August 30, 2013

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Money Market Fund Reform; Amendments to Form PF
Release No. IC-30551; File No. S7-03-13

Dear Ms. Murphy:

My colleagues and I manage the trust division of a Knoxville, TN, community bank that offers personal trust, investment advisory and custodial services to individuals, foundations, endowments, and public/private pension and retirement funds. We also provide fiduciary services to surviving spouses and their children and to individuals with special needs. For decades we have relied on providing liquidity to these types of individuals or institutions through the use of so-called institutional prime money market mutual funds ("prime funds"). We are aware of the changes set forth by the Securities and Exchange Commission ("SEC") in its proposed rule released for comment on June 5, 2013, and are writing to you to express our concern as to the effect that the adoption of at least one of the proposals will have on our ability to continue to provide liquidity services to our customers.

We are familiar with the distinction the SEC has drawn between "retail" customers and "institutional" customers in categorizing prime funds. Unfortunately, the artificial distinction made between institutional and retail customers in the SEC release does not suit the methods used by our trust division to create liquidity for our clients on a regular or as-needed basis.

The need for same-day liquidity can arise from a variety of factors—e.g., the settlement of a securities transaction, distributions associated with the termination of a trust, a major purchase on behalf of an account or a scheduled quarterly payment of a stipulated amount to a beneficiary. We have no means of controlling the size (e.g., $1 million or less) or frequency of such distributions. To do so would add an extra layer of manual surveillance and cost to routine liquidity events that for the last 25 years depended upon the reliability of predictable prime money market funds with same-day liquidity at par.

We are particularly concerned about the proposal in the release stating that institutional prime funds may be required to allow purchases and redemptions at net asset values other than $1.00 per share. The accounting system we currently use is not equipped to cope with or process liquidity vehicles with unpredictable values. Our business model and operations process requires $1.00 per share. Additionally, we see a potential problem in the transformation of an investment, which had formerly been exclusively income-producing in nature, having capital features that would require extensive additional recordkeeping on our part because of the differences between principal and income and the ownership thereof by different beneficiaries.

Moreover, we are concerned that the SEC has a misperception of the challenges presented to community trust banks and their reliance on institutional prime money market mutual funds as predictable, reliable and prudent sources of liquidity. Since there are no readily available alternatives to prime funds, and if the desired features of prime money market funds are destroyed, community trust banks such as ours might have to return to cash management procedures that existed before the advent of money market mutual funds—where community trust banks had to acquire, retain and monitor the maturity of individual short-term investments. Such a result would add additional layers of cost that, of necessity, would have to be passed on to clients.

As we understand the second alternative proposed by the SEC, the board of directors of the institutional prime fund utilized by us in behalf of our clients, when given the occurrence of certain conditions and after making a determination that it was in the best interests of shareholders, would be able to impose a temporary pause in redemptions. It is our opinion that the temporary halt in redemptions for a limited period of time would be the most acceptable alternative for our bank acting in the multiple capacities set forth above in paragraph one above.

We would urge you and the distinguished leadership of the SEC to further consider the consequences of its proposal before moving ahead with such dramatic changes.

Sincerely,

Tom P. Garst

cc: The Honorable Mary Jo White
The Honorable Luis A. Aguilar
The Honorable Daniel M. Gallagher, Jr.
The Honorable Troy A. Paredes
The Honorable Elisse B. Walter
Norman Champ - Director, SEC Division of Investment Management
Craig Lewis - Director, SEC Division institutional prime funds of Economic and Risk Analysis