



714 HOPMEADOW STREET, SUITE 3  
SIMSBURY, CT 06070  
(860) 658-5058

ROBERT G. WUELFING, PRESIDENT  
LARRY H. GOLDBRUM, GENERAL COUNSEL

Filed Electronically

August 6, 2007

Nancy M. Morris  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

Re: **Proposed Distribution Plan for AIM Advisors, Inc. (Admin. Proc. File No. 3-11701)**

Dear Ms. Morris:

The SPARK Institute, Inc. (“SPARK”)<sup>1</sup> appreciates this opportunity to comment regarding the proposed distribution plan (the “Distribution Plan”) for AIM Advisors, Inc. (“AIM”) that was published by the U.S. Securities and Exchange Commission (“SEC”) on July 6, 2007.

The SPARK Institute has filed comment letters regarding many of the distribution plans that have been released by the SEC.<sup>2</sup> Based on our reading of the AIM Distribution Plan as it relates to retirement plan service providers, it appears that it is generally responsive to many of the concerns previously raised by The SPARK Institute. Accordingly, we commend AIM and the Independent Distribution Consultant (“IDC”) for proposing a well thought out and practical approach to handling retirement plan accounts distributions. We also commend AIM for expressly accepting financial responsibility for certain costs associated with administering the Distribution Plan, including the reasonable costs incurred by retirement plan service providers in allocating distributions among retirement plans that own shares through omnibus accounts.

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<sup>1</sup> SPARK represents the interests of a broad based cross section of retirement plan service providers, including members that are banks, mutual fund companies, third party administrators and benefits consultants. SPARK members include most of the largest service providers in the retirement plan industry and the combined membership services more than 95% of all defined contribution plan participants.

<sup>2</sup> Such other comment letters are available at <http://www.sec.gov/litigation/admin.shtml>.

Although we are pleased with most of the Distribution Plan as we understand it, The SPARK Institute requests that AIM, the IDC and the SEC consider the following requests for clarification and modifications.

**I. The Distribution Plan Should Permit Retirement Plan Omnibus Account Service Providers to Calculate the Allocation of the Proceeds Among the Retirement Plans Within Such Omnibus Accounts According to Average Share or Dollar Balances of the Plans' Investment in the Affected Funds During the Relevant Period.**

As we understand Step Seven of the Distribution Plan, retirement plan omnibus account providers may supply certain historical transaction data to the “Fund Administrator” who will in turn calculate the allocation amount among the retirement plans that own shares through such omnibus account. Additionally, AIM has agreed to reimburse the reasonable out of pocket costs incurred by the omnibus account provider in connection with preparing the necessary data for such calculations.

The SPARK Institute requests that the following alternative, which was recently approved by the SEC in the Putnam Investment Management Distribution Plan (“Putnam Plan”), be specifically included as an alternative in the AIM Distribution Plan.<sup>3</sup> Paragraph 42 of the Putnam Plan provides in relevant part that a retirement plan service provider may allocate the proceeds it receives pursuant to the Putnam Plan among retirement plans “according to average share or dollar balance of the [plans’] investment in the Putnam Funds during the relevant period.” For certain retirement plan service providers, this approach provides a simpler and more cost effective means of calculating the allocation of payments among retirement plans that owned shares through omnibus accounts. As we have indicated to the SEC in connection with the Putnam Plan, this alternative approach will facilitate plan level allocations without the need to reconstruct and gather as much historical transaction data. Such approach also relieves the omnibus service provider of the challenge of preparing detailed historical data in AIM's format and relieves AIM of having to do the calculation.

We also note that including this alternative approach in the Distribution Plan will allow certain retirement plan service providers to follow a consistent approach in handling plan level allocations for this and many other distribution plans (see footnote 3). The SPARK Institute has noted in earlier comments that it is important for plan service providers to have the ability and flexibility to follow a consistent approach in handling the multiple fair funds settlements that impact their retirement plan customers. The ability to follow a consistent approach will help simplify communications with and the education of employers and employees affected by the settlements, as well as help reduce the overall administrative costs.

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<sup>3</sup> The requested or comparable provisions were also approved by the SEC in the Banc One Investment Advisors Corp. distribution plan (May 9, 2007), the Columbia Management Advisors, Inc. distribution plan (June 18, 2007), and the Pilgrim Baxter & Associates, LTD distribution plan (November 22, 2006). The requested or comparable provisions are also included in the following pending distribution plans: Franklin Advisers, Inc. (June 6, 2007), and Janus Capital Management LLC (May 31, 2007).

The requested provision should be specifically included in the Distribution Plan and plan service providers should not be forced to rely on the general provisions under Step 7(c) in order to allocate the proceeds. By expressly including the proposed provision in the Distribution Plan, retirement plan service providers will be in a better position to rely on the safe harbor relief provided by the Department of Labor in Field Assistance Bulletin No. 2006-01 (April 19, 2006). Accordingly, we request that this approach be added to the AIM Distribution Plan.

