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Evergreen Investments℠

April 10, 2006

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9303

RE: Mutual Fund Redemptions Fees
File No. S7-06-06

Evergreen Investments appreciates the opportunity to provide comments to the proposed amendment[1] to Rule 22c-2 under the Investment Company Act of 1940.[2] While we are pleased that the Securities and Exchange Commission (the "SEC") responded to industry concerns regarding the Rule as initially adopted by issuing the Proposed Amendment, we had hoped the SEC would have offered more significant changes to the Rule. First and foremost, we strongly believe that the Rule's provisions requiring funds to enter into shareholder information agreements should be reconsidered. Developments in the mutual fund industry – including, among other things, more sophisticated methods for fair valuing securities and improved monitoring capabilities to enforce limits on frequent trading – have reduced the need for additional regulatory action focused on preventing abusive market timing. Moreover, it is not at all clear that the existence of a shareholder information agreement will enhance a fund's leverage to compel an intermediary to enforce a fund's frequent trading policies. Many funds already have the contractual authority to require that intermediaries do so. Certainly the uncertain benefits associated with these provisions of the Rule are insufficient to justify the extraordinary costs and resources that are being and will be expended in order to comply. Investors ultimately will bear these costs.

However, should the Proposed Amendment continue to contain provisions relating to shareholder information agreements with intermediaries we offer the following specific comments:

- Agreements with "First-Tier" Intermediaries. We agree that the fund, or its designee, should be required to enter into agreements only with "first tier"

[1] SEC Release No. IC-27255 (February 28, 2006) (the "Proposed Amendment").
[2] SEC Release No. IC-26782 (March 11, 2005) (the "Rule").

intermediaries, that is, those financial intermediaries that submit orders to purchase or redeem shares directly to the fund, its principal underwriter, transfer agent or registered clearing agency. We also agree that it should be the responsibility of the "first tier" intermediary to identify and put in place shareholder information agreements with indirect intermediaries.

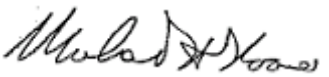
- Definition of "Financial Intermediary". We agree that the Rule should be revised to exclude from the definition of financial intermediary any intermediary that the fund treats as an individual investor for the purposes of the fund's policies intended to eliminate or reduce dilution of the value of fund shares.

- Treating an undisclosed intermediary as an individual investor. We believe that the fund ought to be allowed to treat any account as a retail holder, and therefore should not require a shareholder information agreement, until such time that the omnibus intermediary discloses itself as such, and signs the agreement. In this instance, we take a conservative approach since the account would likely trigger a violation of the fund's short term trading and redemption fee policies long before any of its underlying accounts would. This will encourage the undisclosed intermediary to enter into a shareholder information agreement.

- Result of failure of "first tier" intermediary to execute shareholder information agreement. We believe that the more appropriate action, where the fund lacks an agreement with a "first tier" intermediary, is to resort to blocking purchases based upon the fund's internal short term/frequent trading policy.

- Compliance Date. We ask that the date of compliance with the Rule be extended to the latter of six months out from October 16, 2006 or six months from the date that the Proposed Amendment is finalized in order to give fund complexes time to comply (i.e. to obtain executed shareholder information agreements with first tier intermediaries.)

We appreciate the opportunity to provide comments on the Proposed Amendment and the SEC's consideration of our comments. Should you have any questions, please contact the undersigned.



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