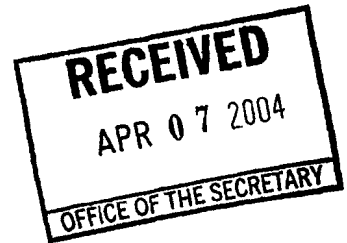


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Attn: Jonathan Katz
Securities and Exchange Commission
450 Fifth St. NW
Washington, D.C., 20549-0609

Reference File number S7-11-04

Re: Proposed Mandatory 2% Redemption Fee on Mutuals, Rule 22c-2

Dear Panel Members,

We find the proposed Rule # S7-11-04 quite excessive. In the first seven months of the proposed rule we will need to borrow \$188,000 for us to begin obeyance with the rule in regards to transactional data. Periodic data if weekly will cost another \$175,000 in the first seven months. Our pension organizing business is just starting to profit in the black. There are reasonable alternatives to unfair legislation.

Funds should have to designate a compliance officer accountable only to the board of directors and not to the fund company according to "Kiplingers Mutual Funds" latest edition. The compliance officer would make certain that the fund made true value prices correctly. This solution takes the onus off small businesses where it does not belong.

Sincerely,

Donald Stovall, PIC
4261 No. D Street
Bakersfield, Calif