

SUMMARY OF APPLICATION: Applicant seeks an order declaring it has ceased to be an investment company.

FILING DATES: The application was filed on August 17, 1994 and amended on December 22, 1994.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on February 6, 1995, and should be accompanied by proof of service on the applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicant, c/o The DBL Liquidating Trust, 450 Lexington Avenue, Suite 1400, New York, NY 10017-3911.¹

FOR FURTHER INFORMATION CONTACT: Marianne H. Khawly, Staff Attorney, at (202) 942-0562, or C. David Messman, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is a registered unit investment trust under the Act and was organized as a business trust under the laws of the State of New York. On March 3, 1982, applicant filed a Notification of Registration on Form N-8A pursuant to section 8(a) of the Act and a registration statement on Form N-8B-2 under section 8(b) of the Act and under the Securities Act of 1933. The registration statement became effective on April 30, 1982 and applicant's initial public offering commenced on that date.

2. Applicant consisted of one series, the Zero Coupon Series 1 (the "series"), and registered 1,084,287 units of a single class of securities (the "unit(s)").

As of July 1, 1991, the series had 169,048 units outstanding.

3. The trust terminated in accordance with the terms of the indenture pursuant to which it was created with the maturity of the last security held in the portfolio of the trust on July 1, 1991. Upon receipt of the last proceeds of sale of the securities, the trustee, United States Trust Company of New York, paid itself any amounts then owed in respect of accrued fees and expenses and distributed to each unit holder who had surrendered his or her certificate, by check, such unit holder's interest in the balance of the principal and interest accounts.²

4. On July 16, 1991, applicant made its final distribution to its remaining unit holders. The per unit distribution from the principal and interest accounts was \$12.94 and \$0.32, respectively. The aggregate distribution from the principal and interest accounts was \$2,187,481.12 and \$54,095.36, respectively.

5. Applicant bore approximately \$3,859.40 in expenses in connection with the liquidation. Such expenses included trustee and evaluator fees, the cost of preparing tax returns and the final annual report, and postage charges.

6. As of the date of the application, applicant had no assets, liabilities, or unit holders. Applicant is not a party to any litigation or administrative proceeding. Applicant is not engaged, nor proposes to engage, in any business activities other than those necessary for the winding-up of its affairs.

7. Applicant terminated its existence as a business trust under New York law on July 16, 1991.

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-1285 Filed 1-18-95; 8:45 am]

BILLING CODE 8010-01-M

[Rel No. IC-20835; File No. 812-9278]

Hartford Life Insurance Company, et al.

January 12, 1995.

AGENCY: Securities and Exchange Commission (the "Commission").

ACTION: Notice of application for exemption under the Investment Company Act of 1940 ("1940 Act").

APPLICANTS: Hartford Life Insurance Company ("Hartford Life"), Hartford

Life Insurance Company Separate Account Three ("HL Separate Account Three"), Hartford Life Insurance Company Separate Account Two ("HL Separate Account Two"), Hartford Life Insurance Company/Putnam Capital Management Trust Separate Account ("PCM Separate Account"), Hartford Life Insurance Company DC Variable Account-I ("Separate Account DC-I") (HL Separate Account Three, HL Separate Account two, PCM Separate Account, and Separate Account DC-I referred to collectively as the "Separate Accounts"), and Hartford Securities Distributors, Inc. ("HSD").

RELEVANT 1940 ACT SECTIONS: Order Requested Under Section 6(c) exempting Applicants from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act.

SUMMARY OF APPLICATION: Applicants seek an order permitting payment to Hartford Life of a mortality and expense risk charge from the assets of the Separate Accounts funding individual and group variable annuity contracts issued by Hartford Life and underwritten by HSD (the "Contracts"). The order would apply to future separate accounts of Hartford Life issuing contracts that are materially similar to the Contracts, and would permit applicants to substitute HSD for Hartford Equity Sales Company ("HESCO") as the principal underwriter of the Contracts.

FILING DATE: The application was filed on October 12, 1994, and amended on November 14, 1994, December 22, 1994, and January 5, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing on the application by writing to the Secretary of the Commission and serving the Applicants with a copy of the request, either personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on February 6, 1995, and should be accompanied by proof of service on the Applicants in the form of an affidavit or, for lawyers, by certificate of service. Hearing requests should state the nature of the interest, the reason for the request, and the issues contested. Persons may request notification of the date of a hearing by writing to the Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 5th Street NW., Washington, D.C. 20549.

Applicants, c/o Rodney J. Vessels, Counsel, Hartford Life Insurance Company, 200 Hopmeadow Street, Simsbury, CT 06089.

¹ The DBL Liquidating Trust is the successor to applicant's depositor, Drexel Burnham Lambert Incorporated ("Drexel"), for the purposes set forth in its Second Amended and Restated Joint Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code.

² According to the terms of the indenture agreement, the proceeds from the sale of securities in the trust were credited to an account known as the principal account. The trustee also collected the interest on the securities as it became payable and credited such interest to a separate account known as the interest account.

