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July 28, 2009

To: Secretary of the Commission  
Attention: Elizabeth M. Murphy, Secretary  
United States Securities and Exchange Commission  
100 F Street, NE  
Washington

In RE: Release No.IC-28758; File No. 812-13619 Nuveen Tax-advantaged Total Return Strategy Fund et al

Reply and attachment Served by FAX 202-772-9324 and Regular Mail

Request for Hearing—Reply to Applicants' Response

This letter supplements our June 29, 2009 Request for Hearing in Re: Release No. 812-13619 in respect to Applicants application for exemption and replies to the letter from Morgan Lewis filed on July 21, 2009 in response to that Request.

For many years Nuveen Investments, Inc or subsidiaries have acted as Sponsors, Issuers, Underwriters and Broker Dealers in connection with many taxable municipal leveraged funds that engaged in the marketing and sales of auction rate securities ("ARS" and "ARPS") that involved conduct, which the Securities and Exchange Commission has stated, in Complaints filed in the United States District Court for the Southern District of New York, the Northern District of Illinois and other federal courts, that misled investors regarding the fundamental nature and risks associated with the ARS that the Respondents in those cases underwrote, marketed and sold.

Nuveen never intended that the risks of illiquidity be transparent to the individual investors.

The scheme, developed by Nuveen, involved a plan that was only known to a few select Underwriter Broker Dealers. The so-called auctions were not in fact real auctions, but "arranged" transactions that involved the Underwriter Broker Dealers, including Nuveen Investments, acting as market makers. But for the market makers propping up so-called auction process, the auctions would have failed many years prior to February 2008. The very term "auction" was in fact misleading. Martha Mahan Haines, Chief, Office of Municipal Securities, U.S. Securities and Exchange Commission in a speech dated September 29, 2006 Stated in pertinent part: "It is true that, due in large part to BD intervention, there have been few 'failed' auctions...Broker-dealers also intervened when the rate that would be set was not in the broker-dealers opinion, an appropriate rate...it may not be accurate to call this an auction at all. In a true Dutch auction, no bidder has knowledge of the bids submitted by others. This protects the process from manipulation and ensures that the price set is truly reflective of the market. Perhaps consideration should be given to a different name for this type of security or of the process by which

rates are set? 'Managed auction process' and 'bidding system' have been suggested..."(See SEC Press Release re Speech by Martha Mahan Haines dated September 2006). The Kastels did not discover this speech until 2009.

Nuveen also knew that the downstream brokers were marketing the ARPS without disclosing the liquidity and other risks. Nuveen knew that the downstream broker dealers were marketing the ARPS as short-term cash equivalents. Nuveen did not provide "Disclosure Documents" to the broker dealers. Nuveen knew that broker dealers were not advising investors that PricewaterhouseCoopers and the other Big-4 firms issued an advisory in February 2005 that advised that ARS were not cash equivalents.

Because Nuveen, as the Sponsor and Issuer, controlled the purchase and sale of the ARPS, these funds were not in fact closed end funds but were operated as limited (as to total dollar amount) open-end funds that required the delivery of a prospectus. Because the Underwriter Broker Dealers were acting pursuant to their contractual relationship with Nuveen Investments, Nuveen in effect, was "remarketing" the ARPS (substantially the same as selling Treasury Shares) without delivering a disclosure statement.

By utilizing the fiction of an auction, Nuveen sponsored a process that enabled it to transfer the ARPS to unsuspecting individual investors without any accompanying disclosure statement. The process was a sophisticated "Ponzi Scheme" where new investors were enticed by downstream broker dealers to purchase ARPS so as to permit Nuveen and the Underwriter Broker Dealers to continue to siphon off large fees. Nuveen caused the downstream broker dealers to receive misleading, incomplete, inadequate, mostly word of mouth fragments of information regarding the risks associated with the ARPS. Most investors had no information regarding the risks.

Investors were led to believe that the so-called auctions only set the rate for their short term "weeklies". Investors were led to believe that the ARPS were basically money-market funds. Investors were not told that the undisclosed procedure required them to sell the ARPS at, and through, an arranged transaction controlled by Nuveen and the Underwriter Broker Dealers.

Starting sometime in 2007, the exact time of which was known only to Nuveen, Deutsche Bank and the Underwriter Broker Dealers, the members of the unregulated exchange devised a plan to sell off the shares held by each of them and stop making a market, rendering the ARPS permanently illiquid.

Nuveen Investments is a subsidiary of Nuveen and is registered as a broker dealer acting as "underwriter and sponsor" for the closed-end funds (See page 11 of an application for an earlier exemption filed with SEC as File No.812-13662). That application contained statements that: the Applicants did not engage in conduct giving rise to the Complaints in these cases. The statements in that application were in material respects misleading and untrue. Howard L. Kastel and Joan H. Kastel (the "Kastels") did not become aware of that Application until after July 21, 2009.

