The Derivative Project

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January 14, 2013

TO: SEC Investor Advisory Committee Members, U.S. Department of Treasury's Financial Stability Oversight Council

RE: **Money Market Reform Comments Requested by Financial Stability Oversight Council**

Dear SEC Investor Advisory Committee Members and Financial Stability Oversight Council:

The Derivative Project, a non-partisan retail retirement advocacy organization, resubmits the attached letter, (in a link), sent to the SEC Investor Advisory Committee on September 26, 2012 for consideration by the Financial Stability Oversight Council. We thank you for your consideration of these comments. In addition to the attached letter, we strongly recommend the Financial Stability Oversight Council and the SEC Investor Advisory Committee consider:

- A mandatory floating net asset value for every money market mutual fund.

- The ability for retail retirement investors to access CUSIP numbers, for any holding in a money market mutual fund, at a database at the SEC to determine composition and holdings of all asset backed securities held in money market funds. The costs and ready access for a retail retirement investor to access CUSIP numbers is limiting full transparency of holdings in asset backed securities/commercial paper.

- Commencing an immediate investigation, with the Internal Revenue Service and Department of Labor, to determine if the investment company sponsors of money market funds held in qualified plans, including SEP and IRA's are self-dealing with "voluntary recapture" programs such as Charles Schwab's. Further, examine if the charging of administrative fees in money market funds, that cause a loss to retail retirement investors, such as reported in ING's money market fund to a retail investor, is self-dealing. As these money market funds are no longer in the best interest of the investors, as well understood by the investment company, excise taxes for self-dealing are in order for any fund companies that place investors in these funds, at a loss, when there are other alternatives that would not cause these losses or potential losses through "voluntary recapture" and would provide increased yield with less risk to the retail retirement investor. FDIC insured sweep accounts carry a greater yield and less risk to the retail retirement investor in this low interest rate environment.

- Coordinate with the Department of Labor to mandate all retail retirement qualified cash balances move immediately into FDIC insured sweep options until the systemic risk issues highlighted in the November 19, 2012 FINANCIAL STABILITY OVERSIGHT COUNCIL's "Proposed Recommendations Regarding Money Market Mutual Fund Reform" is resolved. The profit model of the packagers of money market mutual funds should not take precedence over the safety of retail retirement investors' life savings, until systemic risk issues are resolved.

We thank you in advance for your consideration of these comments.

Sincerely,

Susan Seltzer, President

The Derivative Project