

PRUDENTIAL FINANCIAL INC
Form 424B7
July 18, 2007

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Registration Statement No. 333-132469

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Supplement No. 1

(To Prospectus dated March 16, 2006 and Prospectus Supplement dated April 11, 2007)

\$2,000,000,000

Prudential Financial, Inc.

Floating Rate Convertible Senior Notes due December 12, 2036

This supplement updates and amends certain information contained in the prospectus dated March 16, 2006, as supplemented by the prospectus supplement dated April 11, 2007, relating to the offer and sale from time to time by certain selling securityholders of up to \$2,000,000,000 aggregate principal amount of our Floating Rate Convertible Senior Notes due December 12, 2036, and any Common Stock issuable upon conversion of the notes. The terms of the notes are set forth in the prospectus dated March 16, 2006 and prospectus supplement dated April 11, 2007. This supplement is not complete without, and may not be utilized except in connection with, the accompanying prospectus dated March 16, 2006 and prospectus supplement dated April 11, 2007, including any amendments or further supplements thereto. This supplement is qualified by reference to the prospectus dated March 16, 2006 and prospectus supplement dated April 11, 2007 and any amendments or further supplements thereto, except to the extent that the information in this supplement supersedes the information contained in the prospectus dated March 16, 2006 or in the prospectus supplement dated April 11, 2007.

See Risk Factors beginning on page S-4 of the prospectus supplement dated April 11, 2007 to read about important factors you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus or prospectus supplement. Any representation to the contrary is a criminal offense.

The date of this supplement is July 18, 2007

The information in the table under the caption "Selling Securityholders" in the prospectus supplement dated April 11, 2007 is modified by adding the information below with respect to persons not previously listed in the prospectus supplement dated April 11, 2007 or in any amendments or supplements thereto, and by superseding the information with respect to persons previously listed in the prospectus supplement dated April 11, 2007 or any amendments or supplements thereto with the information that is set forth below.

