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ARKANSAS SECURITIES DEPT.

BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO. S-09-024

IN THE MATTER OF

WACHOVIA SECURITIES, LLC and  
WACHOVIA CAPITAL MARKETS, LLC

Order No. S-09-024-09-CO01

CONSENT ORDER

WHEREAS, Wachovia Securities, LLC<sup>1</sup> ("Wachovia Securities"), is a broker-dealer registered in Arkansas with its home office located at One North Jefferson Avenue, St. Louis, Missouri, and Wachovia Capital Markets, LLC ("Wachovia Capital Markets", collectively with Wachovia Securities, "Wachovia"<sup>2</sup>), is a broker-dealer with its home office located at 301 South College Street, Charlotte, North Carolina; and

WHEREAS, a multi-state task force conducted and coordinated investigations into Wachovia's marketing and sale of auction rate securities to investors during the period of January 1, 2006, through February 14, 2008; and

WHEREAS, after a books and records inspection by a multi-state task force on July 17, 2008, Wachovia Securities has cooperated fully with regulators conducting the investigations by responding to inquiries, providing documentary evidence and other materials, and providing regulators with access to information relating to the investigations; and

WHEREAS, Wachovia has advised regulators of its agreement to resolve the investigations relating to its marketing and sale of auction rate securities to investors; and

WHEREAS, Wachovia agrees to, among other things, reimburse certain purchasers of auction rate securities, and to make certain payments at the direction of the Arkansas Securities

<sup>1</sup> In October 2007, Wachovia Corporation acquired the Missouri-based broker dealer A. G. Edwards & Sons, Inc. ("AG Edwards") which was subsequently combined with Wachovia Securities, LLC.

<sup>2</sup> Factual allegations in this Order may apply to Wachovia Securities and/or Wachovia Capital Markets, but do not necessarily refer to both entities.

1 Department; and

2 WHEREAS, Wachovia elects to permanently waive any right to a hearing and appeal  
3 under the Arkansas Securities Act, Ark. Code Ann. §§ 23-42-101 through 23-42-509, and the  
4 Arkansas Administrative Procedures Act, Ark. Code Ann. §§ 25-15-201 through 25-15-218, with  
5 respect to this Consent Order (the "Order");

6 NOW, THEREFORE, the Arkansas Securities Commissioner, as administrator of the  
7 Arkansas Securities Act, hereby enters this Order.

8 **I.**  
9 **FINDINGS OF FACT**

10 1. Wachovia Securities admits to the jurisdiction of Arkansas Securities  
11 Commissioner and Wachovia Capital Markets consents to the jurisdiction of the Arkansas  
12 Securities Commissioner for purposes of this Order. Neither admits nor denies the Findings of  
13 Fact and Conclusions of Law contained in this Order, and each consents to the entry of this  
14 Order by the Arkansas Securities Commissioner.

15 2. Auction rate securities are long-term debt or equity instruments that include  
16 auction preferred shares of closed-end funds, municipal auction rate bonds, and various asset-  
17 backed auction rate bonds (collectively referred to herein as "ARS"). While ARS are all long-  
18 term instruments, one significant feature of ARS (which historically provided the potential for  
19 short-term liquidity) is the interest/dividend reset through auctions that occur in varying  
20 increments of between 7 and 42 days. If an auction is successful, investors are able to exit the  
21 ARS market on a short-term basis. If, however, an auction "fails," investors are required to hold  
22 all or some of their ARS until the next successful auction in order to liquidate their funds.  
23 Beginning in February 2008, the ARS-market experienced widespread failed auctions.

24 3. In early March 2008, Wachovia Securities' investors, unable to access their ARS  
25  
26

1 funds, began to submit complaints to the Arkansas Securities Department. Since early March,  
2 2008, the Arkansas Securities Department has received numerous investor complaints  
3 concerning the sale of ARS by Wachovia Securities. Wachovia has provided the Arkansas  
4 Securities Department with documentation that reflects ARS holdings to Arkansas investors  
5 totaling over thirty nine million, seven hundred eighty-five thousand dollars. (\$39,785,000).

