



Rule Comments
Proposed Rule on Mutual Fund Disclosure Forms
(SEC File No. S7-06-04)

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Name: MERWYN GRACE

Please be aware that all comments we receive will become part of the public record of what we considered in this matter. Please return the comment form to the SEC representative or mail your comments to the following address:

Jonathan G. Katz, Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Comments

Whereas I did contact the SEC about mutual fund fees, my primary concern was the excessive amount being paid for "Advisory Fees", which in 2001 was \$2,018,034.00. My dividend from this company, which was Founders Mutual, but now are connected in some way to Dreyfus, was only \$14.50. The dividend for the same amount of shares in 1997 was \$13,742.42—the year that Dreyfus took over.

I wrote Dreyfus and asked what these advisory fees were for and did not get an answer. Their reply was that the fees were determined by the Funds Board of Directors. They also informed me that the fees were determined on the assets of the fund at year closing and not on the percentage of profits—and that this was the standard method used in the industry.

This means that the Fund can lose value, but still pay millions for Advisory Fees.

I also requested the amount of salary Mr. Richard Sabo the CEO was drawing, but was told that this was not public information.

Regarding your Draft Forms, isn't the information requested—Front end sales load and cost of selling already available??—and aren't the other fees, revenue sharing and brokerage commissions taken out of the Front end sales load fee? I am not sure but I am thinking that these forms are just more red tape that will really end up costing the Investor more.

Again, my concerns are with the excessive salaries and excessive "Advisory Fees" that are being paid, robbing the investor of his rightful dividends. If any regulations are to be drafted, it seems to me they should be along these lines.

Yours truly

Merwyn Grace