FOR FURTHER INFORMATION CONTACT:

Joseph G. Mari, Senior Special Counsel, or Wendy F. Friedlander, Deputy Chief, at (202) 942-0670, Office of Insurance Products (Division of Investment Management).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the Commission's Public Reference Branch.

Applicants' Representations

1. Hartford Life is a stock life insurance company originally incorporated under Massachusetts law and redomiciled in Connecticut.

2. HSD will register as a broker-dealer under the Securities Exchange Act of 1934 and will apply to become a member of the National Association of Securities Dealers, Inc. ("NASD").

3. Hartford Life and each of the Separate Accounts filed applications previously, and others were issued granting the requested exemptions from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act.¹ HESCO, the designated principal underwriter for the Contracts, was an applicant in the previous applications for exemptive relief from Sections 26(a)(2)(C) and 27(c)(2). This application seeks relief to permit Applicants to substitute HSD for HESCO as the designated principal underwriter for the Contracts, which would allow HESCO to continue as broker-dealer engaged in distribution functions with

¹ Orders granting exemptive relief were issued as follows:

(a) *Hartford Life Insurance Company*, Investment Company Act Release Nos. 20462 (notice) (Aug. 9, 1994) and 20538 (order) (Sept. 8, 1994);

(b) *Hartford Life Insurance Company*, Investment Company Act Release Nos. 20207 (notice) (Apr. 8, 1994) and 20281 (order) (May 5, 1994), which amended a prior order for exemptive relief, Investment Company Act Release Nos. 15284 (notice) (Sept. 2, 1986) and 15353 (order) (Oct. 9, 1986). Five subaccounts of HL Separate Account Two were separate accounts for Hartford Variable Annuity Company ("HVA") before being transferred to HL Separate Account Two. Before that transfer, the five HVA separate accounts were granted an exemption from Sections 26(a)(2)(C) and 27(c)(2), *Hartford Variable Annuity Life Insurance Company*, Investment Company Act Release Nos. 12028 (notice) (Nov. 9, 1981) and 12065 (order) (December 1, 1981).

(c) *Hartford Life Insurance Company*, Investment Company Act Release Nos. 20223 (notice) (Apr. 15, 1994) and 20292 (order) (May 12, 1994), which amended a prior order for exemptive relief, Investment Company Act Release Nos. 16092 (notice) (Oct. 28, 1987) and 16149 (order) (Nov. 27, 1987).

(d) Separate Account DC-I was a separate account of HVA before it merged with Hartford Life. Before the merger with Hartford Life, Separate Account DC-I was granted an exemption from Sections 26(a)(2)(C) and 27(c)(2), *Hartford Variable Annuity Life Insurance Company*, Investment Company Act Release Nos. 12028 (notice) (Nov. 9, 1981) and 12065 (order) (Dec. 1, 1981).

respect to HESCO's own registered representatives, and would permit HSD to serve as principal underwriter and distributor with respect to entering into sales agreements with independent broker-dealers.

4. Applicants reaffirm all facts, representations and undertakings contained in the applications for exemptive relief referenced in footnote 1 above, and incorporate those applications herein by reference. To the extent that there have been any material changes in those facts, representations or undertakings, the changes have been disclosed herein. Except for the replacement of the principal underwriter, there are no material changes in the Separate Accounts or the Contracts as described in the previous applications.

5. The contingent deferred sales charge, annual maintenance fee and annual asset charge for providing mortality and expense risk guarantees are fully described in the applications for exemptive relief which were previously granted.

6. Hartford Life will make a daily charge at the rate of 1.25% annually from each Contract held in the Separate Accounts for providing mortality and expense guarantees with respect to the Contracts. Applicants estimate that between .85% and .90% of the charge is attributable to mortality risks and between .35% and .40% of the charge is attributable to expense risks.

7. The mortality and expense risk charge will not be increased. If the charge is insufficient to cover the actual costs, Hartford Life will bear the loss. Conversely, if the charge proves more than sufficient to meet actual expenses, the excess will be surplus to Hartford Life and will be available for any proper corporate purpose. Hartford Life expects a reasonable profit from the mortality and expense risk charge.

Applicants' Legal Analysis and Representations

1. Applicants request an exemption from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act to the extent necessary to permit the deduction of a mortality and expense risk charge from the Separate Accounts.

2. Sections 26(a)(2)(C) and 27(c)(2), in pertinent part, prohibit a registered unit investment trust and any depositor thereof or underwriter therefor from selling periodic payment plan certificates unless the proceeds of all payments (other than sales loads) are deposited with a qualified bank as trustee or custodian and held under arrangements which prohibit any payment to the depositor or principal

underwriter except a fee, not exceeding such reasonable amount as the Commission may prescribe, for performing bookkeeping and other administrative services of a character normally performed by the bank itself.

3. Applicants request that the Commission enter an Order that applies to the Separate Accounts and to future separate accounts issuing contracts that are materially similar to the Contracts exempting them from the provisions of Sections 26(a)(2)(C) and 27(c)(2) to the extent necessary to permit the deduction by Hartford Life, and the payment to Hartford Life, of the fee for providing the mortality and expense undertakings (deducted on a daily basis).

