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February 27, 2008

Nancy M. Morris, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Comments Submitted on Rule Proposal for Enhanced Disclosure and New Prospectus Delivery Option for Registered Open-End Management Investment Companies (File No. S7-28-07)

Dear Ladies and Gentlemen:

Thank you for the opportunity to comment on this proposed rule. It is clear by the length and depth of the proposing release, that many members of the Securities and Exchange Commission's ("SEC") staff labored on the provisions of this proposed rule.¹ In working with Fund boards and Chief Compliance Officers, our firm has reviewed the rule proposal from the context of compliance with rule proposal's provisions.

Generally, the layered disclosure approach² allows for a win/win for investors and investment management companies. The standardization of the summary prospectus disclosure is also helpful for investors, as well as, the investment management professionals that write the disclosure.

In the rule proposal the staff requested comments on many provisions of the proposed rule. Our specific comments relate to requirements in the rule that could present challenges to compliance professionals.

¹ Brown & Associates LLC and Self Audit, Inc. provide regulatory services, compliance reports, reviews and self-assessment products for the mutual fund directors and investment management companies. We serve as "independent compliance consultants and monitors" to investment management firms that have experienced regulatory problems. Our role is to help clients create, maintain and enhance state of the art compliance programs for their unique businesses. Self Audit, Inc. is a provider of software that enables firms to conduct mock audits internally. Both firms provide clients with a means to incorporate proactive compliance procedures into their organizations.

² Reference to the Independent Directors Council comment letter dated February 15, 2008.

Quarterly Updating

The proposed rule would require quarterly updating of the performance and holdings information in the summary prospectus.³ Historically, the prospectus and statement of additional information are updated on an annual basis and stickers to the prospectus are developed as needed. Requiring a quarterly updating component of the summary prospectus would present significant challenges to Chief Compliance Officers as they would be required to monitor the preparation of the updates, the timely filing of the updates and the processes utilized to create the performance and holdings information for accuracy. This additional responsibility would result in increased costs for shareholders and could discourage fund complexes from adopting the summary prospectus. In addition, the IDC⁴ noted that quality control measures [through the transfer agent and intermediary channels] could be compromised, creating additional compliance risks.

We support the IDC's approach of requiring an annual updating of the summary prospectus, with prominent disclosure in the document describing how investors can access quarterly information.

Technical Requirements

The rule proposal would require that material be presented in a web site format that would permit persons accessing the Summary Prospectus to move directly back and forth between each section of the summary prospectus and any section of the Prospectus and Statement of Additional Information. In addition the proposed rule would require that an investor could move directly back and forth between the tables of contents of the Summary Prospectus, Prospectus and Statement of Additional Information.⁵

Most mutual fund families provide fund prospectuses on their website, typically in a PDF format. Although some funds have Statements of Additional Information ("SAI") available, the vast majority continue to provide the SAI upon request. The burden of requiring any fund that utilizes the summary prospectus to include all three documents with sophisticated tables of contents and links to all three documents would result in higher costs for shareholders and management companies. There would be increased pressure on compliance to develop a plan to make all three documents available electronically and monitor that all the links are working at all times. Having all three available electronically could actually cause more investor confusion due to the complexity of the layered disclosure approach.

³ Enhanced Disclosure and New Prospectus Delivery Option for Registered Open-End Management Investment Companies, Release Nos. 33-8861; IC-28064; File No. S7-28-07

⁴ Comment Letter from Independent Directors Council to Ms. Nancy Morris, Secretary, U.S. Securities and Exchange Commission, dated February 15, 2008

⁵ Proposed Rule 498; Enhanced Disclosure and New Prospectus Delivery Option for Registered Open-End Management Investment Companies, Release Nos. 33-8861; IC-28064; File No. S7-28-07 at page 111.

Ms. Nancy M. Morris
February 28, 2008
Page 3 of 3

We believe that a more resource efficient approach would be to describe the linking the documents as a “best practice” in the final rule release, but delete subsections [498] (f) (2) (ii) and (iii); (f) (3) and (f) (4) from the final rule.

The comments reflected herein represent solely the views, comments and concerns of the undersigned and do not necessarily represent the views of the undersigned’s firm or the clients of the firms. Please do not hesitate to call me with any questions.

Very truly yours,

Debra M. Brown
Brown & Associates LLC
Self Audit, Inc.