



DIVISION OF
CORPORATION FINANCE

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

November 8, 2006

Mr. Jerome S. Fortinsky
Shearman & Sterling LLP
559 Lexington Avenue
New York, NY 10022

Dear Mr. Fortinsky:

Re: Hartford Investment Financial Services (C-03823)
Waiver Request of Ineligible Issuer Status under Rule 405 of the Securities Act

Dear Mr. Fortinsky:

This is in response to your letter dated October 30, 2006, written on behalf of The Hartford Financial Services Group, Inc. (Company) and its subsidiary Hartford Life, Inc. (Hartford Life), and constituting an application for relief from the Company and Hartford Life each being considered an "ineligible issuer" under Rule 405(1)(vi) of the Securities Act of 1933 (Securities Act). The Company and Hartford Life request relief from being considered ineligible issuers under Rule 405, due to the entry on November 8, 2006, of a Commission Order (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, naming Hartford Investment Financial Services, LLC, HL Investment Advisors, LLC, and Hartford Securities Distribution Company, Inc. as respondents (Respondents).

Based on the facts and representations in your letter, and assuming the Company, Hartford Life and the Respondents will comply with the Order, the Commission, pursuant to delegated authority has determined that the Company and Hartford Life have made a showing of good cause under Rule 405(2) and that the Company and Hartford Life will not be considered ineligible issuers by reason of the entry of the Order. Specifically, we determined under these facts and representations that the Company, Hartford Life and the Respondents have shown that the terms of the Order were agreed to in a settlement prior to December 1, 2005. Accordingly, the relief described above from the Company and Hartford Life being ineligible issuers under Rule 405 of the Securities Act is hereby granted. Any different facts from those represented or non-compliance with the Order might require us to reach a different conclusion.

Sincerely,

Mary Kosterlitz
Chief, Office of Enforcement Liaison
Division of Corporation Finance

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October 30, 2006

By Electronic Mail and Regular Mail

Mary J. Kosterlitz, Esq.
Chief, Office of Enforcement Liaison
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-0506

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 Ms. Kosterlitz:

On behalf of The Hartford Financial Services Group, Inc. ("Hartford Financial") and Hartford Life, Inc. ("Hartford Life," and together with Hartford Financial, the "Applicants"), we hereby seek a determination by the Securities and Exchange Commission (the "Commission") that neither of the Applicants will be an ineligible issuer under Rule 405 under the Securities Act of 1933 (the "Securities Act") for any purpose, including the definition of "well-known seasoned issuer" in Rule 405, as a result of a contemplated settlement and entry of an order instituting administrative and cease-and-desist proceedings against 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"). Relief from the ineligible issuer provisions is appropriate in the circumstances of this case for the reasons given below. The Applicants further request that the requested determination be effective upon the entry of the order.

BACKGROUND

The staff of the Division of Enforcement in the Midwest Regional Office has engaged in settlement discussions with the Respondents in connection with the above-captioned

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investigation. As a result of these discussions, the Respondents have submitted a joint Offer of Settlement (the "Offer") to be presented to the Commission.

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 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, 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 (the "Order"), without admitting or denying the findings contained therein (other than those relating to the jurisdiction of the Commission, which are admitted). In the Order, if issued by the Commission in its present form, the Commission will make certain findings concerning the Respondents' use of directed brokerage and will find that Respondents Hartford Investment and HL Advisors violated Sections 17(a)(2) and (3) of the Securities Act, Section 206(2) of the Investment Advisers Act of 1940 (the "Advisers Act"), and Section 34(b) of the Investment Company Act of 1940, which are anti-fraud provisions of the federal securities laws that do not require a showing of scienter. The Commission will find 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 will censure the Respondents, order each of them to cease and desist from such violative conduct, and require 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.

Hartford Financial is a publicly traded company with its common stock listed on the New York Stock Exchange and is a reporting company under the Securities Exchange Act of 1934 (the "Exchange Act"). In its most recently filed Form 10-K, Hartford Financial reported that it is a well-known seasoned issuer as defined in Rule 405 under the Securities Act. Hartford Financial has two publicly reporting subsidiaries – Hartford Life, Inc. ("Hartford Life") and Hartford Life Insurance Company ("Hartford Life Insurance").¹ The Respondents are all indirect wholly-owned subsidiaries of Hartford Financial and Hartford Life. Hartford Investment is a registered broker-dealer and investment adviser, HL Advisors is a registered investment adviser, and Hartford Distribution is a registered broker-dealer.

¹ Because neither Hartford Life Insurance nor any of its subsidiaries is the subject of the Order, it will not be deemed an ineligible issuer as a result of the entry of the Order. Rule 405(1)(vi) (issuer ineligible if "Within the past three years . . . the issuer or any entity that at the time was a subsidiary of the issuer was made the subject of any judicial or administrative decree or order arising out of a governmental action"). If the Commission or its staff disagrees, Hartford Life Insurance requests that this letter be treated as an application by Hartford Life Insurance for the determination requested here.

