

**Securities  
and Exchange Commission  
450 Fifth St. N.W.  
Washington, D.C.**



**In Regard to: File NO. S7-11-04, Rule 22c-2**

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**Impending Rule for Mandatory Redemption Fees of 2 Per Cent**

**Dear Sirs,**

**We are terrified of the Proposed Rule S7-11-04—Terrified of the resulting consequences on the nations small pension management entities as where I am working. The Intial costs to be in accordance with the rule S7-11-04 will be over 212 thousand dollars in the first year for our debt laden business to collect and store the transactions. If the SEC requires weekly periodic information It could easily be twice that amount, then plus \$200,00 per year after that.**

**There is no question that Spitzer wants all of these changes immediately without reflection and research because the upcoming campaign for Governor of New York is just around the corner. He states the two percent mandatory redemption fee was his idea. He needs this rule passed and on his record before he starts the campaign that he has expressed he will begin. "Never before has a state prosecutor been able to hijack the agenda of the most powerful Wall Street regulatory agency and force it to address his issues" ("Bloomberg Markets" April 2004, page 39.)**

**I know that it does not fit Spitzer's agenda but we need to sit back and evaluate the progress that has already been made in regard to curbing market timing with mutual funds. William Donaldson in his address on Corporate Governance on March 24, 2004 mentioned that the SEC has brought charges against eleven of the top 25 Mutual Fund Companies. How scared are Mutual Fund Companies after that?**

**Merely a grand jury indictment bankrupted and dissolved Arthur Anderson accounting firm, well before proceedings started. The conviction was superfluous. "Wall Street is in a lockdown" according to "Barrons" March 22, page 43, "Firms, feeling the pressure from the SEC, are regularly spying on their employees".**

**In this environment, the idea of market timing a mutual fund is history. Nobody now can market time a mutual fund. Therefore it is not necessary to put our small business irretrievably into debt to comply with an unnecessary rule. Truly Yours,**

**Gene Meyer, Senior Accountant  
STC Management  
Bakersfield, Calif. 93301**