October 28, 2010

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

Re: Comments to Mutual Fund Distribution Fees Release (File Number S7-15-10)

Dear Ms. Murphy,

David Lerner Associates, Inc. ("DLA"), the principal underwriter and distributor of Spirit of America Investment Fund, Inc. (the "SOA Funds"), Spirit of America Management Corp. ("SOA Management"), the investment adviser of the SOA Funds and, the SOA Funds collectively, referred to herein as ("Spirit of America") commend the Securities and Exchange Commission (the "SEC") in its efforts to continue to protect mutual fund investors from excessive fees. However, Spirit of America strongly urges the SEC to reconsider and, as a result thereof, not adopt the proposed Rule 12b-2 limitation on marketing and service fees of 25 basis points that would be permitted to be paid annually under such proposed Rule. This proposed limitation hurts investors and, if adopted, would be detrimental to small and medium size mutual fund complexes including, the SOA Funds. The proposal, if adopted would result in shareholders receiving less services, thereby negatively impacting shareholders, the intended beneficiaries of the SEC's proposed Rule with the cost savings being negligible. Investors purchasing fund shares from intermediaries such as brokers or investment counselors require continuous shareholder servicing from these intermediaries if they are to understand the investment products they are purchasing.

The SEC's proposed limitation on marketing and service fees under proposed Rule 12b-2 will competitively disadvantage small and medium size mutual fund complexes including, Spirit of America, because it will further limit the marketing and distribution-related activities and the shareholder services offered to the investors in, and shareholders of, smaller mutual funds including, the SOA Funds and their shareholders. The Rule 12b-1 distribution fees currently paid to the distributors and underwriters of small and medium size fund complexes including, DLA, enable these entities to compensate sales and marketing personnel and pay distribution and maintenance fees to sales representatives such as DLA's investment counselors and, to prepare and distribute advertisements, sales literature, prospectuses and reports used for sales purposes. As is the case with all mutual fund complexes, especially the smaller or medium asset size complexes attempting to compete with the behemoths of this industry, shareholder servicing by investment counselors or brokers including, assisting shareholders daily with their many

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questions and explaining complex issues relating to the mutual funds they service, is the lifeblood of mutual fund complexes such as SOA. The proposed Rule 12b-2 limitation would limit DLA's ability to market the SOA Funds, which could indirectly decrease the net assets of the SOA Funds, potentially increasing the expenses of the SOA Funds and decreasing the shareholders' value. We believe that most, if not all, small and medium mutual fund complexes will suffer from the same experience as the SOA Funds. The effect on DLA, SOA Management and the SOA Funds, however, will be exacerbated because the SOA Funds are the only mutual funds that DLA underwrites and distributes or that SOA Management advises.

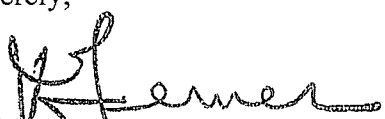
The SOA Funds consist of four funds, two of which currently compensate their distributor, DLA through the use of Rule 12b-1 distribution fees paid at an annual rate of 30 basis points on each fund's average daily net assets; the Spirit of America Real Estate Income and Growth Fund (the "Real Estate Fund") and the Spirit of America Large Cap Value Fund (the "Large Cap Fund," and collectively with the Real Estate Fund, the "Equity Funds"). The Real Estate Fund had approximately $172 million of assets under management as of September 30, 2010 and the Large Cap Fund had approximately $53 million of assets under management as of September 30, 2010. Of the 30 basis points paid by each Equity Fund annually, 25 basis points are used to compensate the investment counselors and others who are employed by DLA for the shareholder servicing activities that they provide including, maintaining shareholder accounts. The remaining 5 basis points are paid to DLA for marketing and distribution expenses relating to the offering of the Equity Funds' shares.

Rule 12b-1 currently permits a fund to use fund assets to pay certain marketing and distribution related-expenses pursuant to a written plan adopted by the board of directors/trustees of a fund and certain other conditions. Rule 12b-1 does not limit the dollar amount of the 12b-1 distribution fees paid under a plan, however, under the FINRA sales charge rule, funds may pay up to 25 basis points of a fund's assets annually to FINRA members as a service fee. Service fees include personal service and/or the maintenance of shareholder accounts, such as responding to customer inquiries, providing information on investments, and reviewing customer holdings on a regular basis. Rule 12b-2, if adopted as proposed, would limit the fees paid for all of the above activities including, marketing and distribution-related expenses and shareholder services to 25 basis points annually.

Moreover, we are not aware of any other Section or Rule within the Investment Company Act of 1940, as amended (the "ICA") that contains specific dollar or basis point limitations on fees or expenses that may be paid by a fund including, investment advisory fees paid under the ICA. Based on the foregoing, we request that the SEC consider the impact that proposed Rule 12b-2 will have on small and medium size fund complexes and their distributors and investment advisers, and ultimately fund shareholders and, therefore, not move forward with its proposed regulatory limitation on marketing and distribution fees. The SEC should continue to leave it up to the board of directors/trustees of a fund to determine the appropriate amount of annual distribution fees that a fund may pay for marketing and distribution-related activities and shareholder servicing and not make this part of Rule 12b-2. We also believe it is appropriate to

continue to rely on FINRA to regulate the amount of any shareholder servicing fees that may be paid by funds for these purposes and that a limitation of such fees should not be part of Rule 12b-2, if adopted.

Sincerely,



David Lerner
David Lerner Associates, Inc.,
Spirit of America Management Corp. and
Spirit of America Investment Fund, Inc.
President and Chairman of the Board