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As one who invests almost entirely in mutual funds, I welcome the industry reforms that are currently underway. It is too bad though that it took a number of brazen breaches of trust by several major fund administrators to force these long overdue changes.

From a practical standpoint, it is next to impossible to predict with certainty how well the safeguards being proposed will work out once implemented. There are simply too many subjective variables that will come into play. However, in light of the unfortunate events of the last couple of years, I do believe that the proposals are reasonable and workable, and that they will go a long way toward protecting the interests of the investor. They appear to strike an equitable balance that will have an excellent chance of succeeding.

I realize that my comments lack the kind of technical analysis and supporting data that you find most useful. That's because I'm just one of millions of investors who is ill-equipped to contribute any real degree of expertise on the matter. On the other hand, what I am fully qualified to provide is a single investor's opinion that is perhaps representative of the opinions of untold numbers of other investors who have watched with sinking stomachs as the abuses of the last several years have surfaced. It is critical not only to the well being of the securities industry but, more importantly, to the overall economic welfare of our country that average investors retain confidence in the integrity of the investment firms in which they place their money and their trust. One more round of the kind of abuses that we have recently experienced might be all that it will take to destroy that confidence for many years to come. We cannot afford not to take the difficult but necessary steps to prevent that from happening.

Joseph E. May