



Founders of
"America's First Money Fund"
Est. 1970

November 18, 2005

The United States Securities and Exchange Commission
Judiciary Plaza
450 Fifth St., N.W.
Washington, D.C. 20549

Re: File No. S7-09-05 – Commission Guidance Regarding Client Commission Practices Under Section 28(e) of the Securities Exchange Act of 1934

Dear Sir or Madam,

While I have been a money manager for over 40 years and currently oversee \$30 billion, equities represent less than 1% of our business. Therefore, my comments are those of an interested observer.

Money managers do not need a safe harbor. What is needed is a clear simple new law and not another band-aid for the San Andreas Fault(s): the '33, '34 and '40 Acts.

Investors are not stupid and therefore need very little protection from the "Nanny State." Money managers in a free society should be free to charge whatever they want on whatever basis they want and the investor should be free to make their selection.

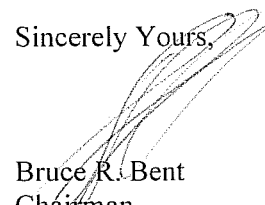
Money Manager A offers to manage an individual account or a mutual fund and proposes to charge an all-inclusive fee of 1%. There are no extra charges, not for independent trustees, not for commissions; nothing, 1% covers it all.

Money Manager B offers to manage an individual account or a mutual fund for 5% plus commissions, plus a miscellaneous fee of an additional 5%. And the money manager flatly states that the commissions paid will usually be higher than those generally available in the market place because the executing firms typically provide research that the manager may find valuable and further may allocate larger participations in new issues that the manager may be interested in acquiring for some of its clients, not necessarily those that are paying the above market commissions.

End of story. Free choice based on full disclosure. People generally don't care what they are charged, whether it is dry cleaning, a car, or money management. They are willing to pay for a perceived service that satisfies their needs and, believe it or not, top performance or lower fees are often not part of the satisfaction equation.

To truly empower investors, enable them to switch money managers/mutual funds without precipitating a taxable event. Soft dollar debates grossly beg the issue, the basic laws must be changed, they are a road-map for lawsuits, not client satisfaction.

Sincerely Yours,



Bruce R. Bent
Chairman
The Reserve Funds

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