SELLING SECURITYHOLDERS

| Name | Principal Amount of Notes Beneficially Owned | Principal Amount of Notes Offered | Number of Shares of Common Stock Beneficially Owned | Number of Shares of Common Stock Offered ⁽¹⁾ | Principal Amount of Notes Owned After Completion of Offering ⁽²⁾ | Number of Shares of Common Stock Owned After Completion of Offering ⁽²⁾ |
|---|--|-----------------------------------|---|---|---|--|
| | Prior to this Offering | | Prior to this Offering ⁽¹⁾ | | | |
| Acuity Master Fund Ltd. | 100,000 | 100,000 | 960 | 960 | 0 | 0 |
| ADI Alternative Investments | 5,000,000 | 5,000,000 | 47,981 | 47,981 | 0 | 0 |
| ADI Alternative Investments c/o CASAM ADI CB Arbitrage | 5,000,000 | 5,000,000 | 47,981 | 47,981 | 0 | 0 |
| ADI Alternative Investments c/o Kallista Master Fund Limited | 10,500,000 | 10,500,000 | 100,760 | 100,760 | 0 | 0 |
| Alexandra Global Master Fund Ltd. ⁽³⁾ | 20,000,000 | 20,000,000 | 191,924 | 191,924 | 0 | 0 |
| Argent Classic Convertible Arbitrage Fund L.P. ⁽⁴⁾ | 4,430,000 | 4,430,000 | 42,511 | 42,511 | 0 | 0 |
| Argent Classic Convertible Arbitrage Fund II, L.P. ⁽⁴⁾ | 1,000,000 | 1,000,000 | 9,596 | 9,596 | 0 | 0 |
| Argent Classic Convertible Arbitrage Fund Ltd. ⁽⁴⁾ | 31,860,000 | 31,860,000 | 305,735 | 305,735 | 0 | 0 |
| Argent LowLev Convertible Arbitrage Fund Ltd. ⁽⁴⁾ | 4,090,000 | 4,090,000 | 39,249 | 39,249 | 0 | 0 |
| Argent LowLev Convertible Arbitrage Fund II, LLC ⁽⁴⁾ | 110,000 | 110,000 | 1,056 | 1,056 | 0 | 0 |
| Argentum Multi-Strategy Fund Ltd. - Classic ⁽⁴⁾ | 490,000 | 490,000 | 4,702 | 4,702 | 0 | 0 |
| Attorneys Liability Assurance Company | 400,000 | 400,000 | 5,663 ⁽⁵⁾ | 3,839 | 0 | 1,824 ⁽⁵⁾ |
| Attorneys Title Insurance Fund ⁽⁶⁾ | 260,000 | 260,000 | 2,495 | 2,495 | 0 | 0 |
| Bear, Stearns & Co. Inc. ⁽⁷⁾⁽⁸⁾⁽⁹⁾ | 222,692 | 222,692 | 80,208 | 2,137 | 0 | 78,071 |
| BNP Paribas Arbitrage ⁽¹⁰⁾ | 5,000,000 | 5,000,000 | 47,981 | 47,981 | 0 | 0 |
| Carlyle Multi-Strategy Master Fund Ltd. ⁽¹¹⁾ | 2,800,000 | 2,800,000 | 26,869 | 26,869 | 0 | 0 |
| CASAM Argent Classic Convertible Arbitrage Fund Limited ⁽⁴⁾ | 790,000 | 790,000 | 7,581 | 7,581 | 0 | 0 |
| City of Southfield Fire and Police Retirement System c/o Income Research & Management | 185,000 | 185,000 | 1,775 | 1,775 | 0 | 0 |
| Class C Trading Company, Ltd. ⁽⁴⁾ | 1,900,000 | 1,900,000 | 18,233 | 18,233 | 0 | 0 |
| Commonwealth Professional Assurance Company Convertible Bond Portfolio c/o Income Research & Management | 650,000 | 650,000 | 6,238 | 6,238 | 0 | 0 |
| Concord Hospital Employees Pension Fund c/o Income Research & Management | 110,000 | 110,000 | 1,056 | 1,056 | 0 | 0 |
| Concord Hospital Non-Pension Fund c/o Income Research & Management | 240,000 | 240,000 | 2,303 | 2,303 | 0 | 0 |
| Conseco Insurance Company - Multi-Bucket Amnity Convertible Bond Fund ⁽¹⁰⁾ | 600,000 | 600,000 | 5,758 | 5,758 | 0 | 0 |
| DBAG London ⁽¹⁰⁾⁽¹²⁾ | 44,063,000 | 44,063,000 | 1,292,341 | 422,837 | 0 | 869,504 |
| Deutsche Bank Securities Inc. ⁽⁷⁾⁽¹³⁾ | 22,240,000 | 22,240,000 | 213,419 | 213,419 | 0 | 0 |
| Elite Classic Convertible Arbitrage Ltd. ⁽⁴⁾ | 900,000 | 900,000 | 8,637 | 8,637 | 0 | 0 |

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| | | | | | | |
|--|------------|------------|------------------------|---------|---|------------------------|
| Excellus Health Plan | 2,390,000 | 2,390,000 | 61,752 ⁽¹⁴⁾ | 22,935 | 0 | 38,817 ⁽¹⁴⁾ |
| The Global Convertible Opportunities Fund Limited ⁽¹⁰⁾⁽¹³⁾ | 2,000,000 | 2,000,000 | 19,192 | 19,192 | 0 | 0 |
| Government of Singapore Investment Corporation Pte Ltd | 11,280,000 | 11,280,000 | 914,144 | 108,245 | 0 | 805,899 |
| HFR CA Global Select Master Trust Account ⁽⁴⁾ | 760,000 | 760,000 | 7,293 | 7,293 | 0 | 0 |

