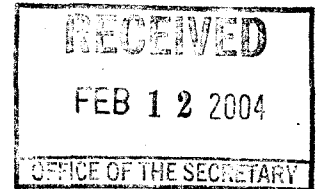


57-06-04

73

JONATHAN G. KATZ, SECRETARY
SECURITIES & EXCHANGE COMMISSION
450 FIFTH STREET N.W.
WASHINGTON DC 20549-0609



RE: NEW CONFIRMATION AND POINT
OF SALE DISCLOSURE REQUIREMENTS

DEAR SIR,

AS A SMALL INVESTOR I AM CONCERNED ABOUT THE RECENT SCANDALS IN THE MUTUAL FUND INDUSTRY, NAMELY BROKERS RECEIVING MONEY IN EXCHANGE FOR STEERING INVESTORS TO THE MUTUAL FUND COMPANY'S PRODUCTS AND BROKERAGE FIRMS ALLOWING ILLEGAL AFTER HOURS TRADING FOR SELECT CUSTOMERS.

AS SECRETARY, I HOPE YOU WILL SEE THAT NEW RULES ARE ENACTED TO ELIMINATE THESE AND OTHER PROBLEMS. I SUPPORT RULE CHANGES THAT WOULD:

1. REQUIRE INVESTMENT ADVISERS FOR MUTUAL FUNDS TO ADOPT CODES OF ETHICS THAT ADDRESS PERSONAL TRADING BY EMPLOYEES WHO HAVE ACCESS TO NONPUBLIC INFORMATION.
2. THE BOARD OF DIRECTORS FOR A MUTUAL FUND WOULD BE MADE UP OF SEVENTY FIVE PERCENT INDEPENDANT MEMBERS AND THE BOARD SHOULD BE LED BY AN INDEPENDANT CHAIRMAN.
3. PROFESSIONALS WHO SELL MUTUAL FUNDS WOULD BE REQUIRED TO REVEAL THE COST OF BUYING FUND

SHARES AND ANY POSSIBLE CONFLICTS OF INTEREST. IN ADDITION THE TRANSACTION COST MUST BE EXPRESSED IN DOLLARS AND AS A PERCENTAGE OF THE NET AMOUNT INVESTED. ALSO, ANY DEALER CONCESSION THAT THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER EARNS IN CONNECTION WITH A TRANSACTION MUST BE EXPRESSED IN DOLLARS AND AS A PERCENTAGE OF THE NET AMOUNT INVESTED.

4. CUSTOMERS WOULD RECEIVE COST AND CONFLICT OF INTEREST INFORMATION AT TWO KEY TIMES - FIRST AT THE POINT OF SALE AND SECOND AT THE COMPLETION OF SALE.

5. COMPANIES WOULD HAVE TO GIVE INVESTORS INFORMATION THAT WOULD HELP THEM SEE HOW THEIR PARTICULAR MUTUAL FUNDS COSTS AND OTHER PAYMENTS COMPARE WITH THOSE OF OTHER SIMILAR MUTUAL FUNDS.

SO PLEASE ENCOURAGE SEC CHAIRMAN WILLIAM H. DONALDSON TO STRENGTHEN THE RULES GOVERNING THE MUTUAL FUNDS TO PROTECT THE AVERAGE INVESTORS IN THE MUTUAL FUNDS INDUSTRY.

THANK YOU FOR YOUR TIME

SINCERELY

PAMELA BATEMAN
3610 BROOK STREET
LAFAYETTE, CALIFORNIA
94549