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May 5, 2005

Mr. Jonathan Katz, Secretary
Securities and Exchange Commission
450 Fifth Street NW
Washington, DC 20549-0609

Re: File No. S7-11-04 Redemption Fee Policy

Dear Sir:

Point #1- I think a redemption fee should be charged only when abuse can be demonstrated. If a mutual fund had a stated policy that allows, say, 8 exchanges in a calendar year, the shareholder should be allowed to take them during the calendar year whenever the shareholder and/or his advisor deems most timely.

Point #2- Also, I think that redemptions in shareholder accounts to pay third party advisors should not trigger a redemption penalty.

Point #3- It would be helpful if the funds allowed certain minimum redemptions to occur that would not trigger a redemption penalty. If this were a small percentage of the assets in the account, it would also take care of Point #2 I made in the previous paragraph.

Your favorable consideration of these requests would be appreciated.

Sincerely,

J. Paul Cunningham
President, Merit Advisors, Inc.
President, Merit High Yield Fund