



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

DIVISION OF
CORPORATION FINANCE

May 14, 2008

Jerome S. Fortinsky, Esq.
Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022-6069

Re: In the Matter of Hartford Investment Financial Services, LLC, HL Investment Advisors, LLC, and Hartford Securities Distribution Company, Inc., Administrative Proceeding File No. 3-12476—Waiver Request under Regulation A and Rule 505 of Regulation D

Dear Mr. Fortinsky:

This is in response to your letter dated June 8, 2006, written on behalf of Hartford Investment Financial Services, LLC ("Hartford Investment"), HL Investment Advisors, LLC ("HL Advisors"), and Hartford Securities Distribution Company, Inc. ("Hartford Distribution," and together with Hartford Investment and HL Advisors, the "Respondents"), and constituting an application for relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D under the Securities Act of 1933 ("Securities Act"). You requested relief from disqualifications from exemptions available under Regulation A and Rule 505 of Regulation D that may have arisen by virtue of the order entered November 8, 2006 by the Securities and Exchange Commission in *In the Matter of Hartford Investment Financial Services, LLC, HL Investment Advisors, LLC, and Hartford Securities Distribution Company, Inc.*, Securities Act Release No. 8750 (the "Order"). The disqualifications may have arisen because the Order cites Section 15(b) of the Securities Exchange Act of 1934 and Section 203(e) of the Investment Advisers Act of 1940 as authority for its issuance and certain orders issued under those provisions may result in disqualifications of this kind.

For purposes of this letter, we have assumed as facts the representations set forth in your letter and the findings supporting entry of the Order. We also have assumed that the Respondents have complied and will continue to comply with the Order.

On the basis of your letter, I have determined that you have made showings of good cause under Rule 262 and Rule 505(b)(2)(iii)(C) that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Rule 505 of Regulation D by reason of entry of the Order. Accordingly, pursuant to delegated authority, and without necessarily agreeing that such disqualifications arose by virtue of entry of the Order, the Respondents are granted relief from any disqualifications from exemptions otherwise available under Regulation A and Rule 505 of Regulation D that may have arisen as a result of entry of the Order, effective the date of this letter.

Very truly yours,

A handwritten signature in cursive script that reads "Gerald J. Laporte".

Gerald J. Laporte
Chief, Office of Small Business Policy

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June 8, 2006

Via Electronic Mail and U.S. Mail

Gerald J. Laporte, Esq.
Chief, Office of Small Business Policy
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E., 3rd Floor
Washington, DC 20549-3628

In the Matter of Sales Practices by Certain Broker-Dealers Concerning Mutual Funds (HO-09949); In the Matter of Hartford Investment Financial Services (C-03823)

Dear Mr. Laporte:

On behalf of Hartford Investment Financial Services, LLC ("Hartford Investment"), HL Investment Advisors, LLC ("HL Advisors"), and Hartford Securities Distribution Company, Inc. ("Hartford Distribution," and together with Hartford Investment and HL Advisors, the "Respondents"), the settling Respondents in administrative proceedings arising out of the above-captioned investigation, I write, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D of the Securities and Exchange Commission (the "Commission") promulgated under the Securities Act of 1933 (the "Securities Act"), to request waivers of any disqualifications from exemptions under Regulation A and Rule 505 of Regulation D that may be applicable to the Respondents and any of the issuers described below as a result of the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (the "Order"). The Respondents request that these waivers be granted effective upon the entry of the Order.

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BACKGROUND

The staff of the Commission has engaged in settlement discussions with the Respondents in connection with the administrative proceedings arising out of the above-captioned investigation, which was brought pursuant to Section 8A of the Securities Act, Sections 203(e), 203(f), and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act") and Sections 9(b) and 9(f) of the Investment Company Act of 1940 ("Investment Company Act"). As a result of these discussions, the Respondents submitted a joint Offer of Settlement (the "Offer").

In the Offer, solely for the purpose of proceedings brought by or on behalf of the Commission or to which the Commission is a party, the Respondents consent to the entry of the Order, without admitting or denying the findings contained therein (other than those relating to the jurisdiction of the Commission, which are admitted). The Order, which was entered today, found that Respondents Hartford Investment and HL Advisors violated Sections 17(a)(2) and (3) of the Securities Act, Section 206(2) of the Advisers Act, and Section 34(b) of the Investment Company Act in connection with their directed brokerage program for the years 2000-03. The Commission found further that Respondent Hartford Distribution caused and aided and abetted the other Respondents' violations of Sections 17(a)(2) and (3) of the Securities Act and Section 206(2) of the Advisers Act. Additionally, the Order censured the Respondents, ordered each of them to cease and desist from such violative conduct, and required that the Respondents pay disgorgement in the amount of \$40 million and a civil money penalty of \$15 million, for which the Respondents will be jointly and severally liable.

DISCUSSION

The Respondents understand that the entry of the Order may disqualify them, affiliated entities, and certain issuers from certain exemptions under Regulation A and Rule 505 of Regulation D promulgated under the Securities Act, insofar as the Order causes the Respondents to be subject to an order of the Commission entered pursuant to Section 203(e) of the Advisers Act. The Respondents are concerned that, should any of them be deemed to be a general partner, promoter or underwriter of the securities of an "issuer" for the purposes of Securities Act Rule 262(b)(3), one or more of the Respondents, those of its issuer affiliates, and other issuers with which they are 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 Regulation 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 and 230.505(b)(2)(ii)(C).

