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Baton Rouge, LA 70815  
May 20, 2004



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Mr. Jonathan G. Katz  
Secretary  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, DC 20549-0609

S7-11-04

Dear Mr. Katz:

REF: Proposed Rule: Mandatory Redemption Fees for Redeemable Fund Securities

1. As a licensed limited securities representative, I am **in favor** of imposing high fees on redemptions made within five days of purchase.
2. I suggest that the SEC allow companies to **charge redemption fees above 2% at their option**, with 2% as a mandatory minimum. Companies should be allowed to set up a **tiered fee structure** above the 2% floor.
3. An issue which greatly concerns me, however, is how would purchases avoid penalties if purchased shares are immediately reversed due to problems such as non-clearance of funds or defective paperwork?

For example, several years ago a relative purchased a sizeable number of mutual fund shares (\$100,000+) from another representative who submitted the application before the bank cleared the deposit. Although the deposit eventually cleared, the first transaction had to be reversed and a second entered later. The first transaction had the appearance of an immediate sale.

**Would that type of situation incur the 2% "immediate redemption" penalty under the proposed rules?**

*I recommend that the proposed rules not penalize investors who reverse a transaction within five days due to processing errors or procedural complications.*

Thank you.

A handwritten signature in cursive script that reads "Riley J. Furr".

Riley J. Furr