

MEMORANDUM

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

FROM: Jennifer B. McHugh
Senior Advisor to the Director
Division of Investment Management (“IM”)

DATE: November 19, 2004

On November 16, 2004, the following representatives of Alliance Capital Management Corporation met with members of IM and the Office of Compliance Inspections and Examinations (OCIE): Laurence Cranch, general counsel; Mark Manley, chief compliance officer of the Alliance adviser; and Phillip Kirstein, independent compliance officer for the Alliance funds. The following Commission staff members attended the meeting: Paul Roye, Director, IM; Lori Richards, Director, OCIE; Gene Gohlke, Associate Director, OCIE; and Jennifer McHugh, Senior Advisor to the Director, IM.

With respect to the Commission’s proposed rule amendments concerning the pricing of investment company shares in Investment Company Act Release No. 26288 (“Late Trading Proposal”), the representatives from Alliance stated that it is important to have an effective mechanism to prevent late trading. The Alliance representatives noted that the temptation to engage in late trading can be great because of the ability to obtain an easy profit from the practice. Therefore, they recommended that the staff focus on the effectiveness of the Late Trading Proposal and alternatives to the Proposal.