

DAN CALABRIA



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March 5, 2011

Elizabeth M. Murphy, Secretary
Securities & Exchange Commission
100 F Street NE
Washington, DC 20549

Re: President's Working Group Report on Money Market Fund Reform
SEC File Number 4-619

Dear Ms. Murphy,

I am a retired mutual fund industry executive having spent 42 years with several fund management organizations and have served as both an "interested" director and a "disinterested" director for twelve (12) years before retiring in 2007. Attached is a brief bio for information purposes.

It was more than somewhat surprising to learn of some of the possible public options relative to potential money market fund liquidity challenges as a result of shareholder redemptions. Included were certain "reforms," which indicate unfamiliarity with problems encountered during the mutual fund timing and late trading scandals that occurred eight or nine years ago.

The same principles adopted to resolve those challenges will be equally effective relative to money fund liquidity issues today. The methodology employed targeted those who had gamed the system to effect transactions that proved detrimental to fund shareholders at that time. There is little doubt, if any, that the nature of those problems involved so-called "omnibus" accounts that kept secret the owners of record of the improper transactions, which made it impossible for investment advisors and fund transfer agents to identify the source of inappropriate activities, all of which were in violation of prospectus restrictions.

Many will recall that the industry adopted signed, legal letters of agreement from all sources of sales/redemptions, the terms of which assigned full responsibility for any such improper, restricted transactions to the vendor(s) and for which the vendor(s) assumed full responsibility and liability for such conduct involving secret, so-called "omnibus account" trading activity.

It would seem only logical that the mutual fund vendors engaged in mutual fund recordkeeping and trading be required to assume full liability for any such conduct, which is impossible for advisors and/or fund transfer agents, much less fund boards of directors, to control or prevent.

I respectfully suggest and urge that the Commission adopt similar required provisions that place liability where it rightfully belongs, which will resolve the problem of "redemption runs" and the resulting cash liquidity shortfalls. This could also be accomplished by a joint effort of The Mutual Fund Directors Forum and the Independent Directors Council (IDC). The result of which would be a "Best Practices Guide" providing a form of legal letter previously mentioned. However, it should also require an affirmative statement by involved vendors that accepts either redemption in kind, or a seven day "delayed settlement" on transactions in violation of prospectus requirements and the letter agreement.

In addition, fund investment advisors and fund boards can also take immediate action to incorporate failsafe provisions that stipulate redemption in kind for any such improper trading activities by vendors who control omnibus accounts, the ultimate source of the problem.

In conclusion, why waste any more time on an issue that has been confronted, addressed and resolved in the past? Let's end the rhetoric and resolve the problem.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Calabrese". The signature is fluid and cursive, with a long horizontal stroke at the end.

DAN CALABRIA



Abbreviated resume (2011)

Began mutual fund career in 1963 with The Dreyfus Funds as Assistant Advertising Manager. Joined the Oppenheimer Funds in 1965 and became National Sales Manager, Executive Vice President of Oppenheimer Management Corp. and Limited Partner of Oppenheimer & Co.

In 1979 became president and director of the Lexington Funds.

In 1986 joined the Templeton Funds as President /CEO of Templeton Funds Management.

In 1993 became president and director of The Florida TaxFree Funds and retired in January 1995.

- 1996 – 2007, Independent Director/Trustee of the AEGON Transamerica/ IDEX Funds and Transamerica Income Shares (closed end fund) St. Petersburg, FL
- Member, Steering Committee, Mutual Fund Directors Forum, (since inception - 2007) Washington, DC
- "Industry Arbitrator," NYSE & FINRA, 1997-2007
- Member, Investment Committee, Tampa Bay Ronald McDonald House Charities, St. Petersburg, FL, 1997-2007
- Former president, Pinellas County Retired Executives Advisory Panel
- Author: *"Mutual Funds Today...Who's Watching Your Money?"* (2009)



Graduate St. John's University, Brooklyn, NY, 1957, BBA, Accounting

Born March 5, 1936 - Finally fully retired in 2007

