

Jonathan G. Katz
Securities and Exchange Commission
450 Fifth St., N.W.
Washington, D.C. 20549-0609



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Reference File Number S7-11-04,

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RIN 3235-AJ17

Dear Sir,

The Rule for a Mandatory Redemption Fee of two per cent I cannot support. In general I support any rule that prevents abusive practice of mutual funds. This particular rule will cause havoc in the pension fund administration industry. Small entities such as ours should be exempted from coverage of the new rule.

Even under paragraph (b)(2) To install information systems to provide the fund, as to redemption orders, transactions and holdings information sufficient to permit the fund to assess the amount of the redemption fee will cost our little company about \$262,000 capital cash.. This is far from the \$10,000 estimated in the proposed rule. Then another \$200,000 to install periodic information systems.

Over 680 small pension fund administrators in California will be similarly hurt by the new rule. I would like to quote the Los Angeles Times November 9, 2003, Thomas Petrino: "If the effect of the unfolding scandal is to make it more difficult for all investors to make changes in their portfolios, or to justify changes, it isn't at all clear that the average fund owner's interests would be helped. It might be just the opposite."

**Leon Standridge
MFI Management**