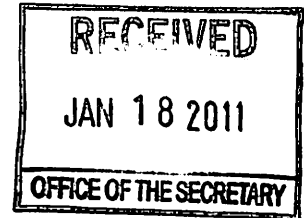


DONALD H. PRATT

January 3, 2011

Mary L. Shapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549



Re: Proposal Relating to Rule 12b-1

Dear Chairman Shapiro:

First, let me thank you for your response to my earlier letter regarding 12b-1 fees. It is no surprise to me that there have been many letters written to the Commission opposing the proposed changes to these fees, which exceed \$10 billion dollars annually. However, while many of the letters strongly oppose the proposal, either the proposed structural changes or the disclosure requirements or both, few offer constructive suggestions that would help fund shareholders better understand the nature of the fees and their impact on individual's investments.

I am writing to reiterate my earlier point that the status quo is not acceptable from my perspective as a representative of fund shareholders. At a minimum, changes to the disclosure of all fees are essential to achieve the transparency that shareholders need and deserve when evaluating investment opportunities. More specifically, disclosure that clearly identifies these distribution fees, preferably by name and not rule number, is necessary so shareholders can make informed investment decisions. Shareholders will still be able to benefit from the services that the fees are intended to cover, but they will now know what those services cost and be able to take that information into account when making an investment decision.

I am sensitive to the argument that this detailed disclosure of fees could disadvantage mutual funds in a competitive marketplace. To address this potential inequity, and to further assist investors, it would seem appropriate to require the same disclosures and transparency for all investment alternatives, including hedge funds, separate accounts, etc. Providing investors in all alternatives with clear, comprehensible disclosure of fees would go a long way to helping them make comparative analyses.

MEMORANDUM FOR THE RECORD
SUBJECT: [Illegible]

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Opponents of the proposal have identified a multitude of operational and administrative issues that suggest implementation of certain aspects of the proposal would be challenging or at least expensive. Rather than allow these issues to hold captive those portions of the proposal that would provide immediate benefit to shareholders, I encourage the Commission to consider those improvements to disclosure that could be implemented now. All shareholders would benefit from this improved transparency.

Thank you for addressing this important shareholder issue.

Best regards,

A handwritten signature in cursive script, appearing to read "Donald H. Pratt", is written over a horizontal line.

Donald H. Pratt
Chairman, American Century Kansas City Funds