6 **Marketing and Sales of ARS to Investors**

7 4. In connection with the sale of ARS, some Arkansas investors state variously that  
8 they were told by Wachovia Securities and its registered agents that ARS were:

- 9 a. just like cash;  
10 b. same as cash;  
11 c. safe as cash;  
12 d. same as money markets;  
13 e. safe as money markets;  
14 f. cash equivalents;  
15 g. short-term adjustable rate securities;  
16 h. cash alternatives;  
17 i. completely safe;  
18 j. liquid at any time; and/or  
19 k. always liquid at an auction.  
20  
21

22 Although marketed and sold to investors as safe, liquid, cash-like investments, and although the  
23 ARS market had, in fact, functioned for more than twenty years with virtually no auction  
24 failures, ARS are actually long-term instruments subject to a complex auction process that, upon  
25 failure, can lead to illiquidity and lower interest rates.

1           5.       Wachovia Securities further fostered the misconception that ARS were cash-like  
2 instruments by providing account portfolio summaries to certain of its customers that listed ARS  
3 as "cash equivalents." In fact, ARS were not "cash equivalents" and full liquidity was only  
4 available at an auction if the auction was successful.

5           6.       Although Wachovia Securities sold ARS as conservative, safe, and liquid  
6 investments to its investors until February 2008, Wachovia had information that several auctions  
7 had failed in August 2007 and early 2008, before the mass failures in February 2008. During  
8 this same period of time, Wachovia failed to inform its customers purchasing ARS after such  
9 auctions began to fail that certain auctions would have failed had Wachovia or another broker-  
10 dealer not entered support bids in those auctions.

11           7.       Although Wachovia knew, or should have known, of the inherent risks and the  
12 recent volatility of the ARS market, only minimal information regarding the ARS market was  
13 provided to Wachovia Securities' retail ARS customers.

14           8.       Wachovia and its registered securities agents were, or should have been, aware  
15 that the ARS market was suffering from increasing failures and liquidity issues, and they should  
16 have disclosed those facts to investors who were purchasing auction rates after such issues arose.  
17 Based on these facts, Wachovia engaged in dishonest and unethical practices in the marketing  
18 and sale of ARS. Pursuant to Ark. Code Ann. § 23-42-308(a)(2)(G), these practices constitute  
19 grounds to revoke Wachovia's registration. These practices included, among other things, the  
20 following:  
21

22           a.       Wachovia told some ARS investors purchasing ARS after the market  
23 disruptions began to occur that:  
24

25           i.       ARS were cash equivalents;  
26

1                   ii.     ARS were completely safe; and/or

2                   iii.    ARS were liquid at any time.

3                   b.     Wachovia was, or should have been aware, that the market for ARS was  
4 becoming illiquid, yet Wachovia Securities continued to market and sell ARS to investors.

5 **Temporary Maximum Rate Waiver on Certain ARS**

6                   9.     The interest rates on ARS are reset periodically through the auction process. In  
7 the event that there is insufficient demand for a particular issue and an auction fails, the interest  
8 rate resets to a “maximum rate” or “failure rate” as defined in the offering documents for that  
9 particular issue. Typically, this maximum rate would be higher than prevailing market rates in  
10 order to compensate ARS holders who are unable to sell their positions and offer an “incentive”  
11 to induce buyers to return to the market although in some cases, particularly for student loan  
12 auction rates, the maximum rate might be lower than the prevailing rate.

13  
14                  10.    In December 2007, with the encouragement of its underwriters, the Missouri  
15 Higher Education Loan Authority (“MOHELA”) sought and secured approval to waive its  
16 maximum rate for certain issues of ARS. Absent such waivers, the ARS issued by MOHELA  
17 would not have been allowed to reset at interest rates high enough to clear auctions.

18                  11.    As a result of the maximum rate waivers, certain MOHELA ARS issues reset to a  
19 higher rate for a brief period after the waiver was implemented. However, due to a feature of  
20 those issues that caps the average interest rate over any given one-year period, the interest rates  
21 reset to 0% after the expiration of the waiver period. The ramifications of this maximum rate  
22 waiver were not explained to Wachovia Securities’ customers who subsequently purchased  
23 MOHELA ARS.  
24

25                  12.    Wachovia Securities engaged in dishonest and unethical practices by not  
26

1 adequately explaining to individual investors who purchased ARS with maximum rate waivers,  
2 among other things, the following:

- 3 a. that the ARS interest rates could not be reset at a level that would prevent  
4 a failed auction absent the maximum rate waiver; and
- 5 b. that the high interest rate allowed by the waiver would expire at the end of  
6 the waiver period unless extended by the issuer.

