

February 11, 2008

RE: Comments on Proposed SEC Summary Prospectus (S7-28-07)

Background/Introduction: I represent the Elite Group of Funds; a small no-load fund located in Seattle, Washington.

In hearing and reading about the Summary Prospectus, I was initially encouraged and enthused by the recognition that the current Prospectus is too large, intimidating, and primarily written by attorneys for attorneys. Since it looks and reads like a legal document, it is unfortunately largely ignored by investors.

My enthusiasm for the Summary Prospectus quickly diminished when I realized that the Summary Prospectus would not replace anything but only add an additional layer on top of the burdensome labyrinth of filings that are intended to disclose, inform and educate investors.

To the large fund complexes, this type of filing is only incremental. To smaller fund organizations, this is another burdensome and costly filing that will add to the expense ratio.

Solution: I fully embrace the concept of a Summary Prospectus with some modifications (which will be addressed later.) I believe this gives us an opportunity to review other regulatory filings in an attempt to consolidate, reduce redundancy and cost, and reduce administrative burdens on both the SEC and fund organizations. Most importantly however, this can bring greater clarification to the investing public.

Our proposal is to eliminate N-SAR, N-Q and the Semi-Annual report. Consolidate the Prospectus and SAI into one filing, keep the Audit as is, and update the Summary Prospectus quarterly. When we suggest eliminating a filing, what we would anticipate is a review of the filing requirements. Select those inquiries that are still important, relevant, and not redundant; and then move that information perhaps to the Prospectus.

N-SAR is a filing that has not been changed in decades. We must ask ourselves if many of these questions are important or relevant. If the questions are that important, then perhaps they should be included in the Prospectus. There is also a significant amount of redundancy in questions about investment objectives, fees and financial statements. Let's not keep a filing around because there might be a few important bits of information. Eliminate N-SAR and move important data to other filings.

N-Q was created to give the investor insight into how the fund was invested. It appears to us that the same thing will be accomplished in the Summary Prospectus. (Perhaps not in the same detail, but to an extent that would be useful for the investor.)

Semi-Annual could also be eliminated. Much of this data would already be consolidated into the Summary Prospectus. Fees, performance, and security holdings are what

investors care about. By eliminating the Semi Annual, we would have a significant savings. I often wonder if we were to charge the investors directly for the cost of the Semi Annual or the Annual Report, how many of them would be willing to pay for it. I suspect not many.

Annual Report would be kept basically as is. Perhaps there would be a few additional disclosures/footnotes with information consolidated from other filings.

The Prospectus and SAI should be consolidated. If you were to create the Summary Prospectus without consolidating the SAI and Prospectus, we would have three layers of information. In twenty years of managing our Funds, we have never had a request for an SAI. Additionally, three layers of Prospectus type information only serves to confuse the investor. Re-name the Summary Prospectus to "Prospectus" and then consolidate SAI and Prospectus to "API" (Additional Prospectus Information.) This consolidated SAI and Prospectus would also be a good depository for important information from the eliminated N-SAR.

The proposed Summary Prospectus could be enhanced by expanding the top ten holdings to fifteen, listing what percentage the fifteen holdings represent and what percentage other holdings represent. This abbreviated balance sheet should also list cash and net receivable percentages and give some indication of income or yield. For bond funds; average maturity, duration and quality should be disclosed.

Summary: The proposed Summary Prospectus is an opportunity to create a win-win situation. We can streamline the prospectus, reduce redundancy, lower administrative costs and reduce SEC oversight of marginal filings. We are looking forward to your response.

Regards,

Richard McCormick