

## MEMORANDUM

**TO:** Public Comment File No. S7-11-04

**FROM:** Shaswat K. Das  
Office of Regulatory Policy  
Division of Investment Management

**DATE:** October 4, 2004

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On September 27, 2004, representatives of the Investment Company Institute, Capital Research, DST, Federated, Fidelity, Merrill Lynch, MFS, Oppenheimer Funds, T. Rowe Price, and Vanguard met with staff members of the U.S. Securities and Exchange Commission to discuss issues relating to the Commission's proposed rule concerning redemption fees in Investment Company Act Release No. 26375A (Mar. 5, 2004). The following Commission staff members from the Division of Investment Management attended the meeting: Paul Roye, Director, Jennifer McHugh, Senior Advisor, C. Hunter Jones, Assistant Director, and Shaswat Das, Senior Counsel.

The representatives generally discussed the issues raised in their comment letters on the proposed rule. Some supported an approach that would require an intermediary to implement redemption fee policies through regulation as a registered transfer agent. They expressed concern that the Commission would adopt a voluntary redemption fee rule. The representatives recommended that the Commission re-propose any rule that adopts a voluntary approach.