

S7-06-04

3110 Sprague Avenue
Anoka, MN 55303

February 18, 2004

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Jonathan G. Katz, Secretary
U.S. Securities and Exchange Commission
450 Fifth Street N.W.
Washington, D.C. 20549-609



Dear Sir:

In response to your letter of February 12, 2004, my expressed concern in February, 2001 was not with the disclosure of the front-end load or back-end load. It was with the formula used to determine the front-end load. It is a misrepresentation as I will demonstrate using the example in your Mutual Fund Fees and Expenses report. In the report, you use an example that if an investor sends a check for \$10,000 and the fund has a 5% front-end load, the load is \$500 and \$9,500 is available for the purchase of shares. That means you are charging a \$500 load on a purchase of shares amounting to \$9,500. That is a load of 5.26% ($500 \div 9,500$), not a 5% load. The procedure you are using is as follows:

Total check	\$10,000	100%
<u>- Load</u>	<u>-500</u>	<u>-5%</u>
Net share purchase	\$ 9,500	95%

This leads to your formula, net share purchase divided by (1 - the load) establishes the total check. This formula leads to a load on the load since you are charging the 5% on both the net share purchase \$9,500 and the load \$500.

In order to not have the load misrepresented, the procedure should be as follows:

Net share price	100%
<u>+ Load</u>	<u>+5%</u>
Total Check	105%

This leads to the following formula.

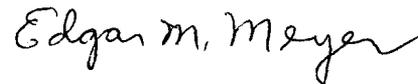
Net share price multiplied by (1 + the load) establishes the total check. Or for easier use since most investors send a check for the purchase of the fund share plus the load, the formula should read:

Load price or total check divided by (1 + the load) equals the net share purchase.

Following your example with a \$10,000 check, \$10,000 divided by $(1 + 5\%)$ equals \$9,523.81 for the purchase of fund shares. Applying the 5% load to the \$9,523.81 establishes a load of \$476.19. Adding the purchase and the load ($\$9,523.81 + \476.19) comes out to \$10,000, the total check. There is no misrepresentation with this formula.

Please respond letting me know what the S.E.C. plans to do about this situation. I request that the formula be changed to my formula so there no longer is a misrepresentation.

Sincerely,



Edgar M. Meyer