7 Pursuant to Ark. Code Ann. § 23-42-308(a)(2)(G), these practices constitute grounds to revoke  
8 Wachovia Securities' registration.

9 **Failure To Supervise Agents Who Sold ARS**

10 13. Although ARS are complicated and complex products, Wachovia Securities did  
11 not provide its sales or marketing staff with the training and information necessary to adequately  
12 explain these products or the mechanics of the auction process to their customers. During the  
13 course of investigations, on-the-record statements taken from Wachovia Securities' registered  
14 agents demonstrated that these agents lacked a basic understanding of the functionality of the  
15 ARS products and the auction rate market.

16 14. Many of Wachovia Securities' registered agents were not adequately educated in  
17 the ARS products they were selling and did not know where to look for information to bolster  
18 that knowledge. Wachovia Securities failed to provide timely and comprehensive sales and  
19 marketing literature regarding ARS and the mechanics of the auction process. In addition,  
20 Wachovia Securities failed to review account portfolio statements sent to its customers to ensure  
21 that they reflected accurate information regarding ARS.

22 15. Wachovia Securities' failure to provide sufficient training and information  
23 concerning ARS and the market environment in which they were sold was not limited to one or  
24

1 two agents, and is therefore indicative of Wachovia Securities' failure to ensure that its  
2 registered personnel provided adequate information regarding ARS to its customers.

3 16. Wachovia Securities failed to reasonably supervise its employees, which is  
4 grounds for revocation of its registration under Ark. Code Ann. § 23-42-308(a)(2)(J):

5 a. failing to provide adequate training to its registered agents regarding ARS  
6 by, among other things:

7 i. failing to provide timely and comprehensive sales and marketing  
8 literature regarding ARS and the mechanics of the auction process;

9 ii. failing to provide pertinent information concerning the complexity  
10 of the ARS product; and

11 iii. failing to ensure that its agents were selling ARS to individual  
12 investors for whom they were suitable; and

13 b. failing to review account portfolio statements sent to its customers to  
14 ensure that they reflected accurate information regarding ARS;

15 c. failing to review ARS transactions in accounts of customers who needed  
16 liquidity; and

17 d. failing to ensure that its registered personnel were providing adequate  
18 information regarding ARS to its customers.  
19

20  
21 **II.**  
**CONCLUSIONS OF LAW**

22 1. The Arkansas Securities Commissioner has jurisdiction over this matter pursuant  
23 to the Arkansas Securities Act, Ark. Code Ann. § 23-42-205.

24 2. The Arkansas Securities Commissioner finds Wachovia Securities failed to  
25 supervise its employees and engaged in dishonest or unethical practices in the securities  
26

1 business, and that this conduct constitutes grounds to revoke Wachovia Securities' registration  
2 under Ark. Code Ann. § 23-42-308(a)(2)(G) and (J).

3 3. The Arkansas Securities Commissioner finds this order and the following relief  
4 appropriate, in the public interest, and consistent with the purposes intended by the Arkansas  
5 Securities Act.

6 **III.**  
7 **ORDER**

8 On the basis of the Findings of Fact, Conclusions of Law, and Wachovia's consent to the  
9 entry of this Order,

10 IT IS HEREBY ORDERED:

11 1. This Order concludes the investigation by the Arkansas Securities Department and  
12 any other action that the Arkansas Securities Department could commence under applicable  
13 Arkansas law on behalf of Arkansas as it relates to Wachovia, and its marketing and sale of auction  
14 rate securities to investors.

15 2. This Order is entered into solely for the purpose of resolving the referenced multi-  
16 state investigation, and is not intended to be used for any other purpose.

17 3. Wachovia will CEASE AND DESIST from violating the Arkansas Securities Act  
18 and will comply with the Arkansas Securities Act.

19 4. Within ten days after the entry of this Order, Wachovia shall pay the sum of  
20 \$238,385.75, in two payments as follows: (1) \$23,838.56 to the Arkansas State Fund at the  
21 Investor Protection Trust, a nonprofit organization devoted to investor education; and (2)  
22 \$214,547.19 payable to the Arkansas Securities Department.

