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TO: rule-comments@sec.gov

CC: My Senator, My House Representative and affiliated Committee members

FROM: Ted Climo

RE: Injury to investors if FILE No. S7-11-04 passes

To whom it may concern,

As a money manager, I am grateful that the SEC is addressing the illegal trading that has occurred after hours.

Short term trades, however are not illegal and often preserve investor wealth during adverse market conditions. In fact, In a study of the S&P 500 over the past 10 years, there have been 404 occurrences where an investor waiting five days to avoid a 2% redemption penalty would have experienced a greater than 2% loss. 46 occurrences would have resulted in losses from 5 to 10% while 5 of these instances would have resulted in a loss of greater than 10%.

You will make great strides by mandating that Mutual Funds clarify their position on short term trading in their prospectus. I agree that Mutual Funds should charge back short-term traders for any expenses incurred as a result of such transactions. This is important. But there is already an existing law (in that regard) that Mutual Funds have not uniformly enforced. The solution is to enforce existing law!

Please do not mandate a mandatory 2% penalty, as this will only cause injury to investors and limit the ability of professional money managers to protect client assets.

Thank you for your kind consideration in the matter,

Ted Climo