Albert Schott - [redacted]

[redacted]

September 24, 2009

RECEIVED
SEP 29 2009

Elizabeth M. Murphy
Federal Advisory Committee Management Officer
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

File No. 265-25-02

Attached is a letter addressed to the House Financial Services Committee that includes information concerning the needs of the individual investor.

The public needs a single standard set of category and sub-category descriptions for existing and new mutual, closed-end and exchange-traded funds which, by mandate should be part of the fund descriptive name and/or standard code in the title. For example: Asset Allocation – Aggressive
Asset Allocation - Moderate
Asset Allocation - Conservative

The performance of funds in standardized comparable sub-categories can then easily be compared and made available to the public each month. This will eliminate the need for the SEC to recommend that every investor needs a professional investment advisor. To the contrary, it evens the playing field and rewards those investment companies that deliver the best results...as it should. A fourth-grader will be able to invest more successfully than our university professors can today.

If desired, I shall be pleased to appear before your committee or supply my research data.

Albert Schott

Albert Schott

Albert Schott [redacted]

[redacted]

September 24, 2009

House Financial Services Committee
Democratic Staff
2129 Rayburn House Office Building
Washington, DC 20515

Re: Consumer Financial Protection Agency

Today I sent the following information to the Personal Finance Editor of the New York Times. Regardless of whether he expresses interest in it, I certainly wish to share this information with your office.

The Sept. 24 Business page 1 report by Stephen Labaton "A Modified Bill Issues Regulatory Plan Ahead" states that Rep. Barney Frank, Chairman, House Financial Services Committee, in his new bill EXCLUDES providers of retirement plans from oversight by the Consumer Financial Protection Agency.

In view of the facts that each year fewer employers provide "defined benefit" retirement pensions, and that our nation is being asked by our government to save more, an extremely large and rapidly growing segment of the middle class population is expected to assume full responsibility for managing individual retirement investments. The SEC obviously agrees this is unrealistic since the first paragraph on the http://sec.gov/investor/pubs/askquestions.htm web page "Get the Facts: The SEC's Roadmap to Saving and Investing" suggests a few personal issues to consider, followed by: Investment Products: Your Choices" and then "Pick a Financial Professional".

Is this really the best the SEC can do for the millions hung out to dry? And is this the same group that Rep. Frank is ready to toss to the wolves?

An urgent starting point is for the SEC to create standard descriptions for categories and sub-categories for every existing and additional new mutual fund, closed-end fund and exchange-traded fund approved for retirement account investing. Mandatory standard definitions are fundamental for performance comparison.

The consumer/investor needs the same level of protection in the investment marketplace that is provided for the consumer in the supermarket and pharmacy...truth in labeling, protection from toxic content. Add free on-line access to performance data for a given fund compared with all others in the same sub-category and the sun will surely shine. This will truly provide the benefits of a capitalistic system - prosperity for the fittest...the exit for the rest...and the best for the investor.

For example, how many U.S. university professors planning to retire within the next year or two, and invested in the TiaaCref Lifecycle 2010 Retirement fund TCLEX are aware of the fact that their fund, 1 of 12 compared in the "2010 Target" sub-category, ranked #7, with a 2008 loss of 23.6%, while 5 other funds kept the loss in 2008 below 15%? Were these investors aware of the split between equities and fixed income securities as they approached their retirement date?

If the best-educated group of employees in the country can get blind-sided, what can the rest of the population look forward to? Were fund company managers monitoring the fund to supervise allocation being consistent with the target date? Or was it a case of an unlucky fund manager who wound up buying a bundle of mortgages that were never labeled "TOXIC" - POISONOUS FOR YOUR FINANCIAL HEALTH?

Mr. Frank plans to excuse the retirement investment industry from oversight. In what ways will that serve the best interest of the individual investor?

Albert Schott

PS - I shall be pleased to meet with staff and provide the data on which the above information is based.