23 5. In the event another state securities regulator determines not to accept Wachovia's  
24 state settlement offer, the total amount of the Wachovia payment to the Arkansas Securities  
25

1 Department shall not be affected, and shall remain at \$238,385.75.

2 6. Wachovia Securities and Wachovia Capital Markets, respectively, as agents for  
3 one or more affiliated companies and not as principal, shall offer to purchase at par ARS that are  
4 subject to auctions that are not successful and are not subject to current calls or redemptions  
5 (“Eligible ARS”) from all investors in the Relevant Class. For purposes of this Order the  
6 Relevant Class shall be defined as all investors who purchased ARS from either Wachovia  
7 Securities or Wachovia Capital Markets, respectively, on or before February 13, 2008, into  
8 accounts maintained at Wachovia Securities or Wachovia Capital Markets, respectively.

9 a. Wachovia Securities and Wachovia Capital Markets, as agents for one or  
10 more affiliated companies and not as principal, shall make an offer to buy the Eligible  
11 ARS from Individuals Investors, as defined below, who are in the Relevant Class. This  
12 buy back shall commence no later than November 10, 2008, and conclude no later than  
13 November 28, 2008. For purposes of this Order, Individual Investors shall include  
14 natural persons, individual retirement accounts and the following entities or accounts:  
15

16 i. Accounts with the following owners:

- 17 1. non-profit charitable organizations; and
- 18 2. religious corporations.

19 ii. Accounts with the following owners and with account values or  
20 household values up to \$10 million:

- 21 1. trusts;
- 22 2. corporate trusts;
- 23 3. corporations;
- 24 4. employee pension plans/ERISA and Taft Hartley Act plans;
- 25
- 26

- 1 5. educational institutions;
- 2 6. incorporated non-profit organizations;
- 3 7. limited liability companies;
- 4 8. limited partnerships;
- 5 9. non-public companies;
- 6 10. partnerships;
- 7 11. personal holding companies;
- 8 12. unincorporated associations; and
- 9 13. governmental and quasi-government entities.

10 b. Wachovia Securities and Wachovia Capital Markets as agent for one or  
11 more affiliated companies and not as principal, shall commence a buy back of the  
12 Eligible ARS from all other investors in the Relevant Class not otherwise covered by  
13 subparagraph a, above, no later than June 10, 2009, and conclude no later than June 30,  
14 2009.

15  
16 7. No later than November 28, 2008, Wachovia shall pay any investor in the  
17 Relevant Class who sold ARS below par between February 13, 2008, and August 15, 2008, and  
18 whom Wachovia can reasonably identify, the difference between par and the price at which the  
19 investor sold the ARS.

20  
21 8. Wachovia shall notify all investors in the Relevant Class of the provisions of this  
22 Order as provided in paragraphs 9 and 10.

23 9. As part of Wachovia's general obligation to notify all investors in the Relevant  
24 Class pursuant to paragraph 8, above, Wachovia shall mail the Required Notification, defined  
25 below, by November 10, 2008, to all investors in the Relevant Class that held ARS positions in a  
26

1 Wachovia account as of August 31, 2008. For purposes of the Order, "Required Notification"  
2 shall mean a notice that includes general statements and information specific to each investor,  
3 including:

- 4 a. a general notification of all provisions of this Order;
- 5 b. the specific security purchased;
- 6 c. the quantity purchased;
- 7 d. the par value of the holding;
- 8 e. a prominent statement disclosing that at this time the Relevant Class  
9 member's ARS holdings may not be liquid and that there is a possibility that this  
10 offer may be the only opportunity for the investor to liquidate the ARS holdings; and  
11 f. a statement that the offer to repurchase the ARS holdings, and other relief  
12 specified in the Order, is being made pursuant to a settlement with state securities regulators.

13 10. By November 10, 2008, Wachovia shall mail the Required Notification to all  
14 investors in the Relevant Class that transferred ARS positions to a firm other than Wachovia,  
15 prior to the date of this Order, if the initial purchase of the Eligible ARS was on or after January  
16 1, 2003, unless the ARS has been redeemed in full by the issuer.

17 11. Wachovia shall demonstrate that all investors in the Relevant Class received the  
18 Required Notification if Wachovia demonstrates that: 1) Wachovia mailed the Required  
19 Notification via First Class mail at the customer's last known address and did not receive a return  
20 notice, or 2) Wachovia repurchased ARS from the investor.

21 12. Wachovia Securities shall establish and maintain a dedicated telephone assistance  
22 line, with appropriate staff, to respond to questions from investors concerning the terms of this  
23 Order and Wachovia's no net cost loan (nonrecourse, no release) program. Wachovia Securities  
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1 shall maintain this dedicated telephone assistance line through June 30, 2009.

