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OFFICE OF THE SECRETARY

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

Re: President's Working Group Report on Money Market Fund Reform; Release No. IC-29497; File No. 4-619

Dear Ms. Murphy,

Please accept the attached as official comment on the President's Working Group Report on Money Market Fund Reform. I realize this submission is late, but do believe many of the points expressed in the enclosed document are worth review and consideration by the Commission.

If I can answer any questions or be of further assistance to the Commission as you review and deliberate the future of Money market Funds, please let me know. I can be reached at 410-823-7283 or drew@financialconsulate.com.

Thank you for your time and consideration.

Respectfully Submitted,

Andrew V. Tignanelli

Andrew V. Tignanelli, CFP®, CPA
President
Financial Consulate, Inc.

A Strategy to Help Banks and Investors: A Truly Insured Money Market Fund

20 years ago Drew Tignanelli, a Hunt Valley based financial advisor, realized that money market mutual funds were a risk to the entire economic system. This year his prediction has become true. On October 24, 2007, Tignanelli interviewed Bruce Bent, the creator of the first money market fund, about the inherent risks of the funds. Tignanelli said that because the funds give the appearance to be safe that if investors were to realize they are not, a run would begin that no one would survive. Bent may have disagreed one year ago, but in September of 2008, he found it to be true.

Today, Tignanelli has a strategy to help alleviate two problems looming over our crippled economy using the same money market mutual funds. The first problem is money market fund managers are fleeing commercial paper in favor of Treasuries, which leaves less available for commercial lending. The second problem is banks are hoarding their cash to meet reserve requirements – again minimizing available funds for lending. The concept is to allow a new form of insured money market fund where:

- The principal balance is truly safe and the fund NAV has no risk of being less than $1
- These funds would be limited to owning only FDIC insured Certificates of Deposits with maturities of less than one year
- The FDIC would allow these funds to buy CD's with insurance equal to the number of shareholders of the fund times $250,000 on the day of purchase allowing liquidity to flow back to banks and out of treasuries, since most large investors are buying T Bills in that they cannot get FDIC insurance on large deposits

There is precedence for this concept in the FDIC rules in that beneficiaries of trusts have insurance equal to $250,000 times the number of trust beneficiaries. If shareholders of money funds were able to pull their collective insurance guarantee, then the funds could easily invest hundreds of millions or billions in any one bank. Considering that there is over $3 trillion invested in money funds it would be welcome cash at the banks.

Banks would be more likely to lend the funds to businesses and investors would be less concerned about their investments. This would allow the government to transition the current guarantee program from traditional money funds to these new truly guaranteed money market funds. Brokerage firms would welcome the concept since many are scrambling to buy Treasuries afraid of the risk of commercial paper in the funds. Treasuries are yielding less than the fees charged on the funds creating another risk of a run on the funds. Brokers would be allowed to charge a fee to facilitate the fund administration of approximately 20 basis points.

Other points to be considered:

1. It would probably be best not to let these funds to have checking accounts or debit cards at first, but they would be allowed later (2015 for example). This would allow the current banking system to adjust to the coming competition for high yielding checking accounts.

2. If money funds are depleted in favor of these new funds, what will we find hidden inside the residue of the old funds? This can be alleviated by allowing existing money funds to continue after the transition period (approximately six months), but they would need to adjust the NAV every day and shareholders must be at risk to the investments of the portfolio.

3. The FDIC would not need to rush in and bailout a failed banks CD held in one of these insured funds, since they would have ample liquidity. The FDIC would have up to six months to pay back the principal with the fund losing interest on that CD for that period. This would require the fund managers to carefully select the banks in which to invest and to stay broadly diversified. This market selection process for CD's could help bank regulators to notice where trouble spots are in the banking community.

4. This would allow investors to get a collectively bargained higher rate of return on CD's than is available for an individual going to their local bank.

5. If a broker were to hold funds in a CD that was in excess of the insurance amount and the bank were to fail then the broker would be responsible for the excess.

Existing money market funds continue to be a risk to the financial system. The current guarantee program is only of limited benefit. A radical move needs to take place and time is of the essence. This concept of a truly insured fund of FDIC insured CD's in money market funds could go a long way in restoring liquidity to the banking system, freeing up the lending process, pulling money away from the safe haven of US Treasuries and returning it to the commercial markets.