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June 16, 2015

Via Electronic Mail

Division of Investment Management
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549
Attn: Douglas J. Scheidt, Esq.

Re: Request for No-Action Relief under Section 6(b) of the Securities Act of 1933,
Section 24(f)(2) of the Investment Company Act of 1940, and Rule 24f-2 thereunder

Introduction and Relief Requested

I am writing on behalf of Jackson National Life Insurance Company and Jackson National Life Insurance Company of New York (collectively referred to as "Jackson") to request your assurance that the staff of the Division of Investment Management (the "Staff") will not recommend that the Securities and Exchange Commission (the "Commission" or "SEC") take enforcement action under Section 6(b) of the Securities Act of 1933, as amended (the "1933 Act"), Section 24(f)(2) of the Investment Company Act of 1940 ("1940 Act"), or Rule 24f-2 thereunder, against any of the Requestors (defined below) if Rule 24f-2 registration fees are calculated and paid in the manner described below.

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Background

Jackson offers variable insurance products (“VIPs”) through several of its separate accounts (the “Separate Accounts”). Selected sub-accounts of the Separate Accounts (the “Divisions”) invest in underlying funds (the “Underlying Funds”) that are separate series structured as feeder funds (the “Feeder Funds”, and, together with the “Divisions,” the “Requestors”) of open-end management investment companies in a master-feeder arrangement. Each of the Requestors is or will be registered with the Commission, either as a unit investment trust (“UIT”) or as a management investment company under the 1940 Act.¹

The Divisions invest substantially all of their assets in the Feeder Funds in reliance on Section 12(d)(1)(E) of the 1940 Act. The Underlying Funds are Feeder Funds that are managed by SEC-registered investment advisers that are affiliates of Jackson.² Each Feeder Fund, also in reliance on Section 12(d)(1)(E), invests substantially all of its assets in shares of a corresponding series of an unaffiliated registered management investment company (each a “Master Fund” and collectively, the “Master Funds”).

The contract owners’ interests in the Divisions are registered as securities under the 1933 Act. The shares of each Feeder Fund and the shares of each corresponding Master Fund also are registered under the 1933 Act. Each Division’s assets, other than cash, will consist solely of shares of its corresponding Underlying Fund, whose sole portfolio holding, other than cash, will be shares of the Master Fund in which it invests as a Feeder Fund. Given that the Separate Accounts are UITs registered under the 1940 Act, and the Feeder Funds and the Master Funds are series of open-end management investment companies registered under the 1940 Act, all of these entities are subject to Section 24(f) of the 1940 Act.

Section 24(f)(1) provides that an open-end management company or UIT is deemed to have registered an indefinite amount of securities upon the effective date of its registration statement under the 1933 Act. Section 24(f)(2) requires an open-end management company or UIT to pay a registration fee to the Commission, calculated in the manner specified in Section 6(b) of the 1933

¹ Each Separate Account is registered with the Commission as a UIT and, as such, does not have an investment adviser. Each Feeder Fund is managed by an affiliated investment adviser registered with the Commission under the Investment Advisers Act of 1940, as amended.

² Assets of separate accounts of insurance companies offering VIPs are, as mandated under state insurance law, owned exclusively by the insurance company. The “units” in the sub-accounts of an insurance company’s separate account, while owned legally by the insurance company, serve as the measuring values of the interests and benefits provided by the VIPs offered through the sub-accounts. Thus, contract owners are beneficial owners rather than legal owners of not only the underlying fund shares in which the sub-accounts invest, but also of the sub-accounts units.

Act, based upon the aggregate sales price of its securities sold during each fiscal year, reduced by the aggregate price of such securities redeemed or repurchased during that fiscal year.

