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May 13, 2005

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

Re: Mutual Fund Redemption Fees
File No. S7-11-04

Dear Mr. Katz:

Fenimore Asset Management Trust wishes to express our concerns with the recently adopted mutual fund redemption rule. As a small fund complex, we find the costs of this rule, in its current form, greatly exceeding the minor benefits arising from its implementation.

We agree with and support the views expressed by the Investment Company Institute in its letter to the Commission dated May 9, 2005.¹ We are writing to emphasize the disproportionate impact that rule 22c-2 will have on small fund complexes.

Our funds would prefer a rule that allows us the flexibility to address the issues of omnibus account registrations with only those intermediaries we determine require agreements to solve redemption issues. The costs associated with contracting all "financial intermediaries" that a small fund such as ours have is unwarranted. We are not a broad target of redemption issues and would support a limited rule that allows this firm to implement procedures restricting these actions to the possible offenders with respect to inappropriate redemption activities. As the rule is currently written, we would need to concern ourselves with what is broadly defined under the rule to include, among other things, *any* entity that holds shares in nominee name or maintains records for a participant-directed retirement plan. As a result, any account not registered specifically for a natural person potentially could be held by an intermediary for purposes of the rule. Identifying our universe of intermediaries, modifying existing agreements, and entering into new agreements containing the terms required by the rule will be a significant task.

While we strongly support measures that will help us deter harmful short-term trading in mutual funds, we urge the Commission to consider a less burdensome alternative to the contract requirement in new rule 22c-2.

Sincerely,


Thomas O. Putnam
Chairman

¹ See Letter from Elizabeth Krentzman, General Counsel, Investment Company Institute, May 9, 2005 (File name: ekrentzman050905.pdf).