| Name | Principal Amount of Notes Beneficially Owned Prior to this Offering | Principal Amount of Notes Offered | Number of Shares of Common Stock Beneficially Owned Prior to this Offering ⁽¹⁾ | Number of Shares of Common Stock Offered ⁽¹⁾ | Principal Amount of Notes Owned After Completion of Offering ⁽²⁾ | Number of Shares of Common Stock Owned After Completion of Offering ⁽²⁾ |
|---|---|-----------------------------------|---|---|---|--|
| Institutional Benchmark Series (Master Feeder) Limited in Respect of Election Series c/o Quattro Fund ⁽¹⁵⁾ | 2,475,000 | 2,475,000 | 23,751 | 23,751 | 0 | 0 |
| JP Morgan Securities ⁽⁷⁾ | 15,000,000 | 15,000,000 | 143,943 | 143,943 | 0 | 0 |
| JP Morgan Securities Limited ⁽¹⁰⁾⁽¹⁶⁾ | 20,000,000 | 20,000,000 | 191,924 | 191,924 | 0 | 0 |
| KBC Financial Products USA Inc. ⁽⁷⁾⁽¹⁷⁾ | 11,500,000 | 11,500,000 | 110,356 | 110,356 | 0 | 0 |
| Lehman Brothers Inc. ⁽⁷⁾ | 16,000,000 | 16,000,000 | 153,539 | 153,539 | 0 | 0 |
| Lyxor/Acuity Fund Ltd. | 2,100,000 | 2,100,000 | 20,152 | 20,152 | 0 | 0 |
| Lyxor Master Fund Ref: Argent/ LowLev CB c/o Argent ⁽⁴⁾ | 1,130,000 | 1,130,000 | 10,844 | 10,844 | 0 | 0 |
| Lyxor Quest Fund, Ltd. ⁽¹⁸⁾ | 1,940,000 | 1,940,000 | 18,617 | 18,617 | 0 | 0 |
| MAG Mutual Insurance Company | 395,000 | 395,000 | 3,791 | 3,791 | 0 | 0 |
| MedAmerica Insurance Co. Hartford Trust c/o Income Research and Management | 305,000 | 305,000 | 13,912 ⁽¹⁹⁾ | 2,927 | 0 | 10,940 ⁽¹⁹⁾ |
| MedAmerica New York Insurance c/o Income Research and Management | 445,000 | 445,000 | 23,942 ⁽²⁰⁾ | 4,270 | 0 | 19,672 ⁽²⁰⁾ |
| MIG Assurance Convertible Portfolio c/o Income Research and Management | 330,000 | 330,000 | 22,359 ⁽²¹⁾ | 3,167 | 0 | 19,192 ⁽²¹⁾ |
| Morgan Stanley International Limited ⁽²²⁾ | 56,700,000 | 56,700,000 | 544,105 | 544,105 | 0 | 0 |
| Orsay Monetaire Premiere ⁽²³⁾ | 26,250,000 | 26,250,000 | 251,900 | 251,900 | 0 | 0 |
| Orsay Securité ⁽²³⁾ | 103,550,000 | 103,550,000 | 993,687 | 993,687 | 0 | 0 |
| Oz Master Fund, Ltd. ⁽²⁴⁾ | 19,796,000 | 19,796,000 | 284,748 ⁽²⁵⁾ | 189,966 | | 94,782 ⁽²⁵⁾ |
| Partners Group Alternative Strategies PCC LTD ⁽⁴⁾ | 1,750,000 | 1,750,000 | 16,793 | 16,793 | 0 | 0 |
| Partners Group Alternative Strategies PCC Limited, Red Delta Cell c/o Quattro Fund ⁽²⁶⁾ | 3,825,000 | 3,825,000 | 36,706 | 36,706 | 0 | 0 |
| Quattro Fund Ltd. ⁽²⁷⁾ | 32,725,000 | 32,725,000 | 314,036 | 314,036 | 0 | 0 |
| Quattro Multistrategy Masterfund LP ⁽²⁷⁾ | 2,975,000 | 2,975,000 | 28,549 | 28,549 | 0 | 0 |
| Quest Global Convertible Master Fund, Ltd. ⁽²¹⁾ | 60,000 | 60,000 | 576 | 576 | 0 | 0 |
| Sailfish Multi-Strategy Fixed Income Master Fund (G2) Ltd. ⁽²⁸⁾ | 10,000,000 | 10,000,000 | 95,962 | 95,962 | 0 | 0 |
| Stark Mater Fund Ltd. ⁽¹⁰⁾⁽²⁹⁾ | 5,000,000 | 5,000,000 | 47,981 | 47,981 | 0 | 0 |
| Tufts Associated Health Plans c/o Income Research & Management | 1,175,000 | 1,175,000 | 24,711 ⁽³⁰⁾ | 11,276 | 0 | 13,435 ⁽³⁰⁾ |
| UBS Securities LLC ⁽⁷⁾⁽³¹⁾ | 17,078,000 | 17,078,000 | 489,963 ⁽³²⁾ | 163,884 | 0 | 326,079 ⁽³²⁾ |
| UMass Memorial Health Care Convertible Bond Portfolio | 470,000 | 470,000 | 4,510 | 4,510 | 0 | 0 |
| UMass Memorial Investment Partnership Convertible Bond Portfolio c/o Income Research & Management | 580,000 | 580,000 | 5,566 | 5,566 | 0 | 0 |
| University of Massachusetts Convertible Bond Portfolio c/o Income Research & Management | 275,000 | 275,000 | 2,639 | 2,639 | 0 | 0 |
| Value Line Convertible Fund, Inc. | 200,000 | 200,000 | 1,919 | 1,919 | 0 | 0 |
| Xavex Convertible Arbitrage 2 Fund ⁽⁴⁾ | 400,000 | 400,000 | 3,839 | 3,839 | 0 | 0 |
| Xavex Convertible Arbitrage 10 Fund ⁽⁴⁾ | 1,590,000 | 1,590,000 | 15,258 | 15,258 | 0 | 0 |