Nuveen's scheme was always contingent on getting a continuous flow of investor dollars. The scheme was propped up for years by the Underwriter Broker Dealers (which included Nuveen Investments also acting as an Underwriter Broker Dealer) who, through the auctioneer Deutsche Bank, operated an unregistered "Exchange" as that term is defined in the Securities Exchange Act of 1934. The Underwriter Broker Dealers and Deutsche Bank were under contract with the Nuveen funds. By reason of the February 2008 freeze Nuveen no longer needs the continuous flow of funds. It has them.

"Auction rate securities represented an ingenious attempt to square a particular circle: to create a funding instrument that appears long term from the borrower's [Nuveen Closed End Funds] perspective but short term from the lender's perspective [ARPS investors]. We now see what should have obvious before: Such an arrangement is impossible. If a funding instrument is long term for one party, it must be long term for the counter party; any appearance to the contrary must be an illusion." (Chicago Fed Letter November 2008, The Federal Reserve Bank of Chicago Number 256).

Nuveen's ARPS marketing materials dated 2005 stated: "Nuveen MuniPreferred, A Great Place for Short-Term Money." containing limited, but nevertheless misleading and incomplete disclosures. It was not seen by many investors and was discovered by the Kastels on March 11, 2009. See the contrasting Advisory issued by SVB Asset Management August 15, 2007, days before the Kastel invested \$2,200,000 in the Nuveen North Carolina ARPS warning that "the slight yield advantage available today does not merit the INHERENT RISKS..." The Kastel discovered this Advisory in 2009. (Copy attached).

The "Exchange" which was established as part of the scheme was a private organization sponsored by Nuveen with membership open only to designated Underwriter Broker Dealers (including Nuveen). This unlawful exchange did not have the safeguards required of exchanges registered with the SEC. The unregistered exchange traded billions of dollars of ARPS and operated without any oversight in an opaque process that permitted its participants to favor themselves and share pricing and other information over non-member broker dealers. The Exchange had a central facility (Deutsche Bank) and a limited membership and was designed to give the appearance of active trading.

Nuveen, the Auction Agent and the Underwriter Broker Dealers were "Members" of an unlawful "Enterprise" as those terms are defined in the Code. The Racketeer Influenced and Corrupt Organizations Act (RICO) is applicable to securities fraud. The allegations in the SEC Enforcement Actions against Underwriter Brokers Dealers demonstrate facts which would support such a prosecution.

In filing the Request for Hearing, the Kastels believe they are acting in the public interest in bringing these matters to the Commission's attention. As described below the Kastels believe they have standing to make the Request on behalf of themselves and thousands of other unidentified victims.

We do not make the Request for Hearing for purposes of delay; to the contrary, we seek expedited action by SEC. In response to Nuveen's pressure to withdraw our Request for Hearing we asked for a specific timetable to redeem all of the remaining municipal ARPS (approximately 80% or more than \$9 Billion of the Nuveen municipal ARPS have not been redeemed and remain outstanding). Nuveen's response (attached): "We understand your frustration regarding the fact that only a small portion of your ARPS have been redeemed [less than 5% to wit \$50,000 of \$2,175,000] and that we cannot provide you with any specific timetable WHEN and IF your remaining ARPS will be redeemed [emphasis added]".

Since February 2008 Nuveen has engaged in a further scheme to lull the SEC and the individual ARPS investors into believing that it had a plan to redeem all of the ARPS. Nuveen has been issuing press releases and statements that it is doing all it can to redeem all of the ARPS. The true facts are that Nuveen intends to nothing that will reduce the leverage of its common shareholders or reduce the fees it pays itself for managing the funds.

Applicants' Response is straight out of Kafka. By allowing Nuveen to conduct business as usual, thousands of aggrieved investors, who were the victims of the fraud sponsored and perpetrated by Nuveen and others, are without any relief. While Nuveen purports to have redeemed about 40% of the ARPS issued by the Nuveen Funds, almost all of this money has been paid to redeem the ARPS issued by the taxable funds and about half of that money has been paid to and for the benefit of the Underwriter Broker Dealers who were charged with fraud by the SEC. Nuveen has kept most of the monies that it obtained under false pretenses and continues to pay itself \$millions as fees.

The Kastels call the Commission's attention to the penultimate paragraph on page 9 of the Morgan Lewis Response: [The Nuveen municipal ARPS] "had a long history and a widespread reputation as both providing attractive after-tax returns and being highly liquid..." That is the refrain heard from every Ponzi Scheme operator. Madouff could not have said it better.