2 13. With respect to any claim for consequential damages, to the extent such claims  
3 are not resolved informally by Wachovia, Wachovia shall arbitrate the claim of any Relevant  
4 Class member who elects to arbitrate, pursuant to the following provisions:

5 a. the arbitrations will be conducted by a public arbitrator (as defined by  
6 section 12100(u) of the NASD Code of Arbitration Procedures for Customer Disputes,  
7 eff. April 16, 2007), under the auspices of FINRA;

8 b. the above-referenced public arbitrator will be available for the exclusive  
9 purpose of arbitrating any Relevant Class member's consequential damages claim;

10 c. Wachovia shall pay all applicable forum and filing fees;

11 d. any Relevant Class member who chooses to pursue such a claim shall bear  
12 the burden of proving that they suffered consequential damages and that such damages  
13 were caused by investors' inability to access funds consisting of investors' ARS  
14 purchases through Wachovia; and  
15

16 e. Wachovia shall be able to defend itself against such claims; provided,  
17 however, that Wachovia shall not contest liability related to the sale of ARS; and  
18 provided further that Wachovia shall not be able to use as part of its defense an investor's  
19 decision not to borrow money from Wachovia.  
20

21 14. By November 28, 2008, Wachovia Securities and Wachovia Capital Markets,  
22 respectively and separately, shall refund refinancing fees received by it to municipal auction rate  
23 issuers that issued such securities in the initial primary market between August 1, 2007, and  
24 February 13, 2008, and refinanced those securities through Wachovia after February 13, 2008.

25 15. If Wachovia defaults in any of its obligations set forth in this Order, the Arkansas  
26

1 Securities Commissioner may vacate this Order, at his sole discretion, upon 10 days notice to  
2 Wachovia and without opportunity for administrative hearing or may refer this matter for  
3 enforcement as provided in the Arkansas Securities Act.

4 16. The parties admit and acknowledge that the Arkansas Securities Commissioner  
5 has no authority or jurisdiction over any other state or federal agency or regulatory authority.  
6 Nonetheless, the Arkansas Securities Commissioner does not intend for this Order to serve as a  
7 basis for Respondents' or any of their affiliates' disqualification from registration exemptions or  
8 safe harbor provisions contained in the following:

- 9 - Arkansas Securities Act, or rules or regulations thereunder;
- 10 - Federal securities laws, or the rules and regulations thereunder;
- 11 - Rules and regulations of self regulatory organizations; or
- 12 - Various states' or U.S. Territories' securities laws.

13 The Arkansas Securities Commissioner also does not intend for this Order to form a basis for the  
14 disqualification of Respondents or any of their affiliates or employees from any business that  
15 they are otherwise qualified or licensed to perform.  
16

17 17. For any person or entity not a party to this Order, this Order does not limit or create  
18 any private rights or remedies against Wachovia including, without limitation, the use of any e-  
19 mails or other documents of Wachovia or of others for the marketing and sale of auction rate  
20 securities to investors, limit or create liability of Wachovia, or limit or create defenses of Wachovia  
21 to any claims.

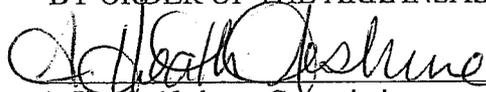
22 18. Nothing herein shall preclude Arkansas, its departments, agencies, boards,  
23 commissions, authorities, political subdivisions and corporations, other than the Arkansas  
24 Securities Department and only to the extent set forth in paragraph 1 above, (collectively, "State  
25

1 Entities”) and the officers, agents or employees of State Entities from asserting any claims, causes  
2 of action, or applications for compensatory, nominal and/or punitive damages, administrative, civil,  
3 criminal, or injunctive relief against Wachovia in connection with the marketing and sale of auction  
4 rate securities at Wachovia.

5 19. Wachovia shall pay its own costs and attorneys’ fees with respect to this matter.