Discussion

Requestors believe that each Division and Feeder Fund, in calculating its portion of annual share registration fees required by Section 24(f)(2) and Rule 24f-2 thereunder, should be permitted to exclude from the aggregate sales price of its securities the aggregate net sales price of Master Fund shares that are, in effect, sold through the Feeder Fund to the Division, under circumstances

where registration fees have been paid on the aggregate net sales of Master Fund shares to the Feeder Fund, in accordance with Rule 24f-2 and Form 24F-2. Such treatment would avoid the payment, in effect, of triple Rule 24f-2 registration fees for the same aggregate proceeds from contract owners of VIPs that are invested in the Divisions that in turn purchase Feeder Fund (and, indirectly, Master Fund) shares. Such calculation and payment would be consistent with the purposes of Section 24(f) of the 1940 Act and Rule 24f-2 thereunder.

Rule 24f-2 through its related Form 24F-2 provides for the elimination of fees on assets "... for the same aggregate proceeds from investors in variable insurance products that results in 'double counting' of assets on which such fees are paid"³ The relief requested hereby would apply that principle of eliminating duplicate fees to both the Divisions and Feeder Funds. In this regard, Requestors assert, as discussed below, that the Commission's rationale in revising Rule 24f-2 to avoid a "doubling up" of registration fees is, if anything, even more compelling in order to prevent a "tripling up" of registration fees under the Requestor's three-tiered structure.

Rule 24f-2(a) provides as follows:

Any face-amount certificate company, open-end management company or unit investment trust ("issuer") that is deemed to have registered an indefinite amount of securities pursuant to section 24(f) of the Act (15 U.S.C. 80a-24(f)) must not later than 90 days after the end of any fiscal year during which it has publicly offered such securities, file **Form 24F-2 (17 CFR 274.24)** with the Commission. Form 24F-2 must be prepared in accordance with the requirements of that form, and must be accompanied by the payment of a registration fee with respect to the securities sold during the fiscal year in reliance upon registration pursuant to section 24(f) of the Act calculated in the manner specified in section 24(f) of the Act **and in the Form.** (*Emphasis provided*)

³ See Registration Fees for Certain Investment Companies, IC-21332 (Sept. 1, 1995) [60 FR 47041 (Sept. 11, 1995)] at 47044, and American Council of Life Insurance, SEC No-Action Letter (pub. avail June 20, 1995) (the "ACLI Letter").

Instruction C to Form 24F-2 provides as follows:

3. Special Rule for Unit Investment Trusts - The aggregate sale price of securities sold to a [UIT] that offers interests that are registered under the Securities Act and on which a registration fee has been or will be paid to the

Commission, may be excluded from the aggregate sale price of securities reported in Item 5(i). If the issuer chooses to exclude the aggregate sale price of these securities from Item 5(i), the issuer may not use securities redeemed or repurchased from those UITs for purposes of determining the redemption or repurchase price of securities in Items 5(ii) and 5(iii).

The above-quoted provisions are the basis under which Jackson and all its Underlying Funds have been able to avoid paying duplicate fees (although the associated Master Funds have paid

duplicative fees). These provisions reflect an underlying principle under Rule 24f-2 of eliminating duplicative registration fees, as articulated by the Commission when amending the rule in 1995 and by the SEC Staff in the ACLI Letter from which that 1995 amendment was derived. This principle also has been embodied in the recent staff letter to GMO Trust,⁴ which extended such relief to management investment companies. Consistent with all of the precedent cited, and with particular focus on the GMO Letter, the relief requested herein should be granted as to the Requestors' three-tiered structure that would otherwise incur duplicative fees, rather than being limited to the funds underlying a UIT that are specifically described in the above-quoted instruction to Form 24F-2. Thus, when a Division, in compliance with Section 12(d)(1)(E), invests in a Feeder Fund that invests in a Master Fund, only one entity would be required to pay registration fees on the net amounts of proceeds from contract owners that are ultimately invested in a master fund. In order to achieve that result, the amount of registration fees payable for any period would be computed as described in this request, although in differing situations it may be the Master Fund, the Feeder Fund or the Divisions that actually bears the cost of paying that amount.

