

Via E-mail



Date: October 16, 2006

Office of the Secretary  
United States Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Re: Admin. Proc. File No. 3-11393

To whom it may concern:

We believe that the Distribution Plan ("Plan") for distribution of the Fair Fund established In the Matter of: Massachusetts Financial Services Company, John W. Ballen and Kevin R. Parke recognizes the significant efforts required by financial intermediaries that maintain Network Level Accounts and Omnibus Accounts (as such terms are defined in the Plan) (hereinafter collectively referred to as "Account Carrying Firms") in order to comply with and facilitate the Plan. We further believe that there are several key aspects of this Plan that demonstrate a thoughtful and thorough approach to this distribution, including: flexibility regarding the methods for distributions to Beneficial Shareholders; flexibility regarding timeframes for responses by Account Carrying Firms; recognition of the capacity of Account Carrying Firms to credit distributions to Beneficial Shareholders' accounts, rather than mail checks; and the recognition of the diminishing value of distributions below a de minimis amount when compared against the cost of making such distributions. Certain capitalized terms used but not defined herein have the meanings ascribed to them in the Plan.

Distribution of Fair Fund:

The Plan recognizes that Account Carrying Firms may be subject to certain logistical or technical challenges that would preclude them from implementing a "one size fits all" approach with respect to the methods and procedures for effecting distributions to Beneficial Shareholders. Accordingly, the three Options afforded to Account Carrying Firms under paragraph 17 of the Plan allow for the efficient administration of the Fair Fund by enabling such firms to choose the level of involvement in the calculation of losses to Beneficial Shareholders, as well as providing flexibility in client servicing processes and distribution of the allocable portion of the Fair Fund. Moreover, in the event an Account Carrying Firm is unable to meet the prescribed deadlines or utilize one of the Options provided for under the Plan, the Plan takes a reasonable approach of allowing the IDC to provide an extension of any time frame specified in the Plan and further allows the IDC to consider the adoption of an alternative methodology for distribution of the allocable portion of the Fair Fund to impacted Beneficial Shareholders.

By providing these Options the Plan provides Account Carrying Firms with the opportunity to select a solution that will be expeditious and will best service their clients.

Client impact / cost reduction:

Clients of Account Carrying Firms are accustomed to having cash proceeds credited to their accounts rather than receiving such cash proceeds by check. The Plan's recognition of the

account credit process will allow Account Carrying Firms to continue to service their clients' accounts in a manner consistent with a process familiar to such clients and provides the added benefits of allowing clients the ability to view these distributions on a consolidated account statement and facilitating clients' access to these distributions. In addition to these client benefits, crediting distributions to client accounts should reduce out-of-pocket costs associated with the printing, postage, handling and processing of checks.

The Plan sets a de minimis threshold for the crediting distributions to Beneficial Shareholders. Accordingly, distribution amounts below the de minimis threshold will be returned to the applicable fund. In addition, the Plan provides for all distributions to be returned to the applicable fund if such distribution amounts have been unallocated after 180 days. We believe each of these provisions reduces costs of administering the Fair Fund and appropriately protects long term shareholders of the impacted funds.

Acquiring Client Data:

The data requested by MFS encompasses multiple funds and covers periods from July 1, 1999 through October 31, 2003. Accordingly, certain data may not be available if it exceeds record retention requirements. As such, we believe that the Plan should acknowledge that Account Carrying Firms are only expected to make commercially reasonable efforts to acquire data that exceeds applicable record retention requirements.

Limitation of Liability:

The Plan fails to provide for a limitation on liability for any activities of any Account Carrying Firm. We believe that with respect to certain activities of Account Carrying Firms in facilitating the distributions in accordance with Plan a limitation of liability would be appropriate.

Data Privacy:

The Plan may require Merrill Lynch and other Account Carrying Firms to transmit a substantial amount of client sensitive information, including names, addresses and social security numbers, to non-affiliated entities whose data control procedures may be inadequate. The safeguarding of client data is mandated by Federal law and regulation, and many state laws also govern financial institutions' handling of client data. The transmission of client data exposes Merrill Lynch to significant regulatory and reputational risk if such data is disclosed in an unauthorized manner or otherwise mishandled. We respectfully request that the Plan be revised to provide for security and confidentiality obligations and indemnification of all Account Carrying Firms for any misuse or loss of client data which may occur as a result of the delivery of this data.

Very truly yours,

William Bridy  
Managing Director  
Merrill Lynch & Co., Inc.