6 Dated this 10<sup>th</sup> day of March, 2010.

7  
8 BY ORDER OF THE ARKANSAS SECURITIES COMMISSIONER

9   
10 A. Heath Abshure, Commissioner

CONSENT TO ENTRY OF ADMINISTRATIVE ORDER BY WACHOVIA

Wachovia hereby acknowledges that it has been served with a copy of this Consent Order, has read the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

Wachovia Securities admits the jurisdiction of the Arkansas Securities Commissioner and Wachovia Capital Markets consents to the jurisdiction of the Arkansas Securities Commissioner for purposes of this Order. Neither Wachovia Securities nor Wachovia Capital Markets admits or denies the Findings of Fact and Conclusions of Law contained in this Order; and each consents to entry of this Order by the Commissioner as settlement of the issues contained in this Order.

Wachovia states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

Douglas L. Kelly represents that he/she is Exec. V.P. of Wachovia Securities, LLC n/k/a Wells Fargo Advisors, LLC and that, as such, has been authorized by Wachovia Securities, LLC n/k/a Wells Fargo Advisors, LLC to enter into this Order for and on behalf of Wachovia Securities, LLC n/k/a Wells Fargo Advisors, LLC.

~~\_\_\_\_\_ represents that he/she is \_\_\_\_\_ of Wachovia Capital Markets, LLC n/k/a Wells Fargo Securities, LLC and that, as such, has been authorized by Wachovia Capital Markets, LLC n/k/a Wells Fargo Securities, LLC to enter into this Order for and on behalf of Wachovia Capital Markets, LLC n/k/a Wells Fargo Securities, LLC.~~

Wachovia agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any administrative monetary penalty that Wachovia shall pay pursuant to this Order.

Dated this 11<sup>th</sup> day of MARCH, 2010.

Wachovia Securities, LLC  
n/k/a Wells Fargo Advisors, LLC

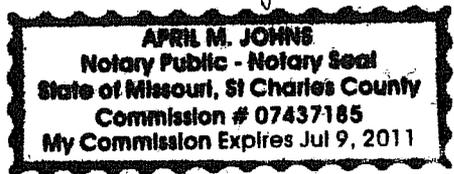
By: *[Signature]*

Title: EXEC. V. P.

SUBSCRIBED AND SWORN TO before me this 11<sup>th</sup> day of MARCH, 2010

*[Signature]*  
Notary Public

My commission expires:  
7/9/2011



Wachovia Capital Markets, LLC  
n/k/a Wells Fargo Securities, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

CONSENT TO ENTRY OF ADMINISTRATIVE ORDER BY WACHOVIA

Wachovia hereby acknowledges that it has been served with a copy of this Consent Order, has read the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

Wachovia Securities admits the jurisdiction of the Arkansas Securities Commissioner and Wachovia Capital Markets consents to the jurisdiction of the Arkansas Securities Commissioner for purposes of this Order. Neither Wachovia Securities nor Wachovia Capital Markets admits or denies the Findings of Fact and Conclusions of Law contained in this Order; and each consents to entry of this Order by the Commissioner as settlement of the issues contained in this Order.

Wachovia states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

\_\_\_\_\_ represents that he/she is \_\_\_\_\_ of Wachovia Securities, LLC n/k/a Wells Fargo Advisors, LLC and that, as such, has been authorized by Wachovia Securities, LLC n/k/a Wells Fargo Advisors, LLC to enter into this Order for and on behalf of Wachovia Securities, LLC n/k/a Wells Fargo Advisors, LLC.

*Barbara H Wright* represents that he/she is *SRP* of Wachovia Capital Markets, LLC n/k/a Wells Fargo Securities, LLC and that, as such, has been authorized by Wachovia Capital Markets, LLC n/k/a Wells Fargo Securities, LLC to enter into this Order for and on behalf of Wachovia Capital Markets, LLC n/k/a Wells Fargo Securities, LLC.

Wachovia agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any administrative monetary penalty that Wachovia shall pay pursuant to this Order.

Dated this 11 day of March 2010.

Wachovia Securities, LLC  
n/k/a Wells Fargo Advisors, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_.

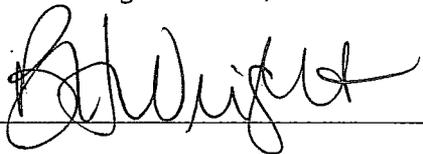
\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_

Wachovia Capital Markets, LLC

n/k/a Wells Fargo Securities, LLC

By: 

Title: SVP

SUBSCRIBED AND SWORN TO before me this 11<sup>th</sup> day of March, 2010

  
Notary Public

My commission expires:

6-16-2010