- (1) Assumes conversion of all of the holders' notes at the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes. However, the maximum conversion rate is subject to adjustment as described under "Description of Notes - Conversion Rights - Conversion Price Adjustments." As a result, the amount of Common Stock issuable upon conversion of the notes may increase or decrease in the future.
- (2) Assumes that all of the notes and/or all of the Common Stock into which the notes are convertible are sold.
- (3) Mikhail Filimonov is the natural person that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (4) Nathaniel Brown and Robert Richardson are the natural persons that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (5) Consists of \$190,000 aggregate principal amount of the Floating Rate Convertible Senior Notes due December 12, 2036 registered pursuant to the Prospectus Supplement, dated April 11, 2007, to the Prospectus dated March 16, 2006. The 1,824 shares of our Common Stock beneficially owned by Attorneys' Liability Assurance Company were calculated based on the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes.
- (6) Ann Houlihan is the natural person that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (7) This selling securityholder has identified itself as a broker-dealer.
- (8) Michael Lloyd, Senior Managing Director of Bear, Stearns & Co. Inc., is the natural person that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (9) This selling securityholder has a \$107.5 million funding commitment on a \$4 billion investment grade relationship driven facility. Also, Prudential Financial, Inc. uses BondStudio to value credit derivative security trades. Moreover, Prudential Financial, Inc. is a vendor of Bear Stearns and was paid within the last three years. Except as set forth above, neither Bear Stearns nor any affiliate or employee has disclosed any material relationship, outside business interest or investment or any conflict of interest, as defined in Rule 2720 of the NASD Conduct Rules, with Prudential Financial, Inc. in the last three years.
- (10) This selling securityholder has identified itself as an affiliate of a broker-dealer.
- (11) Carlyle-Blue Wave Partners Management, LP ("CBWPM") is the investment manager for Carlyle Multi-Strategy Master Fund, Ltd. ("Carlyle Master Fund") and has been granted investment discretion over the portfolio investments, including the notes, made by it. Ralph Reynolds and Richard Goldsmith are the managing members of Blue Wave Partners, LLC, a managing member of Carlyle-Blue Wave Partners, LLC, the general partner of CBWPM, and may, by virtue of their position as managing members, be deemed to have beneficial ownership of the notes. However, to the extent permitted by law, both Messrs. Reynolds and Goldsmith declare that this disclosure is not to be construed as an admission that either such person is the beneficial owner of any of the notes and they each disclaim any beneficial interest in the notes. In addition, TC Group Cayman, L.P., an affiliate of The Carlyle Group, is also a managing member of Carlyle-Blue Wave Partners, LLC, but does not possess investment discretion over the Carlyle Master Fund's portfolio investments.
- (12) Patrick Corrigan is the natural person that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (13) Jefferies Investment Management Ltd. is the entity that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.