**II. The Distribution Plan Should be Modified to Allow the Fund Administrator to Make a Single Payment to Retirement Plan Omnibus Account Service Providers Together With a Breakdown of the Amounts Owed to Each Underlying First Generation Account Holder.**

As noted above, we understand that Step Seven of the Distribution Plan provides that retirement plan omnibus account service providers may supply historical transaction data to the Fund Administrator, who will in turn calculate the allocation amount among the retirement plans that own shares through such omnibus account. Step Seven also provides that the Fund Administrator will request address and other additional information regarding the first generation of account holders in the omnibus accounts in order to execute the distributions. We note that where the first generation account holders are retirement plans, additional participant level allocations will have to be made by the retirement plan service providers. In such cases it may be more efficient and beneficial for all parties involved, including AIM, the Fund Administrator, plan sponsors and plan participants, for the Fund Administrator to make a single payment to the retirement plan omnibus account service provider and supply a breakdown of the amounts owed to each first generation account holder (i.e., each underlying retirement plan). The breakdown provided by the Fund Administrator would be calculated and based on the same information that would otherwise be supplied by the retirement plans omnibus account service provider.

This approach eliminates the need for the retirement plan service provider to provide address information to the Fund Administrator, minimizes the number of checks and payments that have to be issued, and will likely reduce the amount of time it takes to get the proceeds deposited into the plan accounts. We also note that this approach has been approved by the SEC in the Putnam Plan (see Step 35 Section 2). The SPARK Institute requests that the proposed provision be added to the AIM Distribution Plan.

**III. The Distribution Plan Should be Clarified to Provide That AIM Will Reimburse Retirement Plan Omnibus Account Service Providers For The Reasonable Costs Incurred by Such Service Providers in Calculating the Allocations Itself.**

As noted above, AIM has accepted financial responsibility for the calculation of allocations among retirement plans that own shares through an omnibus account. As currently written, the Distribution Plan only provides for reimbursement to the service provider if AIM performs the calculation. See Step 7(a). However, under certain circumstances it may be less burdensome, and more cost effective, for the retirement plan service provider and AIM if the retirement plan service provider does the plan level allocation calculation either according to the algorithm or the alternative approach described in Section I herein. Our request is intended to allow the retirement plan service provider to do the plan level allocation calculation if such retirement plan service provider determines that doing so will be more cost effective for everyone involved. To

the extent that the retirement plan service provider is able to do the allocation, AIM will benefit by not having to reimburse as much money. Plan beneficiaries will also benefit because more of the settlement amount will be preserved for distribution. However, any retirement plan service provider that is able to do the allocation itself more cost effectively and that undertakes to do so should not be penalized by not getting reimbursed for its allocation expenses which would have otherwise been reimbursed by AIM had such service provider elected to have the AIM Fund Administrator make such allocations. See footnote 4, and accompanying text under Section IV.

Accordingly, we request that the Distribution Plan be modified to clarify that AIM will reimburse Retirement Plan omnibus account service providers for the reasonable costs incurred by retirement plan service providers who calculate the plan level allocations themselves rather than requesting that the AIM Fund Administrator do them, provided that such expenses do not exceed the amounts that would have been incurred had the AIM Fund Administrator performed the calculations.

#### **IV. The SEC Should Encourage Other Fund Companies and IDCs That are Developing Distribution Plans to Propose Distribution Plans That Substantially Conform to the Modified Putnam Plan Approved by the SEC as Such Plan Relates to Retirement Plan Omnibus Accounts.**

The Putnam Plan was approved by the SEC on or about July 20, 2007. In order to minimize the costs and efforts associated with distribution settlement proceeds to millions of affected retirement plan participants retirement plan service providers and plan sponsors need consistency and flexibility among the multiple distribution plans that they must deal with. The Modified Putnam Plan adopts an approach that is generally acceptable to retirement plan service providers.<sup>4</sup> Accordingly, on behalf of our members, The SPARK Institute intends to encourage each fund company and IDC that proposes a distribution plan to adopt a substantially similar approach with respect to retirement plans through the SEC public comment process. However, the time and resources devoted to developing and approving final distribution plans can be minimized to the extent that the SEC and IDCs consider including the recommended provisions in the proposed versions of currently pending distribution plans.

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<sup>4</sup> Except for the SEC's response to The SPARK Institute's comment regarding certain cost reimbursements made in connection with the proposed Putnam Distribution Plan. Such comment is similar to the comment in Section III herein. Based on the SEC's response included in the Putnam Order, dated July 20, 2007, we have clarified our point regarding cost reimbursement. We note that such comment is not intended as a request for any fund administrator, IDC or fund company to estimate reimbursement costs or perform a cost benefit analysis, as suggested by the SEC's response in the Putnam Order. Further such comment is not intended as a request for additional cost reimbursements. Instead such comment is intended to allow the retirement plan service provider to minimize its request for assistance from fund administrator and minimize the allocation expenses without being penalized by losing the ability to be reimbursed for expenses that it would otherwise be entitled to under the distribution plan.

We thank you for this opportunity to comment on this very important effort. Should you have additional questions or need additional information regarding this comment, please do not hesitate to contact us at (704) 987-0533.

Respectfully,

/s/

Larry H. Goldbrum  
General Counsel