against Respondents. Under the Order, the Commission found that between July 2002 and December 2004, BAISI selected at least two affiliated funds (Nations Funds) for inclusion in BAISI’s wrap fee program using a methodology that favored Nations Funds and was inconsistent with the objective methodology previously disclosed to clients. The Commission further found that BAISI’s affiliate, CMA, earned additional fees as a result because its management fees were based, in part, on Nations Funds’ asset size. In the Order, the Commission ordered BAISI to pay

disgorgement of \$3,310,206, prejudgment interest of \$793,773 and a civil monetary penalty of \$2,000,000 and ordered CMA to pay disgorgement of \$2,143,273, prejudgment interest of \$516,382 and a civil monetary penalty of \$1,000,000. Additionally, the Order requires that Respondents cease and desist from all of the alleged violations; a censure; and requires Respondents to comply with certain undertakings as to adoption of policies and procedures designed to prevent further violations.

III.

The Regulation E exemption is unavailable for the securities of small business investment company issuers or business development company issuers if, as set forth in Rule 602(c)(3), an investment adviser or underwriter for the securities to be offered is subject to an order of the Commission entered pursuant to Section 15(b) of the Securities Exchange Act of 1934 or Section 203(e) of the Investment Advisers Act of 1940. 17 C.F.R. § 230.602(c)(3). Rule 602(e) of the Securities Act of 1933 (“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 Order.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver from the application of the disqualification provision of Rule 602(c)(3) under the Securities Act resulting from the entry of the Order is hereby granted.

By the Commission.

Nancy M. Morris
Secretary