Nuveen is and was the largest issuer of closed end Auction-Rate Preferred Securities (ARPS). Because of this, Nuveen was invited to testify before the US House Committee on Financial Services on September 18, 2008 (Nuveen Investments Press Release date September 19,2008).

Nuveen is the "Giant Elephant in the Room" that the Securities and Exchange Commission failed to see in connection with its 2004 investigation and 2006-7 Cease and Desist Orders.

The SEC has afforded interested parties the undisputed right to seek a hearing. The primary purpose of the notice is to determine whether the proposed order is in the public interest. One of the purposes of a hearing is to determine whether conditions should be added to the order. The Commission may determine that an enforcement proceeding should be commenced and possibly seek the appointment of an independent trustee or a

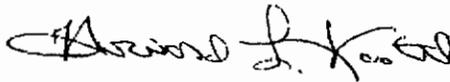
remedial order to cause the timely redemption of Nuveen's outstanding ARPS. The Kastels acknowledge that the Commission is not compelled to grant a hearing. The Kastels believe that the Commission is empowered under its rules to grant a hearing when it is necessary and appropriate in the public interest or for the protection of investors. This is the business of the commission. The Commission is not constrained by Article III of the constitution; hence the Commission can permit an interested investor to request a hearing notwithstanding the fact said person would not have standing to seek judicial review, (See Fund Democracy LLC vs. SEC 278 F3rd 21 (2002) USCA DC re "Standing as an 'Interested Person'" and the concurring opinion). Clearly the Kastels are interested persons and the Request could hardly constitute interference with the Commissions orderly conduct of its business. The Request for hearing affords the Commission an opportunity to determine whether the several Divisions are acting consistently and in the public interest. Respectfully stated, the Request for Review will give the Commission an opportunity to demonstrate that it is more than a "Circumlocution Office" (Dickens, Little Dorrit 1857). Like Dickens's Mr. Merdle it is time to unmask the "Sponsor" of the scheme. The Commission is capable of taking action consistent with the public interest.

I have reviewed Mr. Hoffman's letter dated July 23, 2009. I have also received a call from an Investor in Florida restating many of the same complaints. I have received a threatening letter (attached) and I have referred this matter to Mr. Lench in the Division of Enforcement. I also reference to the telephonic and written requests from Nuveen Investments and Mesirow Financial to withdraw our Request for Hearing. I hope that the Commission will act quickly and without delay. For your information, I am 77 years old and my wife is 75. When I told the Mesirow Financial (the Broker who bought the ARPS for my account) that at the rate of the redemption to date I will be 100 years old before I get my money while Nuveen pays less than one half of one per cent interest (.50%), I was advised that the \$50,000 I received was a one shot redemption and Nuveen has no plan at this time for further redemptions.

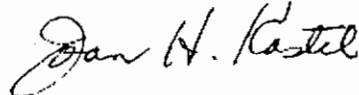
Respectfully Submitted.

Howard L. Kastel, Individually, and on behalf of the Howard L. Kastel Trust and Joan H. Kastel

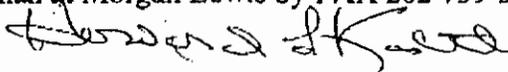
Howard L. Kastel



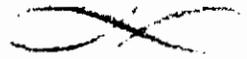
Joan H. Kastel



Howard L. Kastel states and attests that he served a copy of this Reply on Thomas S. Harman at Morgan Lewis by FAX 202-739-3001



Copyright material redacted. Author cites to “Auction Rate Securities, Know the Risk and Rewards”, SVB Financial Group, SVB Asset Management, *Fixed Income Advisor*, August 15, 2007.



N U V E E N

VIA FAX AND EMAIL

July 17, 2009

Mr. Howard L. Kastel  
10393 Holt  
Chapel Hill, NC 27517  
hkastel@nc.rr.com

Dear Howard:

I appreciate your willingness to speak with me and my colleague Kevin McCarthy Wednesday afternoon. I wanted to reiterate that Nuveen and Nuveen's municipal closed-end funds, including the North Carolina funds that issued the ARPS you own, are doing everything they can reasonably do to refinance their outstanding ARPS. We understand your frustration regarding the fact that to date only a small portion of your ARPS have been redeemed and that we cannot provide you with any specific timetable as to when and if your remaining ARPS will be redeemed. However, we believe the numerous actions we have taken to try to resolve the ARPS illiquidity issue, as described in our numerous public conference calls, press releases, Congressional testimony, and regulatory filings, are strong evidence of our commitment to this effort.

