

MEMORANDUM

TO: Public Comment File No. S7-27-03

FROM: Adam Glazer
Office of Regulatory Policy
Division of Investment Management

DATE: December 22, 2004

On December 20, 2004, representatives of The SPARK Institute, Inc. (“SPARK”), Wachovia Corporation, Charles Schwab & Co., Inc., MassMutual Financial Group, and Merrill Lynch, Pierce, Fenner & Smith Incorporated met with staff of the U.S. Securities and Exchange Commission to discuss issues relating to the Commission’s proposed rule amendments concerning the pricing of investment company shares in Investment Company Act Release No. 26288 (Dec. 11, 2003) (“Late Trading Proposal”). The following Commission staff members from the Division of Investment Management attended the meeting: Robert Plaze, Associate Director, C. Hunter Jones, Assistant Director, Penelope Saltzman, Branch Chief, and Adam Glazer, Attorney.

The representatives discussed aspects of (i) the alternative approach to the Late Trading Proposal described in SPARK’s comment letter and (ii) the application of a sequence number to each set of instructions entered into a fund intermediary’s trade processing system, as described in the document attached to the memorandum to this file dated October 21, 2004.¹ The alternative approach would allow intermediaries to obtain same-day pricing for orders they receive by 4 p.m. and transmit to fund companies after 4 p.m. as long as the intermediary meets specific requirements, as described in the documents attached to the memorandum to this file dated August 19, 2004. Representatives discussed how the alternative approach, including the sequence number requirement, would be applied to all trading platforms.

¹ Representatives of SPARK and Wachovia first discussed their alternative approach with staff members at a meeting on April 14, 2004, and first discussed the new concept at a meeting on October 20, 2004.