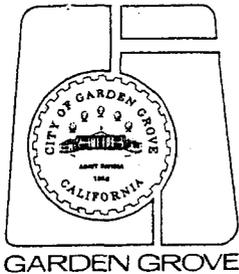


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#68

CITY OF GARDEN GROVE



Bruce A. Broadwater  
Mayor

Van T. Tran  
Mayor Pro Tempore

William J. Dalton  
Councilman

Mark Leyes  
Councilman

Mark Rosen  
Councilman

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OFFICE OF THE  
CHAIRMAN

December 11, 2003

Mr. William H. Donaldson, Chairman  
Securities & Exchange Commission  
450 Fifth Street NW  
Washington, D.C. 20549

RECEIVED  
JAN 29 2004  
OFFICE OF THE SECRETARY

Dear Chairman Donaldson:

Just because somebody let the milk get sour later, is no reason to kill the cow now. Obviously, a lot of us are upset with the 'market timing' scandal that many mutual fund companies are currently experiencing.

However, as most fund companies are ethical, conduct timely transactions, and already have legitimate policies in place - don't panic and go overboard with a wide sweeping rule that would penalize those who run a clean ship. A plan like our defined contribution plan has members who are aware of our 'same day trade' policy. Any 'hard close' rule would force our participants to lag a day behind to settle late trades that can now be handled that night by our recordkeeper.

We also urge the SEC to adopt a uniform definition of 'market timing'. With such a rule in place our member participants would not be confused as to what the definition meant, not just to those companies currently under the scandal cloud, but to all companies available to them. That would ease their mind if they knew their retirement funds were being treated fairly by each of the companies under our plan.

The imposition of a 'hard close' on defined contribution plans, such as ours, would be detrimental. The current trading practice should work better if errant companies knew they would be penalized for using timing to undercut the rest of the legitimate transactions.

Thank you for your consideration.

Sincerely,

John Bushman, Committee Member,  
City of Garden Grove Deferred Compensation Fund