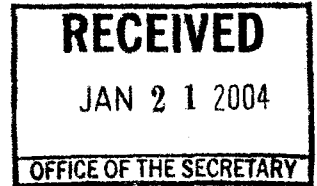


S7-26-04

26

January 11, 2004

Securities Exchange Commission (SEC)  
Jonathan G. Katz, Secretary  
450 Fifth Street, NW  
Washington, DC 20549-0609



**RE: File No. S7-27-03 Amendments to Rules Governing Pricing of Mutual Fund Shares  
File No. S7-26-03 Proposed Rule: Disclosure Regarding Market Timing and Selective Disclosure  
of Portfolio Holdings**

**Mr. Katz:**

I've been reading some of the comments offered to the SEC about the above listed rule proposals, and I'd like to offer some clarification on these proposals in the context of their *true* affect on 401(k) plan sponsors, participants, and third party administrators.

**TRUE AFFECT OF PROPOSED RULES UPON 401(k) PARTICIPANTS**

I keep hearing and reading rhetoric about how the proposed rules of a firm 4:00 PM mutual fund close would have a negative impact and create a disadvantage for 401(k) investors. While the individuals and organizations making these claims are zealous and well meaning, they are unequivocally wrong.

Rather, I believe the true consequences of the proposed rules would create a *mere inconvenience* (not disadvantage) for 401(k) sponsors and their participants by forcing them to consider alternative investment products to mutual funds in their retirement plans. Is that necessarily a bad thing? I happen to think not.

The *real and true* disadvantage for this SEC proposed rule would be to the mutual fund industry because it would pave the road for open and fair competition in the retirement plans markets by allowing alternative financial products like exchange-traded funds (ETFs) and closed-end funds, to compete more favorably. The mutual fund industry is fearful of seeing its monopoly on the retirements plan market evaporate, and that's why I believe it's encouraging everyone from Molly and her sister, to write the SEC and politicians everywhere, on its secretive behalf.


In making their final rule decisions, the SEC should not listen to these "cries of wolf", from brainwashed 401(k) sponsors and plan participants that don't know better. Unfortunately, these folks don't fully comprehend the totality of what's at stake, and they've been coached by the fund industry to believe they would be at a disadvantage to non-401(k) fund shareholders investing in the same funds. What an unabashed bag of lies! The insidious nature and behavior of the fund industry has touched us all so closely, that they now try to use unsuspecting folks as puppets to defend their products, and worse yet, attempt to nudge their way with the SEC and other regulatory bodies!

I can not overstate it enough, that the mutual fund industry should receive *last* considerations and priority in any final drafts of the proposed rule amendments. Is it the responsibility of the SEC to accommodate a rogue and cocky mutual fund industry? Or rather, is it to do what's in the best interest of ALL investors?

In closing, the ideas and notes expressed herein represent my private opinions, and do not attempt to chastise, supersede, or correct the regulatory path of the SEC.

We appreciate your kind attention to these matters and we look forward to reviewing recommendations received from the Commission.

Sincerely,

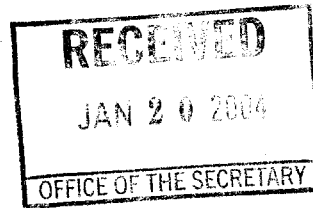


Ronald L. DeLegge

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S7-26-03



26

January 11, 2004

**Securities Exchange Commission (SEC)**

Jonathan G. Katz, Secretary  
450 Fifth Street, NW  
Washington, DC 20549-0609

**RE:** File No. S7-27-03 Amendments to Rules Governing Pricing of Mutual Fund Shares  
File No. S7-26-03 Proposed Rule: Disclosure Regarding Market Timing and Selective Disclosure of Portfolio Holdings

**Mr. Katz:**

**Three simple questions to add to the mix:**

**QUESTION #1**

Who's holding mutual fund analysts accountable for their failure to warn investors about the largest fund scandal in history?

**QUESTION #2**

Does a similar conflict of interest that existed between stock analysts and investment bankers also exist between mutual fund analysts and mutual fund companies?

**QUESTION #3**

Who regulates mutual fund analysts?

Not only do we believe these questions deserve the SEC's attention, but they closely relate to the above listed proposed rules.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. DeLegge".

Ronald L. DeLegge

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cc: *Eliot Spitzer / NY State Attorney General*