As we discussed, eleven of Nuveen's equity and corporate debt funds were planning to refinance the remaining \$750 million balance of their outstanding ARPS shortly following the receipt of the Section 18 relief they requested from the SEC. Enclosed is a copy of the press release the funds issued on June 10 announcing this plan. The hearing you requested has had the effect of delaying the redemptions for a large number of ARPS shareholders, many of whom are individual investors like yourself. Furthermore, the hearing request will not accelerate the process for refinancing the ARPS for the North Carolina funds or any of Nuveen's municipal funds. We therefore again urgently ask that you withdraw your hearing request as soon as possible so Nuveen's equity and corporate debt funds can proceed with their planned ARPS refinancings.

We hope to hear from you as soon as possible on whether you are willing to withdraw your hearing request and to discuss the terms of a standstill agreement with you and your counsel. As we discussed, we are willing to enter into a standstill agreement that preserves your right to pursue litigation against Nuveen even if you have withdrawn your hearing request. Unfortunately, we cannot provide similar standstill agreements from Citigroup, Merrill Lynch, and Deutsche Bank as you requested.

As we mentioned on our call, if we cannot resolve this matter in the next few days, the funds will be required to disclose to investors the reasons for the delay in receiving the Section 18 relief and in refinancing the remaining ARPS. As a courtesy, attached is a current draft of the press release the equity and corporate debt funds would likely need to issue. In addition, the funds would file a response with the SEC contesting the need for a hearing with the goal of obtaining the Section 18 relief as soon as possible. It is likely that our response to the SEC, and possibly your hearing request letter, may also become public. We hope we can find a way to address your concerns without having to proceed down this path, especially for the sake of the ARPS shareholders of our equity and corporate debt funds who as a result will face renewed uncertainty.

Please call me at my office at \_\_\_\_\_, cell phone \_\_\_\_\_, or contact me via email at \_\_\_\_\_ or if you prefer, through your adviser at Mesirow, Norm Schlismann.

Very truly yours,



William Adams IV  
Executive Vice President  
Nuveen Investments

Enc. June 10, 2009 Press Release Issued by Nuveen Equity and Corporate Debt Funds  
Draft of Potential Press Release Announcing Delay in Obtaining Section 18 Relief

cc. Norm Schlismann  
Mesirow Financial



# Karpus Investment Management

**VIA FACSIMILE: (919) 918-4472**  
**& OVERNIGHT MAIL**

July 23, 2009

Howard L. Kastel  
Joan H. Kastel  
10393 Holt  
Chapel Hill, North Carolina 27517

*In re: United States Securities and Exchange Commission  
Release No. IC-28758; 812-13619*

Dear Mr. & Mrs. Kastel:

Karpus Investment Management ("KIM") is the investment manager for client accounts holding ARPS of the following funds which are the subject of the above-referenced SEC Release:

Nuveen Diversified Dividend and Income Fund	JDD
Nuven Multi-Strategy Income and Growth Fund	JPC
Nuveen Multi-Strategy Income and Growth Fund 2	JQC
Nuveen Quality Preferred Income Fund	JTP
Nuveen Quality Preferred Income Fund 2	JPS
Nuveen Quality Preferred Income Fund 3	JHP
Nuveen Real Estate Income Fund	JRS
Nuveen Senior Income Fund	NSL
Nuveen Floating Rate Income Opportunity Fund	JRO

We have seen your letter to the United States Securities and Exchange Commission, received on June 29, 2009, objecting to Nuveen's exemptive application, as described in the SEC Release referred to above. The purpose of the proposed exemptive application is to enable the funds making the application to redeem their ARPS at par. The exemptive relief requested would not have any application to or effect upon any other fund or holders of securities, including ARPS of any other fund.

We note from your letter that you do not claim to be holders of any securities of any of the affected funds. Rather, you are objecting to the exemptive application, and requesting a hearing in an obvious attempt to gain leverage against the investment manager with respect to a

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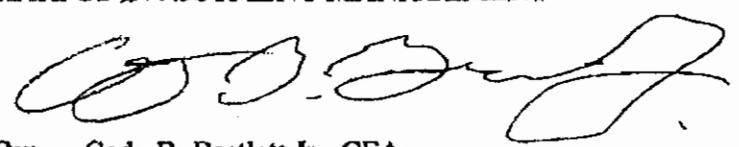
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different fund in which you hold ARPS.

You have no legal standing to participate in this exemptive application. Your actions in doing so are an abuse of process which can only delay, and thereby harm, Karpus Investment Management's clients and other holders of ARPS in the funds which are the subject of the exemptive application. Accordingly, KIM demands that you withdraw your request for a hearing and your objection, without prejudice to your rights to do whatever you wish with respect to the funds in which you do hold ARPS. If you fail to do so immediately, and KIM's clients suffer any delay or loss as a result, we will hold you liable to KIM and its clients, and possibly to all ARPS holders of the affected funds as a class.

Very truly yours,

KARPUS INVESTMENT MANAGEMENT



By: Cody B. Bartlett Jr., CFA  
Its: Managing Director of Investments