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## ARKANSAS SECURITIES DEPARTMENT

October 16, 2000

Ellen Lieberman  
Debevoise & Plimpton  
875 Third Avenue  
New York, NY 10022

RE: Phoenix Home Life Mutual Insurance Company  
Request for No Action position  
No. 2000-207-S

Dear Ms. Lieberman:

This Department is in receipt of your letter dated October 12, 2000, requesting that the staff of the Department (the "Staff") adopt a "no action" position regarding the registration, issuance and transfer of shares of stock in the Phoenix Home Life Mutual Insurance Company (the "Mutual Company") and its holding company, The Phoenix Companies, Inc. (The "Holding Company") under the Arkansas Securities Act (the "Act"). The substance of the transaction, as more fully set out in your letter and memo, appears to be as follows:

The Mutual Company is a New York mutual life insurance company desiring to convert from a mutual life insurance company to a stock life insurance company. To accomplish the conversion, it is contemplated that eligible policyholders will receive shares of stock in the new Holding Company in exchange for their membership interests in the Mutual Company. This conversion is to take place pursuant to New York Insurance Law Section 7312 (the "New York Reorganization Law") which requires the Mutual Company's reorganization plan be approved by the New York Insurance Department and for the Superintendent of the New York Insurance Department to hold a public hearing to consider various ramifications of the reorganization plan. The reorganization plan must also be approved by a vote of the Mutual Company's policyholders and contract holders who were owners at the applicable date.

According to your letter, pursuant to New York Insurance Law the Mutual Company will mail a policyholder information booklet to its policyholders which describes the reorganization plan and solicits the votes of Eligible Policyholders for or against adoption of the reorganization plan. Presumably, the reorganization plan will only be implemented should the Mutual Company obtain sufficient votes in favor of the reorganization.

You seek the Department's confirmation that securities, broker-dealer and agent registration are not required, or its no-action position to that effect. You make this request

in reliance on Rule 504.01(A)(12)(g), Rules of the Arkansas Securities Commissioner, which provides for an exemption from registration for:

[any transaction incident to a class vote by security holders or *members*, pursuant to the certificate of incorporation, organization, organizational document or applicable statute on a merger, *consolidation, reclassification of securities*, sale of assets in consideration of the issuance of securities of another entity, or reorganization. [Emphasis added.]

This transaction, as you have described it, falls specifically within the literal reading of Rule 504.01 (A)(12)(g). Accordingly, the staff of the Department will recommend that the Commissioner take no enforcement action against the Holding Company if the transaction described takes place without prior registration of the Holding Company or securities issued by the Holding Company. Regarding the use of employees, producers and call center personnel as conduits of information, Rule 504.02(A)(2) exempts the use of existing employees, partners, or directors of an issuer wherein no commission is paid from the registration requirements when the transaction is exempt under Ark. Code Ann. §24-42-504. Therefore, employees, producers and call center personnel need not be registered as broker-dealers or agents.

Please note that the position of the Department is based solely upon the representations made to us in your letter and the accompanying memorandum and applies only to the transaction identified therein. Different facts or circumstances might and often would require a different response. The position expressed deals only with anticipated enforcement action by the Department and does not purport to be a legal opinion.

Very Truly Yours,

Paula Juels  
Staff Attorney