June 1, 2012

The Honorable Mary Schapiro
Chairman
U.S. Securities & Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: President's Working Group on Money Market Reform (File No. 4-619)

Dear Chairman Schapiro:

Money Market Funds (MMFs) are important short-term cash management vehicles for our corporate consulting clients. As such, our firm has paid close attention to financial reform rulemaking and regulatory changes related to MMFs.

We are concerned that MMFs are the subject of undue regulatory focus, perhaps because they have been misidentified as a proximate contributor to the financial crisis.

Our analysis shows something quite different: MMFs were only tangentially involved in the crisis, and several much more significant events should be given much weightier consideration than MMFs.

The attached document highlights some straightforward and important facts:

- Investment dollars actually started seeking higher ground in 2007, and some types of risky investments were gradually deserted. These moves did not cause market upheaval because they were understood and anticipated by the market.

- The government's decision to not rescue Lehman Brothers, after its long history of other bailouts, was a major course change. This flip-flop was not anticipated by all market players – hence the problems when the Reserve Fund had to stop redemptions. Yet, damage was contained within a few MMFs and no other MMF was mortally wounded.

- The unprecedented, huge bailout of AIG the night after Lehman failed was the surprise that shook the market to its core and prompted investor panic. Just a day earlier, all three rating agencies had reaffirmed AIG's investment grade rating.

- MMFs were not the cause of the financial crisis. In fact, investment dollars sought the safety of MMFs in the days and weeks following the crisis – even without federal government guarantees.

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The Fed and the SEC continue pushing for further MMF reforms, despite MMFs already being extremely well-regulated, well-reported and thoroughly transparent. If implemented, new rules would result in significantly smaller MMFs, with displaced investment dollars adding to concentration in the banking sector.

If this financial reform opportunity is to come close to accomplishing what the American people have been promised, the focus must be on the most difficult areas rather than those that are already cleanly regulated.

Sincerely,

Tony Carfang Partner	Cathy Gregg Partner

Enclosure

cc: Elizabeth Murphy