

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 8752 / November 16, 2006**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12476**

**In the Matter of**

**HARTFORD INVESTMENT  
FINANCIAL SERVICES, LLC,  
HL INVESTMENT ADVISORS,  
LLC, AND HARTFORD  
SECURITIES DISTRIBUTION  
COMPANY, INC.,**

**Respondents.**

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

Hartford Investment Financial Services, LLC (“Hartford Investment”), HL Investment Advisors, LLC (“HL Advisors”) and Hartford Securities Distribution Company, Inc. (“Hartford Distribution”) (together, “the Respondents”) submitted a letter on behalf of the Respondents and their affiliates, dated March 16, 2006, requesting a waiver of the disqualification from the exemption under Regulation E under the Securities Act of 1933 (“Securities Act”) arising from the settlement of a cease-and-desist and administrative proceeding commenced by the Commission. On November 8, 2006, pursuant to the Respondents’ Offer of Settlement, the Commission instituted 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, Section 15(b) of the Securities Exchange Act of 1934, Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (“Order”) against the Respondents.

The Order censures the Respondents and finds that (1) Hartford Investment willfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, Section 206(2) of the Advisers Act of 1940 (“Advisers Act”) and Section 34(b) of the Investment Company Act of 1940 (“Investment Company Act”); (2) HL Advisors willfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, Section 206(2) of the Advisers Act and Section 34(b) of the Investment Company Act; and (3) Hartford Distribution caused and willfully aided and abetted violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act and Section

206(2) of the Advisers Act. The Order also requires (1) Hartford Investment and HL Advisors to cease and desist from committing or causing any violations or any future violations of 17(a)(2) and 17(a)(3) of the Securities Act, Section 206(2) of the Advisers Act and Section 34(b) of the Investment Company Act; (2) Hartford Distribution to cease and desist from committing or causing any violations or any future violation of Sections 17(a)(2) and 17(a)(3) of the Securities Act and cease and desist from causing any violations or any future violations of Section 206 (2) of the Advisers Act; (3) the Respondents to pay, jointly and severally, \$40 million in disgorgement and \$15 million in civil penalties, all of which shall be distributed to the affected Hartford Funds; and (4) the Respondents to comply with certain undertakings.

Regulation E provides an exemption from registration under the Securities Act, subject to certain conditions, for securities issued by certain small business investment companies and business development companies. The Regulation E exemption is not available for the securities of an issuer if, among other things, any 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 Exchange Act or Section 203(e) of the Advisers Act. The Commission may waive the disqualification upon a showing of good cause. *See* Rule 602(e) under the Securities Act.

Based on the representations set forth in the Respondents' March 16, 2006 request letter, the Commission has determined that, pursuant to Rule 602(e), a showing of good cause had been made and that the request for a waiver of the disqualification should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver 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