

I would like to offer additional thoughts on Proposal B; more specifically, the exemptions for pooled trust funds.

Consider the following actual example: A national financial company that offers similar versions of a pooled trust fund in multiple states. The fund is marketed through organizations that support public entities, and are then in turn compensated from fees taken from the fund. Many of these pooled trust funds have at least two levels of fees, including marketing fees higher than those proposed by Regulation B.

The concern, beyond the high fees, is that the only investment this pooled trust fund holds is shares of a money market mutual fund also managed by this company. If pooled funds are exempt or grandfathered, then this financial company is given a 'free ride' to ignore Regulation B, simply by wrapping a mutual fund with a pooled trust wrapper.

Please consider this scenario, taken from today's marketplace, when finalizing the regulations.

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P.S. – If you desire additional information about the fund cited above, please contact me directly.