



ROBERT WEXLER

CONGRESS OF THE UNITED STATES

September 8, 2009

The Honorable Mary L. Schapiro
Chairwoman
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: File Number S7-11-09

Dear Chairwoman Schapiro:

I am writing to express my concern with an element in the Securities and Exchange Commission proposal, published in Investment Company Act Release No. 28807 (June 30, 2009), that would reform money market fund regulation.

It is my understanding that one of the proposals dealing with investments in illiquid securities would have the effect of prohibiting a money market fund (MMF) from investing in certificates of deposit (CD) that are fully insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC has often pointed out that, since the agency was founded in 1933, no depositor has lost a cent in an FDIC-insured account. The proposed regulations, however, would continue to allow money market funds to invest in the large denomination (exceeding \$1 million) certificates of deposit issued by large, highly rated banks. In that the standard FDIC insurance limit is \$250,000, most of the money invested in these large denomination CDs is uninsured.

The proposal, therefore, would deny MMFs the opportunity to invest in CDs fully backed up by the United States government and on which there is no history of loss, while continuing to allow them to invest in CDs exposed to loss. The potential is not insignificant. I know of one network of banks that join together to offer a customer up to \$50 million in fully insured CDs.

Thus, I am concerned by the consequences of shutting off fully insured CDs while continuing to allow investments in large denomination CDs. When the SEC considers adoption of this proposal, I hope you keep this potential consequence and my concern in mind.

With warmest regards,

Robert Wexler

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