4. Applicants represent that:

(a) The mortality and expense risk charge is reasonable in relation to the risks assumed by Hartford Life under the Contracts;

(b) The mortality and expense risk charge is within the range of industry practice for comparable annuity contracts as determined by a survey of comparable contracts issued by a large number of other insurance companies. Hartford Life will undertake to maintain and make available to the Commission upon request a memorandum outlining the methodology and the contracts of other insurance companies underlying this representation;

(c) There is the likelihood that the proceeds from explicit sales loads will be insufficient to cover the expected costs of distributing the Contracts. Any shortfall will be covered from the assets of the general account, which may include profit from the mortality and expense risk charge. Hartford Life has concluded that there is a reasonable likelihood that the Separate Accounts' distribution financing arrangement will benefit the Separate Accounts and Contract owners. Hartford Life will maintain and make available to the Commission upon request a memorandum setting forth the basis for this representation;

(d) The Separate Accounts will invest only in open-end management companies which have undertaken to have a board of directors, a majority of whom are not interested persons of the open-end management company, formulate and approve any plan under Rule 12b-1 to finance distribution expenses; and

(e) Future variable annuity contracts for which class relief is sought will be materially similar to the existing Contracts covered by this application.

Conclusion

Applicants assert that for the reasons and upon the facts set forth above, the requested exemptions from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act are appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-1287 Filed 1-18-95; 8:45 am]

BILLING CODE 8010-01-M¹

[Rel. No. IC-20837; File No. 812-9284]

Hartford Life and Accident Insurance Company, et al.

January 12, 1995.

AGENCY: Securities and Exchange Commission ("the Commission").

ACTION: Notice of application for exemption under the Investment Company Act of 1940 ("1940 Act").

APPLICANTS: Hartford Life and Accident Insurance Company ("Hartford Life and Accident"), Hartford Life and Accident Insurance Company Separate Account One ("HLA Separate Account One") and Hartford Life and Accident Insurance Company/Putnam Capital Management Separate Account One ("HLA/PCM Separate Account One") (HLA Separate Account One and HLA/PCM Separate Account One referred to collectively as the "Separate Accounts"), and Hartford Securities Distributors, Inc. ("HSD").

RELEVANT 1940 ACT SECTIONS: Order requested under Section 6(c) exempting Applicants from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act.

SUMMARY OF APPLICATION: Applicants seek an order permitting payment to Hartford Life and Accident of a mortality and expense risk charge from the assets of the Separate Accounts funding individual and group variable annuity contracts issued by Hartford Life and Accident and underwritten by HSD (the "Contracts"). The order would apply to future separate accounts of Hartford Life and Accident issuing contracts that are materially similar to the Contracts, and would permit applicants to substitute HSD for Hartford Equity Sales Company ("HESCO") as the principal underwriter of the Contracts.

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SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the Commission's Public Reference Branch.

Applicants' Representations

1. Hartford Life and Accident is a stock life insurance company licensed to do business in all states except New York and the District of Columbia.

2. HSD will register as a broker-dealer under the Securities Exchange Act of 1934 and will apply to become a member of the National Association of Securities Dealers, Inc. ("NASD").

3. Hartford Life and Accident and each of the Separate Accounts filed applications previously, and orders were issued granting the requested exemptions from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act.¹ HESCO, the designated principal underwriter for the Contracts, was an applicant in the previous applications for exemptive relief from Sections 26(a)(2)(C) and

27(c)(2). This application seeks relief to permit Applicants to substitute HSD for HESCO as the designated principal underwriter for the Contracts, which would allow HESCO to continue as broker-dealer engaged in distribution functions with respect to HESCO's own registered representatives, and would permit HSD to serve as principal underwriter and distributor with respect to entering into sales agreements with independent broker-dealers.

4. Applicants reaffirm all facts, representations and undertakings contained in the applications for exemptive relief referenced in footnote 1 above, and incorporate those applications herein by reference. To the extent that there have been any material changes in those facts, representations or undertakings, the changes have been disclosed herein. Except for the replacement of the principal underwriter, there are no material changes in the Separate Accounts or the Contracts as described in the previous applications.

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7. The mortality and expense risk charge will not be increased. If the charge is insufficient to cover the actual costs, Hartford Life and Accident will bear the loss. Conversely, if the charge proves more than sufficient to meet actual expenses, the excess will be surplus to Hartford Life and Accident and will be available for any proper corporate purpose. Hartford Life and Accident expects a reasonable profit from the mortality and expense risk charge.

Applicants' Legal Analysis and Representations

1. Applicants request an exemption from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act to the extent necessary to permit the deduction of a mortality and expense risk charge from the Separate Accounts.

2. Sections 26(a)(2)(C) and 27(c)(2), in pertinent part, prohibit a registered unit investment trust and any depositor thereof or underwriter therefor from

¹ Orders granting exemptive relief were issued as follows:

(a) *Hartford Life and Accident Insurance Company*, Investment Company Act Release Nos. 18738 (notice) (May 29, 1992) and 18812 (order) (June 25, 1992); and

(b) *Hartford Life and Accident Insurance Company*, Investment Company Act Release Nos. 18737 (notice) (May 29, 1992) and 18811 (order) (June 25, 1992).