

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-28065; File No. 812-13414]

John Hancock Life Insurance Company, et al., Notice of Application

November 26, 2007.

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

ACTION: Notice of application for an order of exemption pursuant to Section 17(b) of the Investment Company Act of 1940, as amended (the "1940 Act" or "Act").

Applicants: John Hancock Life Insurance Company (U.S.A.) ("John Hancock USA"), John Hancock Life Insurance Company (U.S.A.) Separate Account H ("Account H"), John Hancock Life Insurance Company of New York ("John Hancock New York"), John Hancock Life Insurance Company of New York Separate Account A ("Account A") and John Hancock Trust ("JHT") (collectively the "Applicants").

SUMMARY: The Applicants hereby apply for an order of exemption pursuant to Section 17(b) of the 1940 Act to permit in-kind purchases in connection with a substitution as described herein.

Filing Date: The application was filed on August 6, 2007 and amended and restated on November 19, 2007.

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 by writing to the Secretary of the Commission and serving Applicants with a copy of the request personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on December 20, 2007, and should be accompanied by proof of service on Applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the requester's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090. Applicants, John Hancock Life Insurance Company (U.S.A.), 601 Congress Street, Boston, MA 02210.

FOR FURTHER INFORMATION CONTACT: Alison T. White, Senior Counsel, or Joyce M. Pickholz, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 551-6795.

SUPPLEMENTARY INFORMATION: The following is a summary of the Application. The complete Application is available for a fee from the Public Reference Branch of the Commission, 100 F Street, NE., Room 1580, Washington, DC 20549 (202-551-8090).

Applicants' Representations

1. John Hancock USA, formerly known as The Manufacturers Life Insurance Company (U.S.A.), is a stock life insurance company originally organized under the laws of Maine on August 20, 1955 by a special act of the Maine legislature. John Hancock USA redomesticated under the laws of Michigan on December 30, 1992.

2. Account H is registered under the Act as a unit investment trust (File No. 811-4113). The variable annuity contracts funded by Account H that are affected by this Application are Scudder Wealthmark Annuity (File Nos. 333-70728 and 333-70730) and Scudder Wealthmark ML3 Annuity (File No. 333-70850).

3. John Hancock New York, formerly known as The Manufacturers Life Insurance Company of New York, is a wholly-owned subsidiary of John Hancock USA and is a stock life insurance company organized under the laws of New York on February 10, 1992.

4. Account A is registered under the Act as a unit investment trust (File No. 811-6584). It is used to fund variable annuity contracts of John Hancock New York. The variable annuity contracts funded by Account A that are affected by this application are Scudder Wealthmark Annuity for New York (File Nos. 33-79112 and 33-46217) and Scudder Wealthmark ML3 Annuity for New York (File No. 333-83558).

5. The individual and group variable annuity contracts affected by this Application are collectively referred to as the "Contracts."

6. Each of the Contracts permits its owners to allocate the Contract's accumulated value among numerous available Subaccounts, each of which invests in a different investment portfolio ("Fund") of an underlying mutual fund.

7. Shares of JHT are sold exclusively to insurance company separate accounts to fund benefits under variable annuity contracts and variable life insurance policies sponsored by the Insurance Companies or their affiliates, and to employer pension and profit sharing plans. JHT is registered under the Act as an open-end management investment company of the series type, and its securities are registered under the Securities Act of 1933, File Nos. 002-94157 and 811-04146. John Hancock

Investment Management Services, LLC (formerly, Manufacturers Securities Services, LLC) ("JHIMS"), is the investment adviser to JHT, and each series has its own subadviser.

8. John Hancock USA and John Hancock New York (collectively the "Insurance Companies") and Account H and Account A (collectively the "Separate Accounts") previously applied for and were granted an Order of the Commission pursuant to Section 26(c) of the Act (Inv. Co. Act Rel. No. 27781, the "Section 26(c) Order") approving the substitution of shares of certain series of JHT for shares of comparable series of various registered investment companies, the majority of which were series of DWS Variable Series II. The Section 26(c) Order approved, among others, the substitution of shares of JHT Investment Quality Bond Trust—Series II of JHT (such series being referred to herein as the "Replacement Fund") for shares of DWS Core Fixed Income VIP—Series II, Class B of DWS Variable Series II (such series being referred to herein as the "Existing Fund"). All of the substitutions approved in the Section 26(c) Order, except that involving the Existing Fund and the Replacement Fund, were completed or are in the process of being completed.

9. The reason that the substitution involving the Existing Fund and the Replacement Fund has not been completed is that Deutsche Investment Management Americas Inc. ("DeIM"), the investment advisor of the Existing Fund, has informed the Insurance Companies that the redemption of the shares of the Existing Fund that are held by the Separate Accounts may be effected partly in cash and partly in-kind.