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The Respondents request that the Commission waive any disqualifying effects that the Order may have under Regulation A and Rule 505 of Regulation D with respect to the Respondents, their issuer affiliates, or third-party issuers with which one or more of the Respondents are associated in the capacities listed above, on the following grounds:

1. **The conduct to be addressed in the Order does not relate to the matters addressed by Regulation A and Rule 505 of Regulation D.** The Order concerned the Respondents' use of directed brokerage in connection with the marketing and distribution of their mutual fund and variable annuity products. None of the findings set forth in the Order relate to small issues or to limited offers or sales of securities under \$5 million – that is, the subject matter of Regulation A and Rule 505 of Regulation D, respectively.
2. **Disqualification could put the Respondents at a significant competitive disadvantage.** The disqualification of the Respondents (or any of their issuer affiliates, or third-party issuers with which one or more of the Respondents are associated in one of the capacities listed above) from the exemptions under Regulation A and Rule 505 of Regulation D would be unduly and disproportionately severe in light of the nature of the violations addressed in the Order. If disqualified from these exemptions, the Respondents (or their issuer affiliates or third-party issuers with which one or more of the Respondents are associated in one of the capacities listed above) would find it more difficult to issue securities to raise new capital or for other purposes. In addition, they would find themselves at a competitive disadvantage in comparison with others that are able to rely on the regulatory exemptions.
3. **Disqualification is unnecessary because the Respondents have taken and will undertake further significant steps to ensure that conduct addressed in the Order does not recur.** The Commission has made findings in the Order recognizing that the Respondents, prior to the Order, voluntarily (a) formed a committee designed to ensure that prospectus and SAI disclosures for investment products are accurate, appropriate, timely, and, where appropriate, consistent; and (b) appointed a senior-level employee to implement certain written policies and procedures requiring that revenue sharing arrangements be in writing and in a form approved by the chief legal officer of Hartford Life, Inc. ("Hartford Life") or his delegate. Pursuant to the Order, the Respondents will undertake the following additional remedial steps, among others: (a) appoint a senior-level employee who will be responsible for, among other things, oversight over compliance matters relating to preventing and detecting conflicts of interest concerning the lines of business of Hartford Life's Investment Products Division, breaches of fiduciary duty by the Respondents, and violations of the federal securities laws by the Respondents; (b) annually prepare, for review and approval by the funds' boards of directors, disclosures to be included in the relevant prospectuses and SAIs about payments made by the Respondents to broker-dealers relating to the sale of the funds' shares; (c) make annual presentations to the funds' boards of directors, which will include an overview of their revenue sharing arrangements and policies, any material changes to such policies, the number and types of such arrangements, the types of

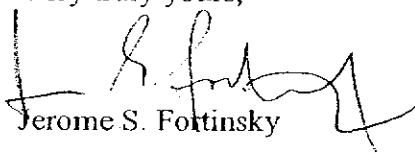
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services received, the identity of participating broker-dealers, and the total dollar amounts paid; (d) establish an Internal Compliance Controls Committee to be chaired by Hartford Life's Vice President, Securities Compliance; and (e) give all employees of the Investment Products Division annual compliance training relating to business ethics and disclosure obligations. We respectfully submit that, in light of these measures, and in light of the substantial payment of \$55 million that the Respondents will make pursuant to the Order, the Commission need not subject the Respondents to the further burden of disqualification from the exemptions discussed above in order to achieve its remedial goals.

For these reasons, we believe that disqualification is not appropriate and is not necessary for the protection of investors, and that the Respondents have shown good cause to grant the requested relief. Accordingly, we respectfully urge the Commission to waive, effective upon the entry of the Order, the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent they may be applicable to the Respondents, any affiliated issuers, and certain third-party issuers (as described above), as a result of the entry of the Order.¹

If you have any questions regarding this request, please contact me.

Very truly yours,


Jerome S. Fortinsky

cc: Daniel R. Gregus, Esq.
Midwest Regional Office
U.S. Securities & Exchange Commission

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¹ 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. See, e.g., *Legg Mason Wood Walker, Incorporated*, SEC No-Action Letter (pub. avail. Sept. 21, 2005); *Prudential Equity Group, LLC*, SEC No-Action Letter (pub. avail. July 25, 2005); *Smith Barney Fund Management LLC and Citigroup Global Markets, Inc.*, SEC No-Action Letter (May 31, 2005); *Citigroup Global Markets, Inc.*, SEC No-Action Letter (Mar. 23, 2005); *Sybaris Clubs Int'l, Inc.*, SEC No-Action Letter (pub. avail. July 1, 1996); *The Cooper Companies, Inc.*, SEC No-Action Letter (pub. avail. Dec. 20, 1994); *Michigan Nat'l Corp.*, SEC No-Action Letter (pub. avail. Dec. 17, 1993); *General Electric Co.*, SEC No-Action Letter (pub. avail. May 24, 1988); see also *Prudential Securities Inc.*, SEC No-Action Letter (pub. avail. July 10, 2003); *Credit Suisse First Boston Corporation*, SEC No-Action Letter (pub. avail. Jan. 29, 2002); *Dain Rauscher, Incorporated*, SEC No-Action Letter (pub. avail. Sept 27, 2001); *Legg Mason Wood Walker, Incorporated*, SEC No-Action Letter (pub. avail. June 11, 2001); *Prudential Securities Inc.*, SEC No-Action Letter (pub. avail. Jan 29, 2001).