January 28, 2004

Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

I have several comments on the proposed rule (SEC file # S7-27-03) which would require a “firm” 4:00 pm cut-off for reporting trades as a way of eliminating the reported late trading and marketing timing abuses by some mutual fund companies.

Certainly, these abuses are serious and must be addressed. Unfortunately, this approach will likely create a hardship for county (and other government) employees whose retirement savings are invested in mutual funds.

The reason for this is that many of these employees have their funds invested with financial services that provide “multi-manager” plans. These plans allow participants to diversify their investments, providing for better long term security.

For these funds to have sufficient time to process and transmit orders by 4:00 it would be necessary for them to impose a much earlier cut-off time for orders. Potentially employees in Snohomish County, where there is already a three hour time difference impact, would lose the ability to trade some time early in the morning (West coast time). This is both a significant inconvenience and competitive disadvantage.

These impacts might be justified if this were the only way to address the abuses. However, HR 2420 will successfully solve the abuses without unduly imposing on employees in “multi-manager” plans or those on the West coast. The legislation permits trades received by 4:00 to be processed and executed based on that day’s 4:00 Net Asset Value.

I strongly urge you to reconsider your proposed rule and consider the approach embodied in HR 2420.

Sincerely,

Dave Gossett, Councilmember
Snohomish County, WA