- (14) Consists of \$4,045,000 aggregate principal amount of the Floating Rate Convertible Senior Notes due December 12, 2036 registered pursuant to the Prospectus Supplement, dated April 11, 2007, to the Prospectus dated March 16, 2006. The 38,817 shares of our Common Stock beneficially owned by Excellus Health Plan were calculated based on the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes.
- (15) Gary Crowder is the natural person that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (16) J.P. Morgan Chase International Holdings and J.P. Morgan Capital Financing Limited, both wholly owned indirect subsidiaries of JPMorgan Chase & Co., are the entities that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (17) This selling securityholder's notes and the Common Stock issuable upon conversion of the notes are under the total control of KBC Financial Products USA Inc. KBC Financial Products USA Inc. is a direct wholly owned subsidiary of KBC Financial Holdings, Inc., which in turn is a direct wholly owned subsidiary of KBC Bank N.V., which in turn is a direct wholly owned subsidiary of KBC Group N.V., a publicly traded entity.
- (18) Frank Campana and James Doolin are the natural persons that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (19) Consists of \$1,140,000 aggregate principal amount of the Floating Rate Convertible Senior Notes due December 12, 2036 registered pursuant to the Prospectus Supplement, dated April 11, 2007, to the Prospectus dated March 16, 2006. The 10,940 shares of our Common Stock beneficially owned by MedAmerica Insurance Co. Hartford Trust c/o Income Research and Management were calculated based on the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes.
- (20) Consists of \$2,050,000 aggregate principal amount of the Floating Rate Convertible Senior Notes due December 12, 2036 registered pursuant to the Prospectus Supplement, dated April 11, 2007, to the Prospectus dated March 16, 2006. The 19,672 shares of our Common Stock beneficially owned by MedAmerica New York Insurance c/o Income Research and Management were calculated based on the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes.

- (21) Consists of \$2,000,000 aggregate principal amount of the Floating Rate Convertible Senior Notes due December 12, 2036 registered pursuant to the Prospectus Supplement, dated April 11, 2007, to the Prospectus dated March 16, 2006. The 19,192 shares of our Common Stock beneficially owned by MIG Assurance Convertible Portfolio c/o Income Research and Management were calculated based on the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes.
- (22) Morgan Stanley & Co. Incorporated, an affiliate of Morgan Stanley International Limited, acted as the initial purchaser in connection with the original issuance of the notes on December 7, 2006.
- (23) Orsay Asset Management SNC is the entity that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes. Orsay Asset Management SNC is controlled by Banque D Orsay, which in turn is controlled by West LB AG.
- (24) Daniel S. Och is the senior managing member of Oz Management, LLC, the investment manager to the selling securityholder, and may be deemed to have voting/investment control of this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (25) Consists of \$9,877,000 aggregate principle amount of the Floating Rate Convertible Senior Notes due December 12, 2036 registered pursuant to the Prospectus Supplement dated April 11, 2007, to the Prospectus dated March 16, 2006. The 94,782 shares of our Common Stock beneficially owned by Oz Master Fund, Ltd. were calculated based on the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes.
- (26) Mark Rowe, Felix Haldner, Michael Fitchet and Denis O Malley are the natural persons that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (27) Andrew Kaplan, Brian Swain and Louis Napoli are the natural persons that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (28) Messrs. Mark Fishman and Sal Naro may be deemed to share beneficial ownership of the notes owned of record by Sailfish Multi-Strategy Fixed Income Master Fund (G2), Ltd., by virtue of their status as managing members of Sailfish Capital Partners, LLC, a Delaware limited liability company, the principal business of which is serving as the Investment Manager of Sailfish Multi-Strategy Fixed Income Master Fund (G2), Ltd., a Cayman Islands limited company. Each of Mr. Fishman and Mr. Naro share investment and voting power with respect to the ownership interests of the notes, and the Common Stock issuable upon conversion of the notes, owned by Sailfish Multi-Strategy Fixed Income Master Fund (G2), Ltd. but disclaim beneficial ownership of such interests.
- (29) Brian Stark and Michael Roth are the natural persons that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (30) Consists of \$1,400,000 aggregate principal amount of the Floating Rate Convertible Senior Notes due December 12, 2036 registered pursuant to the Prospectus Supplement, dated April 11, 2007, to the Prospectus dated March 16, 2006. The 13,435 shares of our Common Stock beneficially owned by Tufts Associated Health Plans c/o Income Research & Management were calculated based on the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes.
- (31) John Dibacco is the natural person that may exercise voting and dispositive power over this selling securityholder's notes and the Common Stock issuable upon conversion of the notes.
- (32) Consists of \$33,980,000 aggregate principal amount of the Floating Rate Convertible Senior Notes due December 12, 2036 registered pursuant to the Prospectus Supplement, dated April 11, 2007, to the Prospectus dated March 16, 2006. The 326,079 shares of our Common Stock beneficially owned by UBS Securities LLC were calculated based on the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes.