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August 18, 2006

Nancy Morris
Secretary
US Securities and Exchange Commission
100 F Street NE
Washington DC 20549-9303

Re: Proposed Rules - File S7-03-04

Dear Ms. Morris,

Thank you for the opportunity to comment.

I believe board independence and the independence of the chair are important measures that battle potential conflicts of interest and provide valuable protections to funds and fund shareholders. In support of the proposed rules, I'd like to counter arguments outlined in other comment letters.

1. Governance of a mutual fund board will be strengthened, not weakened, by having an independent chair and independent board. The investment advisor (i.e. "the vendor") will still be required by the board to provide regular reporting and input. Governance will be strengthened, however, as "the vendor" will not control or oversee the board's agenda.
2. Independent members and chairs will not be difficult to find. There are many individuals with investment management and operations experience who would be willing to serve.
3. Boardroom culture will change for the better, not the worse. As duties and responsibilities are more clearly delineated and defined (by having an independent chair), we can expect a more enlivened and responsive board. The investment management business is a tough business and the board deserves to have an independent leader who can effectively provide board oversight without conflict of interest.

Many thanks again for the opportunity to comment. If you have any questions, please let me know.

With best regards,
Eleanor Bloxham
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