



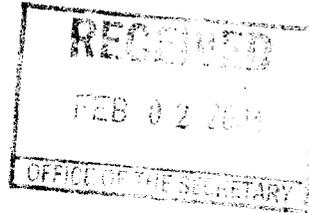
DESERET MUTUAL BENEFIT ADMINISTRATORS

Eagle Gate Plaza
60 East South Temple
P.O. Box 45530
Salt Lake City, Utah 84145

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January 26, 2004

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



RE: File No. S7-27-03

Dear Sir:

On December 3, 2003, the Securities and Exchange Commission issued proposed rules to curb trading abuses by the mutual fund industry. Like you, I am extremely concerned about the abuses certain mutual fund companies have engaged in, and I applaud your desire to protect mutual fund investors.

As the president of Deseret Mutual, a benefits administrator of one of the largest private 401(k) plans in Utah, and on behalf of our more than 25,000 participants, I strongly disagree with your position regarding the 4 p.m. cutoff time for 401(k) plans.

I feel the opinion expressed by Hewitt Associates is accurate: "Plan participants would essentially become second-class mutual fund traders because of the proposed 4 p.m. cutoff rule for all investors, including 401(k) recordkeepers. Because of the extensive processing and calculations required of 401(k) trades, this rule would require investment decisions to be made by plan participants hours earlier, possibly as early as 10 a.m. and as a result, could place unfair restrictions on these investors." In addition, I believe the enclosed overview by THE 401(k) COMPANY is accurate regarding the impact the 4 p.m. close could have on 401(k) participants.

I hope you will review this input from such nationally recognized 401(k) consultants and providers as Hewitt Associates and THE 401(k) COMPANY and will not implement this rule as currently proposed. I believe, as do they, that better enforcement of existing laws is an adequate response to the current situation when coupled with other actions proposed by the agency (such as the appointment of an independent chairman of the board for fund boards as well as a chief compliance officer).

Sincerely,

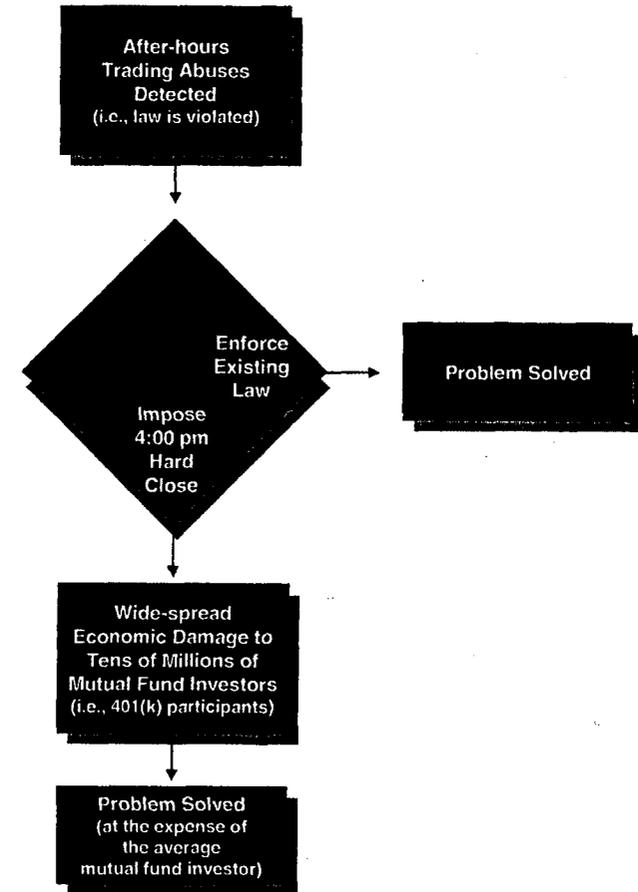
Michael 'J' Stapley
President & CEO
Deseret Mutual Benefit Administrators

Enc.

Impact of 4:00 PM Hard Close

Date/Time	Current System	Proposed "Hard Close" System (Creation of Two Investor Class System)		
		Single Mutual Fund Company Investor	401(k) Plans, Variable Annuities, Mutual Fund Supermarket Investors	Economic Harm on a \$100,000 401(k) balance
	All Investors			
3:00 pm, Friday, 14 Sept 2001	Buy & sell orders placed, receive 9/14 NAV	Buy & sell orders placed, receive 9/14 NAV	Order is after Noon, so sell order cannot be placed until next trading day	
12:01 am, Saturday, 15 Sept 2001	Interest starts to accrue	Interest starts to accrue	No interest accrues yet	
By 4:00 pm, Monday, 17 Sept 2001			Order is placed with mutual fund house: Loss that day: -6.89% (DJIA)	Loses \$6,890
2:00 pm, Tuesday, 18 Sept 2001			Proceeds typically received 2:00 pm or later, so new buy order cannot be placed until the next trading day	
By 4:00 pm, Wednesday, 19 Sept 2001			Buy order placed	
12:01 am, Thursday, 20 Sept 2001			Interest starts to accrue	Money out of market 5 full days, losing 5 days of earnings

An example of what would have happened to a mutual fund investor who got hit on the worst trading day in the last 5 years if the two investor class system had been in place (assuming a \$100,000 balance is exchanged out of stocks and into an interest-bearing investment)



What is needed is not new regulations that would hurt the average mutual fund investor and benefit the mutual fund companies:
What is needed is better enforcement of an existing law already on the books