

30 July 1999

Ellen Lieberman, Esq.
DEBEVOISE & PLIMPTON
875 Third Avenue
New York, New York 10022

Re: No Action Request in Connection with the Demutualization of
John Hancock Mutual Life Insurance Company
No. 99-007

Dear Ms Lieberman:

The Arkansas Securities Department (the Department) has received your request on behalf of John Hancock Mutual Life Insurance Company (Hancock) that the Department adopt a no action position regarding the proposed conversion of Hancock from a mutual life insurance company to a stock life insurance company, i.e., a demutualization. The facts of this matter were set out in your letter of 1 July 1999 and an accompanying memorandum of the same date. Those facts as you represented them are recounted briefly in the next several paragraphs.

Hancock is a company organized under the laws of Massachusetts. It has a plan of demutualization (the Plan) that, pursuant to the law in Massachusetts, must be approved by the Massachusetts Commissioner of Insurance, whose decision is subject to judicial review. You represent that the Commissioner of Insurance must find that the Plan is fair to all in order to approve it and that this approval must come before the Plan goes into effect (the Effective Date).

On the Effective Date, you represent that by operation of Massachusetts law Hancock will become a stock life insurance company, and the membership interests of the policyholders will be extinguished. Policyholders who were policyholders 1) on the date the Plan was adopted and 2) on the December 31 immediately preceding the Effective Date (Eligible Policyholders) will be entitled to receive consideration for their membership interests in the form of stock of John Hancock Financial Services, Inc. (the Holding Company), a Delaware corporation that will serve as a holding company for Hancock. Hancock will then be a subsidiary of the Holding Company. Before the Effective Date, the Plan must be approved by two-thirds of the votes cast by Hancock's policyholders voting on the question.

In connection with the Plan and before the Effective Date, the Holding Company will apply for a listing of its stock on the New York Stock Exchange and register it in accordance with § 12 of the Securities Exchange Act of 1934. On the Effective Date the Holding Company will conduct a registered, underwritten initial public offering of Holding Company stock.

Hancock anticipates that certain of its officers, directors and employees, as well as brokers, banks and broker-dealers that also market its insurance products (the Associates) will inform Eligible Policyholders of the Plan. You represent that the Associates will not be compensated directly or indirectly for such activities. You list in the memorandum seven specific activities from which the Associates are to refrain. Finally, you state that the Associates will not be effecting transactions in securities.

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:

[a]ny transaction incident to a class vote by security holders or *members*, pursuant to the certificate of incorporation, 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, the securities issued by the Holding Company or the Associates with the Department.

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,

THEODORE HOLDER
ASSISTANT SECURITIES COMMISSIONER