In Jackson's case it has been the Divisions rather than the Feeder Funds (as well as the Master Funds) that have borne the cost of the registration fee payments, as the Divisions to date have only invested in affiliated Feeder Funds. It is, however, industry practice to negotiate and specify in so-called "Participation Agreements" entered into with unaffiliated underlying funds in which

⁴ GMO Trust, SEC No-Action Letter (pub. avail May 24, 2012 (the "GMO Letter")). The GMO Letter articulates the GMO Trust's assertion that the grant of relief "would prevent the payment of rule 24f-2 registration fees for the same aggregate proceeds from investors in each GMO Feeder Fund, thereby avoiding "double counting" of assets on which such registration fees are paid." This principle is equally relevant to "triple counting" of the same proceeds.

other insurance company separate accounts invest whether the separate account or the underlying fund bears the costs of registration fees. The Participation Agreements are filed as exhibits to the registration statements of the insurance companies and/or the underlying funds. In the absence of memorialization in the Participation Agreements or any other document, negotiations as to which entity is paying the Rule 24f-2 fees will be concluded and documented in advance of the time when the Form 24F-2 filings need to be made.

Conditions

The Requestors make the following representations as conditions to the relief:

1. The Separate Accounts will be registered as UITs under the 1940 Act;
2. The Feeder Funds and the Master Funds will be registered as open-end, management investment companies under the 1940 Act;
3. All interests in the top two tiers of this three-tiered structure will serve as conduits to the contract owners' interests and benefits under the VIP funded through the various entities;
4. Each Division will invest exclusively in a corresponding Feeder Fund⁵;
5. Under normal circumstances, each Feeder Fund will invest at least 95% of its assets in the shares of the corresponding Master Fund, with any remaining assets held in cash;
6. If a Division or Feeder Fund avoids a registration fee on any sales of its securities (the "Non-Fee Securities") by excluding the net sales price of any Master Fund shares from the amount of that Division's or Feeder Fund's sales that are reported in Item 5(i) of Form 24F-2, redemptions or repurchases of such Non-Fee Securities will not be used for purposes of determining the redemption or repurchase price reported for that Division or Feeder Fund in Items 5(ii) and 5(iii) of Form 24f-2;⁶

⁵ The Divisions may hold cash on a temporary basis as result of receiving cash after the close of trading that cannot be invested in a feeder fund until the following day.


⁶ This Condition 6 and Condition 7 and the next one are consistent with the principle that is articulated in the second sentence of instruction C.3. to Form 24F-2. Instruction C.3, applicable to the provision permitting the exclusion of duplicate fees as between UITs and underlying funds, states: "If the issuer chooses to exclude the aggregate sale price of these securities from Item 5(i), the issuer may not use securities redeemed or repurchased from those UITs for purposes of determining the redemption or repurchase price of securities in Items 5(ii) and 5(iii)."

7. If either the Division or the Feeder Fund incurs and pays registration fees, thereby permitting the two other entities to avoid registration fees with respect to any related securities they issue, redemptions or repurchases of such Non-Fee Securities will not be used for purposes of determining the redemption or repurchase price reported for such two other entities in Items 5(ii) and 5(iii) of Form 24f-2; and
8. In all cases, the Division, the Feeder Fund, or the Master Fund will pay the registration fees that the other two entities have excluded from their payments. Each Division, Feeder Fund and Master Fund shall request and obtain confirmation, in writing prior to the payment deadline, of the identity of the entity making the payment and of the actual payment, and the entities shall remain liable for payment of the applicable Rule 24f-2 fees until payment has been made.

Conclusion

Based on the foregoing, and subject to the representations and conditions stated above, Requestors seek your assurance that the Staff will not recommend that the Commission take enforcement action under Section 6(b) of the 1933 Act, Section 24(f) of the 1940 Act, or Rule 24f-2 thereunder, against any of the Requestors if Rule 24f-2 registration fees are calculated and paid in the manner described above.

Sincerely,



Joan E. Boros

cc: Kyle R. Ahlgren Esq., Senior Counsel, Chief Counsel Office, Division of Investment Management
Susan S. Rhee, Esq., Jackson National Life Insurance Company