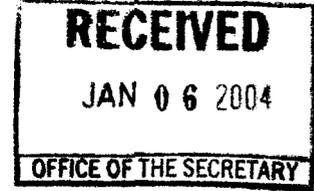


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MEMORANDUM



**TO:** Public Comment File No. S7-27-03

**FROM:** Penelope W. Saltzman *Penelope Saltzman*  
Office of Regulatory Policy  
Division of Investment Management

**DATE:** January 5, 2004

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On December 17, 2003, Ann Bergin, Carol Jameson, and James Kiernan of The Depository Trust & Clearing Corporation ("DTCC") met with staff members of the U.S. Securities and Exchange Commission to discuss certain issues relating to the Commission's proposed rule amendments concerning the pricing of investment company ("fund") shares in Investment Company Release No. 26288 (Dec. 11, 2003). The following Commission staff members attended the meeting: Robert Plaze, Associate Director; Hunter Jones, Assistant Director; Penelope Saltzman, Senior Counsel; and Adam Glazer, Attorney, Division of Investment Management.

DTCC is the holding company for the National Securities Clearing Corporation ("NSCC"), a registered clearing agency. NSCC operates Fund/SERV, an automated system for processing order information for the purchase and redemption of fund shares.

DTCC representatives and Commission staff discussed issues concerning technical changes to the Fund/SERV system that may be appropriate in connection with the proposed rule amendments. These included changes to the type of files transmitted, the capacity of the system, and the timing and records of file submission. DTCC representatives and Commission staff also discussed the general scope of costs that may be incurred to implement system changes in connection with the proposed amendments.