

Walter B. Stahr  
1309 Chamberlain Woods Way  
Vienna, VA 22182

June 24, 2005

Securities and Exchange Commission  
100 F Street NE  
Washington DC 20549  
Fax: 202-772-9324



Re: Mutual Fund Independence Rules

Dear Chairman and Commissioners:

I am a former staff member of the Commission, now working at a private equity firm in Washington. I am also a shareholder of various mutual funds, including funds which do not have an independent chairman and do not have a 75% independent board.

I read with interest the June 21, 2005, decision of the D.C. Circuit, upholding in part and reversing in part the Commission's decision effectively requiring all mutual funds to have an independent chairman and a board with at least 75% independent directors. I assumed that the Commission would do what the Court directed: go back to consider carefully the costs of its independence requirements and various alternatives to these requirements.

I was amazed and distressed to read in the *Wall Street Journal* of June 23, therefore, that the Commission intends at an open meeting on June 29, to consider the rules again. I gather from the *Journal* and other sources that the Commission (or more precisely the three-member majority that issued these rules over a vigorous two-member dissent) intends to re-issue the same rules, presumably on the basis of a quick analysis of the costs and alternatives.

For all the reasons set out in the excellent letter of former Commissioner Grundfest, I would urge the Commission to reconsider this plan, and to proceed in the more normal way. To re-enact these rules without a careful analysis not only invites reversal in this particular case; it weakens the Commission's position in every case, and thus over the long run weakens the Commission's ability to protect investors.

I would ask that this letter be made part of the public record in this case and of any appeal.

Sincerely yours,

A handwritten signature in cursive script that reads "Walter Stahr".

Walter B. Stahr