10. The Insurance Companies, on behalf of the Separate Accounts, propose to redeem the shares held by the Separate Accounts in the Existing Fund for a combination of cash and securities. The redemption will be done on a pro-rata basis. The in-kind redemption from the Existing Fund will be effected in accordance with the conditions set forth in the Commission's no-action letter issued to *Signature Financial Group, Inc.* (available December 28, 1999).

11. The Insurance Companies, after redeeming the shares held by the Separate Accounts in the Existing Fund for a combination of cash and securities, will then use such redemption proceeds to purchase shares of the Replacement Fund.

12. The Applicants request an order under Section 17(b) exempting them from the provisions of Section 17(a) to

the extent necessary to permit the Insurance Companies to carry out the proposed substitution.

13. Section 17(a)(1) of the Act, in relevant part, prohibits any affiliated person of a registered investment company, or any affiliated person of such person, acting as principal, from knowingly selling any security or other property to that company. Section 17(a)(2) of the Act generally prohibits the persons acting as principals, from knowingly purchasing any security or other property from the registered company.

14. Because shares held by a separate account of an insurance company are legally owned by the insurance company, the Insurance Companies and their affiliates collectively own of record substantially all of the shares of JHT. Therefore, JHT and the Replacement Fund are arguably under the control of the Insurance Companies notwithstanding the fact that Contract owners may be considered the beneficial owners of those shares held in the Separate Accounts. If JHT and the Replacement Fund are under the control of the Insurance Companies, then each Insurance Company is an affiliated person or an affiliated person of an affiliated person of JHT and the Replacement Fund. If JHT and the Replacement Fund are under the control of the Insurance Companies, then JHT and the Replacement Fund are affiliated persons of the Insurance Companies.

15. Regardless of whether or not the Insurance Companies can be considered to control JHT and the Replacement Fund, because the Insurance Companies own of record more than 5% of the shares of each of them and are under common control with the Replacement Funds' investment adviser, the Insurance Companies are affiliated persons of JHT and the Replacement Fund. Likewise, the Replacement Fund is an affiliated person of the Insurance Companies.

16. The Insurance Companies, through their Separate Accounts, in the aggregate own more than 5% of the outstanding shares of the Existing Fund. Therefore, each Insurance Company is an affiliated person of the Existing Fund.

17. Because the substitution may be effected, in whole or in part, by means of in-kind redemptions and purchases, the substitution may be deemed to involve one or more purchases or sales of securities or property between affiliated persons. The proposed transactions will involve a transfer of portfolio securities by the Existing Fund to the Insurance Companies; immediately thereafter, the Insurance

Companies, on behalf of the Separate Accounts, will purchase shares of the Replacement Fund with the portfolio securities received from the Existing Fund. Accordingly, the Insurance Companies and the Existing Fund, and the Insurance Companies and the Replacement Fund could be viewed as affiliated persons of one another under Section 2(a)(3) of the Act. It is conceivable that this aspect of the substitution could be viewed as being prohibited by Section 17(a). Therefore, the Applicants have determined to seek relief from Section 17(a) for the in-kind purchases and sales of the shares of the Replacement Fund.

18. Section 17(b) of the Act provides that the Commission may, upon application, grant an order exempting any transaction from the prohibitions of Section 17(a) if the evidence establishes that: (1) The terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned; (2) the proposed transaction is consistent with the policy of each registered investment company concerned, as recited in its registration statement and records filed under the Act; and (3) the proposed transaction is consistent with the general purposes of the Act.

19. The Applicants submit that the terms of the proposed in-kind purchases of shares of the Replacement Fund, including the consideration to be paid and received, as described in this Application, are reasonable and fair and do not involve overreaching on the part of any persons concerned. The Applicants also submit that the proposed in-kind purchases by the Insurance Companies will be consistent with the investment policies of the Replacement Fund. The Insurance Companies' redemption of the shares held by the Separate Accounts in the Existing Fund and the Insurance Companies' subsequent purchase of shares of the Replacement Fund with such redemption proceeds are scheduled to occur on the same day. The Replacement Fund may opt to sell all or a portion of such in-kind securities received. The Applicants submit that the proposed substitution is consistent with the general purposes of the Act.

20. Applicants assert that, to the extent that the in-kind purchases are deemed to involve principal transactions among affiliated persons, the procedures described below should be sufficient to assure that the terms of the proposed transactions are reasonable and fair to all participants. The

Applicants maintain that the terms of the proposed in-kind purchase transactions, including the consideration to be paid and received by each fund involved, are reasonable, fair and do not involve overreaching. Applicants represent that the transactions will conform with all but one of the conditions enumerated in Rule 17a-7. The proposed transactions will take place at relative net asset value in conformity with the requirements of Section 22(c) of the Act and Rule 22c-1 thereunder with no change in the amount of any Contract owner's contract value or death benefit or in the dollar value of his or her investment in any of the Separate Accounts. Contract owners will not suffer any adverse tax consequences as a result of the substitution. The fees and charges under the Contracts will not increase because of the substitution. Even though the Separate Accounts, the Insurance Companies and JHT may not rely on Rule 17a-7, the Applicants believe that the Rule's conditions outline the type of safeguards that result in transactions that are fair and reasonable to registered investment company participants and preclude overreaching in connection with an investment company by its affiliated persons.

