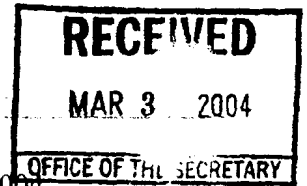




# PTS Asset Management

SEC - Registered Investment Advisor



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

February 26, 2004

57-11-04

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RE: Proposed Rule 22c-2 – Mandatory Redemption Fees for Mutual Fund Securities

Dear Mr. Katz:

We applaud the Commission's proposed rule, which is intended to curb short-term "market timing" of mutual funds. In the first 25 years of running a Broker/Dealer Firm, I have had extensive experience with the retail customer investing in mutual funds. I founded an SEC Registered Investment Advisor 15 years ago and have seen both sides of this issue first hand.

We have been anxiously awaiting this comment period for a variety of reasons:

- Like the SEC & those ethical mutual fund executives, we have been concerned with "day trading" abuses.
- Although we have been aware of the arbitrage opportunities with some bond funds and global/international funds, we opted not to participate. It was our feeling back then and is now, that this type of trading on the pricing inefficiencies of mutual funds injures the long term investor.
- **We are in full support of the 2% fee on the redemption proceeds of shares redeemed within 5 days of their purchase.**

Our particular business model is based upon the concept of Strategic Asset Allocation and Dollar Cost Averaging, not schizophrenic day trading. We see certain client disadvantages if the holding period is more than 15 days. As market conditions change, required holding periods beyond 15 days could do more harm than good to the individual investor. Therefore a 30, 90, 120 day or 1 year hold, as has been imposed by some mutual fund complexes, could severely injure certain clients, and we oppose those. Despite this position, our historic holding period has been, on average, 6 months.

When the Commission discusses the recent horrible events, and issues press releases, it might be helpful to clarify the difference between asset allocation based on long term trends, and daily arbitrage of mutual fund pricing deficiencies or market timing.

Sincerely

William F. Wadsworth  
General Partner