Via E-mail

Date: August 3, 2007

Nancy M. Morris, Secretary
Office of the Secretary
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: Admin. Proc. File No. 3-11701

Dear Ms. Morris:

We believe that the Distribution Plan ("Plan") for distribution of the Fair Fund established In the Matter of: AIM Advisors, Inc. and AIM Distributors, Inc. has certain attributes which recognize the efforts required by financial intermediaries that maintain Omnibus Accounts (hereinafter collectively referred to as "Account Carrying Firms") in order to comply with and facilitate the Plan. These attributes include the recognition of the diminishing value of distributions below a de minimis amount when compared against the cost of making such distributions. However, we believe several aspects of this Plan should be revisited, including; empowering the IDC to approve alternative distribution methodologies, the provision for indemnification of Account Carrying Firms involved in the distribution of the Fair Fund, and the inclusion of provisions for certain protections related to the delivery of beneficial owners data by Account Carrying Firms. Certain capitalized terms used but not defined herein have the meanings ascribed to them in the Plan.

Distribution of Fair Fund:
Step Seven of the Distribution Process section of the Plan provides Account Carrying Firms with three different options for effecting distributions to beneficial owners. (Option four provides only for Account Carrying Firms to request that the settlement proceeds not be distributed.) Accordingly, the three options allow for the administration of the Fair Fund by enabling such firms to choose between providing data to the Fund Administrator, internally managing the calculations and distributions to beneficial owners, or distributing settlement proceeds to beneficial owners through an alternative technique chosen by the Account Carrying Firm. We note that while options two and three allows for Account Carrying Firms to make distributions to their customers it also requires the firm to perform all of the calculations necessary to determine the amounts due each client. It is our belief that Account Carrying Firms do not possess the capabilities to perform the data analysis required, nor would it be commercially reasonable for them to develop or purchase such services. Unlike other recently approved Fair Fund Distribution Plans (e.g. MFS, Putnam) this Plan does not appear to provide Account Carrying Firms with the flexibility to propose alternative methodologies. Moreover, the Plan in its current form does not appear to

provide the IDC with the flexibility to review and approve alternative methodologies for effecting distributions, and it is unclear whether the alternative method hereinafter suggested would be a material change to the Plan that would require approval of the Commission under the Extensions and Amendments section of the Plan.

For example, certain Account Carrying Firms may prefer to elect to provide more limited client data that would only allow the Fund Administrator to calculate payments due investors in most circumstances. The Account Carrying Firm would then credit distribution amounts to open sub-accounts and provide last know addresses to the Fund Administrator to help facilitate the mailing of checks only to sub-accounts that have been closed at Account Carrying Firms. This methodology has been embraced by other distribution plans as a viable alternative, presumably in recognition of the fact that it would result in less sensitive client information being transmitted to and among the multiple sub-contractors typically engaged by the Fund Administrator, including data processing firms, print/mail vendors, address research firms, and banks. We believe that the failure to provide additional flexibility to the IDC to allow alternate distribution methodologies may eliminate the ability of the Account Carrying Firms to implement a solution that will be cost effective, expeditious and will best service the shareholders invested in the AIM Funds.

Indemnity:

The Standard of Care of IDC and Fund Administrator section of the Plan states that the limited liability/standard of care of the IDC and Fund Administrator and each of their designees, agents and assistants is merely an expression of the current state of the law. We believe that in certain circumstances Account Carrying Firms are acting as assistants to each of the IDC and/or Fund Administrator, particularly when they accept the responsibility of facilitating distributions from the Fair Funds. However, because it would appear that the current state of law is such that it has not been applied to facts similar to the current situation to reach the issue of the standard of care that would apply to Account Carrying Firms, we respectfully request that the Plan be revised to provide for indemnification of the Account Carrying Firms pursuant to Rule 1101(b)(6) [17 CFR 201.1101(b)(6)] of the Commission's Rules of Practice and Investigations. In particular, we believe that the Plan should include procedures for the indemnification of the Account Carrying Firms by the Respondent except in the case of an Account Carrying Firm's gross negligence, bad faith or willful misconduct, reckless disregard of duty, or reckless failure to comply with the terms of the Plan.

Data Privacy:

The Plan may require Account Carrying Firms to transmit a substantial amount of client sensitive information, including name, address and social security number, to non-affiliated entities whose data control procedures may not be comprehensive. The safeguarding of client data is mandated by Federal law and regulation, and many state laws govern financial institutions' handling of such client data. The transmission of client data exposes Account Carrying Firms to significant regulatory and reputational risks if such data is disclosed or distributed in an unauthorized manner or otherwise mishandled. We respectfully request that the Plan be revised to provide for security and confidentiality

obligations and indemnification of all Account Carrying Firms for any misuse or loss of client data which may occur as a result of the delivery of this data.

The Commission has pointed out with respect to other proposed plans of distribution that those plans require the client data to be maintained confidentially by the Fund Administrator. It has come to our attention that Fund Administrators intend to transmit client data to numerous other service providers engaged by them, including data analysis firms, print-mail vendors and others, pursuant to written agreements with standard commercial terms, including confidentiality and indemnity provisions. Accordingly, it would seem only prudent for the Plan to specifically require the Fund Administrator to extract confidentiality obligations from their service providers. Moreover, given the fact that Fund Administrators have no obligation or commercial incentive to provide any indemnity to Account Carrying Firms and because of the state of the law enjoy limited liability as specifically recognized by the Commission in the Plan, we believe the Commission should require the Plan to contain procedures requiring that Fund Administrators provide indemnities to Account Carrying Firms in applicable written agreements related to the provision of client data with the same standard of care referred to above. Again, we believe that the Commission's Rule 1101(b)(6) would allow for an indemnity to be included in the Plan.

Very truly yours,

William Bridy
Managing Director
Merrill Lynch & Co., Inc.