

Hancock Life Insurance Company (JHLIC); John Hancock Variable Life Insurance Company (Variable Life); Hancock Natural Resources Group (Resources Group); John Hancock Timber Resource Corporation (Timber Resource); or other affiliates of JHLIC, as defined in section III(a), above.

Pursuant to section III(a), the term, "affiliate" or "affiliates," of a person includes "any officer, director, employee, relative of, or partner in any such person." The applicant is concerned that the combination of these two definitions omits from the term, "Hancock," (and perhaps from relief) employees of Hancock affiliated entities, other than JHLIC. In this regard, the applicant seeks to ensure that the exemption provides relief for the individual employees of those entities making decisions with respect to ForesTree IP. Accordingly, the applicant suggested a revision to section III(e) to add the phrase, "as well as the employees of such entities," to the language of section III(e) in the final exemption. Subsequently, in an e-mail to the Department, dated April 2, 2003, the applicant clarified that in addition to employees of JHLIC, incorporated into the definition of affiliate, as set forth in section III(a)(2), the term, "Hancock" should include employees of Resource Group, and Timber Resource.

The Department concurs with the applicant's request. Accordingly, the language of section III(e), as set forth in the Notice, on page 3041, column 3, line 48, has been amended to add the phrase, "as well as the employees of Resource Group and Timber Resource," after the word, "above."

The applicant also suggested a few corrections to the names of the entities listed in the definition of the term, "Hancock," as set forth in section III(e) in the Notice, on page 3041, column 3, lines 43–46. In this regard, "Hancock Natural Resources Group" should be "Hancock Natural Resource Group," and "(Resources Group)" should become "(Resource Group)." In the same paragraph, "John Hancock Timber Resource Corporation" should be changed to "John Hancock Timber Resource Group."

The Department concurs and in the final exemption has amended the language of section III(e), accordingly.

G. Section III(h)(2), as set forth in the Notice, on page 3042, column 1, lines 18–27, requires that:

No individual or firm may serve as an independent, qualified appraiser during any year in which the gross receipts such individual or firm received from business with Hancock and from business with International Paper for that year exceeds 5 percent (5%) of such individual's or firm's

gross receipts from all sources for the prior year.

The applicant seeks confirmation that the "5 percent gross receipt test" in section III(h)(2) applies separately with respect to Hancock and to International Paper. In this regard, it is the applicant's understanding that an individual appraiser may not have gross receipts from Hancock in excess of 5 percent (5%) or from International Paper in excess of 5 percent (5%).

The Department confirms the applicant's understanding of section III(h)(2). In addition, the Department has decided to amend the language of section III(h)(2), as set forth in the notice, on page 3042, column 1, line 22, to insert the phrase, "exceeds 5 percent (5%) of such individual's or firm's gross receipts from all sources for the prior year," after the word, "Hancock."

H. The applicant has requested and the Department concurs with the following modifications, corrections, or updates to the information that appeared in the SFR of the notice:

(1) References to "Resources Group" that appeared in the SFR throughout representations 2, 4, 5 and 6 should have been references to "Resource Group;"

(2) A reference to ".5 million" that appeared in the second paragraph of representation 2 in the SFR should have been a reference to "0.5 million;"

(3) The reference to Olympic Resource Management that appeared in the fifth paragraph of representations 4 in the SFR should be revised. In this regard, the applicant has informed the Department that Resource Group recently chose not to renew its contract with Olympic Resource Management. It is represented that Hancock Forest Management, Inc., a recently formed affiliate of Resource Group, has taken over the duties of Olympic Resource Management with respect to the western United States and Canada;

(4) The eighth sentence in the first paragraph of representation 5 of the SFR, should be revised to delete the bracketed words and add the italicized words as follows:

John Hancock [expects that] *allocated* the remaining \$15 million [will be allocated before] *for investment near* the end of the year 2002;

(5) The reference to "\$1 million to \$2 million" that appeared in the second sentence of representation 6 in the SFR should have been a reference to "\$1 billion to \$2 billion;"

(6) The second sentence in representation 6 of the SFR should be further revised to delete the bracketed

words and add the italicized words as follows:

In this regard, John Hancock, *at the time of its application, originally anticipated* [anticipates] that \$1 billion to \$2 billion worth of Timber Assets [will] *would* be marketed by International Paper for sale over the next two (2) years, as a result of the May 2000 merger of International Paper and Champion International;

(7) After the second sentence in representation 6 of the SFR, the applicant has requested the addition of the following sentence:

Since the filing of the exemption application, John Hancock has learned that International Paper's business strategy with respect to these assets may have changed, but John Hancock does not yet know what the new divestment strategy will be; and

(8) The reference to "section III (i) below" that appeared in representation 10(f) should have been a reference to "section III (i)" as that section actually comes before representation 10(f) in the SFR.

After giving full consideration to the entire record, including the written comments from the commentators and the applicant's response to such comments and the comment from the applicant, the Department has decided to grant the exemption, as described and amended, above. In this regard, the comment letters, the applicant's response thereto, and the applicant's comment letter submitted to the Department have been included as part of the public record of the exemption application. The complete application file, including all supplemental submissions received by the Department, is made available for public inspection in the Public Documents Room of the Employee Benefits Security Administration, Room N-1513, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, DC 20210.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption refer to the notice published on January 22, 2003, at 68 FR 3040.

FOR FURTHER INFORMATION CONTACT:

Angelena C. Le Blanc of the Department, telephone (202) 693-8540. (This is not a toll-free number.)

General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under section 408(a) of the Act and/or section 4975(c)(2) of the Code does not relieve a fiduciary or other party in interest or disqualified person from certain other provisions to which the exemption does not apply and the general fiduciary