21. The board of JHT has adopted procedures, as required by paragraph (e)(1) of Rule 17a-7, pursuant to which its series may purchase and sell securities to and from their affiliates. The Applicants will carry out the proposed Insurance Company in-kind purchases in conformity with all of the conditions of Rule 17a-7 and the Replacement Fund's procedures thereunder, except that the consideration paid for the securities being purchased or sold may not be entirely cash. Nevertheless, the circumstances surrounding the proposed substitution will be such as to offer the same degree of protection to the Replacement Fund from overreaching that Rule 17a-7 provides to it generally in connection with their purchase and sale of securities under that Rule in the ordinary course of their business. In particular, the proposed transactions will not be effected at a price that is disadvantageous to the Replacement Fund. Although the transactions may not be entirely for cash, each will be effected based upon (1) the independent market price of the portfolio securities valued as specified in paragraph (b) of Rule 17a-7, and (2) the net asset value per share of each fund involved valued in accordance with the procedures disclosed in its respective registration statement and as

required by Rule 22c-1 under the Act. Any brokerage commission, fee, or other cost incurred in connection with the proposed transactions will be paid for by the Insurance Companies and not by the Contract owners.

22. The sale of shares of the Replacement Fund for investment securities, as contemplated by the proposed in-kind purchases, will be consistent with the investment policy and restrictions of the Replacement Fund because (1) the shares will be sold at their net asset value, and (2) the portfolio securities will be of the type and quality that the Replacement Fund could have acquired with the proceeds from share sales had the shares been sold for cash. To assure that the second of these conditions is met, the investment adviser and sub-adviser of the Replacement Fund will examine the portfolio securities being offered to the Replacement Fund and accept only those securities as consideration for shares that they could have acquired for the Replacement Fund in a cash transaction.

23. The Applicants submit that the Insurance Companies' in-kind purchases are consistent with the general purposes of the Act as stated in the Findings and Declaration of Policy in Section 1 of the Act and that the proposed transactions do not present any of the conditions or abuses that the Act was designed to prevent.

24. The Applicants represent that the proposed in-kind purchases meet all of the requirements of Section 17(b) of the Act and request that the Commission issue an order pursuant to Section 17(b) of the Act exempting the Separate Accounts, the Insurance Companies, JHT, and the Replacement Fund from the provisions of Section 17(a) of the Act to the extent necessary to permit the Insurance Companies on behalf of the Separate Accounts to carry out, as part of the substitution, the in-kind purchases of shares of the Replacement Fund which may be deemed to be prohibited by Section 17(a) of the Act.

Conclusion

Applicants assert that for the reasons summarized above the proposed substitution and related transactions are

consistent with the standards of Section 17(b) of the Act and that the requested orders should be granted.

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

Nancy M. Morris,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56837; File No. SR-FICC-2007-10]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change To Replace the Mortgage-Backed Securities Division Clearing Fund Calculation Methodology With a Yield-Driven Value-at-Risk Methodology

November 26, 2007.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on August 31, 2007, the Fixed Income Clearing Corporation ("FICC") filed with the Securities and Exchange Commission ("Commission") and on September 27, 2007, amended the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by FICC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

FICC is seeking to replace the Mortgage-Backed Securities Division ("MBS") margin calculation methodology with a Value-at-Risk ("VaR") methodology.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FICC included statements concerning

the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FICC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

Clearing participants of MBS are required to maintain participants' fund deposits. Each participant's required deposit is calculated daily to ensure enough funds are available to cover the risks associated with that participant's activities.

The purpose served by the participants fund is to have on deposit from each participant assets sufficient to satisfy any losses that may otherwise be incurred by MBS participants as the result of the default by the participant and the resultant closeout of that participant's settlement positions.

FICC proposes to replace the current participants fund methodology, which uses haircuts and offsets, with a VaR model. FICC expects the VaR model to better reflect market volatility and to more thoroughly distinguish levels of risk presented by individual securities.

Specifically, FICC is proposing to replace the existing MBS margin calculation with a yield-driven VaR model. VaR is defined to be the maximum amount of money that may be lost on a portfolio over a given period of time within a given level of confidence. With respect to the MBS, FICC is proposing a 99 percent three-day VaR.

The changes to the components that comprise the current participants fund calculation versus the proposed VaR calculation in relation to the risks addressed by the components are summarized as follows:

Existing methodology	Risk addressed	Proposed methodology
Market Margin Differential, which is the greater of: (i) the P&L Requirement or (ii) the Market Volatility Requirement	Adjusting contract price to market price and post mark-to-market fluctuations in security prices.	The sum of: (i) Mark-to-market and (ii) Interest rate or index-driven model, as appropriate. ³

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by FICC.