DISCUSSION

In 2005, the Commission revised the registration, communications, and offering processes under the Securities Act.² As part of its reform, the Commission added a new category of issuer – *i.e.*, a well-known seasoned issuer – that will be permitted to benefit to the greatest degree from the changes to the rules governing the offering process. The Commission defined a well-known seasoned issuer as an issuer that is required to file reports pursuant to Section 13(a) or Section 15(d) of the Exchange Act and that satisfies other requirements, including the requirement that the issuer not be an ineligible issuer. The Commission also adopted rules permitting the use of free-writing prospectuses in registered offerings by issuers, including, but not limited to, well-known seasoned issuers and other offering participants. Pursuant to new Rules 164 and 433, an issuer, with narrow exceptions, may use a free-writing prospectus only if it is not an ineligible issuer.

Rule 405 makes an issuer ineligible when, among other things: “(vi) Within the past three years (but in the case of a decree or order agreed to in a settlement, not before December 1, 2005), the issuer or any entity that at the time was a subsidiary of the issuer was made the subject of any judicial or administrative decree or order arising out of a governmental action that: (A) Prohibits certain conduct or activities regarding, including future violations of, the anti-fraud provisions of the federal securities laws; (B) Requires that the person cease and desist from violating the anti-fraud provisions of the federal securities laws; or (C) Determines that the person violated the anti-fraud provisions of the federal securities laws.”

In addition to defining an ineligible issuer, Rule 405 authorizes the Commission to relieve an issuer of such status: “An issuer shall not be an ineligible issuer if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the issuer be considered an ineligible issuer.” The Commission has delegated the function of granting or denying such applications to the Director of the Division of Corporation Finance.³

As reported in their most recent Forms 10-K, both Hartford Financial and Hartford Life currently meet the requirements for being considered a well-known seasoned issuer and benefit from the advantages resulting from such status, as well as other benefits available to issuers that are not

² Securities Offering Reform, Securities Act Release No. 8591, Exchange Act Release No. 52,056, Investment Company Act Release No. 26,993, 70 Fed. Reg. 44,722, 44,790 (Aug. 3, 2005).

³ Rule 30-1 provides in relevant part that “[p]ursuant to the provisions of Public Law No. 87-592 . . . , the Securities and Exchange Commission hereby delegates, until the Commission orders otherwise, the following functions to the Director of the Division of Corporation Finance to be performed by him or under his direction by such person . . . as may be designated from time to time by the Chairman of the Commission: [*Securities Act Functions*] (a) With respect to registration of securities pursuant to the Securities Act . . . (10) To authorize the granting or denial of applications, upon a showing of good cause, that it is not necessary under the circumstances that the issuer be considered an ineligible issuer as defined in Rule 405.” 17 C.F.R. § 200.30-1(a)(10).

ineligible issuers under the Commission's new rules.⁴ Absent relief, Hartford Financial and Hartford Life each would immediately become an ineligible issuer because of the terms of the Order against the Respondents.

The Applicants therefore request that the Commission or its delegate determine that neither of the Applicants shall be considered an ineligible issuer, now or in the future, as a result of the entry of the Order, for the following reasons:

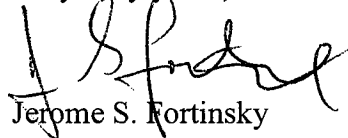
1. By December 1, 2005 (the effective date of Rule 405), the Respondents and the staff of the Division of Enforcement had already agreed in principle on the essential terms of the proposed settlement. We understand that the Division of Enforcement concurs with this assertion.

2. The findings in the anticipated Order will address a period ending in December 2003, well before the Commission issued the proposing release concerning securities offering reform in November 2004 that, among other things, added the terms "well-known seasoned issuer" and "ineligible issuer" to Rule 405.

3. Under such circumstances, the Respondents should be treated as if they were the subject of an order agreed to in a settlement prior to December 1, 2005. Accordingly, the Respondents should be determined not to be an "ineligible issuer" within the meaning of Rule 405.

In light of these considerations, there is good cause to determine that the Applicants should not be considered an "ineligible issuer" under Rule 405. We respectfully request the Commission to make that determination.⁵

Very truly yours,



Jerome S. Fortinsky

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

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⁴ If Hartford Life and Hartford Financial are deemed ineligible issuers as a result of the entry of the Order, they would not only be disqualified from being treated as well-known seasoned issuers, but would also be unable to take full advantage of the flexibility provided by Rules 164 and 433 under the Securities Act, which relate to the use of free-writing prospectuses. An issuer need not be a well-known seasoned issuer to take full advantage of the flexibility provided by these rules.

⁵ We note that the determination requested here recently has been made in somewhat similar circumstances. *MetLife, Inc.*, Waiver Request of Ineligible Issuer Status Under Rule 405 of the Securities Act (Feb. 21, 2006).