

LETTERS TO THE EDITOR & RESPONSES

April 14, 2004

Letter to The American Banker Notes ICI's Record of Supporting Pro-Investor Reforms

American Banker
Editorial Department
One State Street Plaza
26th Floor
New York, NY 10004

To the Editor:

Matt Ackerman's April 13th story "ICI, Others Criticized Over Response to Scandals" includes comments suggesting that the Investment Company Institute has "opposed every pro-investor reform initiative.". While Mr. Ackerman fairly presented our strong disagreement with these comments, we feel it important to reinforce the historical perspective with the facts.

The Institute's record of supporting rather than opposing pro-investor regulatory initiatives is quite clear. For over ten years, the ICI has consistently advocated increased investor protection and ample funding for the Securities and Exchange Commission. Prior to the scandals revealed last September, the ICI had, for years, supported increased tools to combat market timing, mandatory compliance systems and point of sale disclosure of revenue sharing arrangements, to name a few. In response to the scandals, the ICI called for a firm 4:00 p.m. reporting requirement to address illicit late trading, a mandatory 2% redemption fee to combat market timing, as well as prohibiting directed brokerage and greatly limiting the use of soft dollars.

The Institute does not claim to be perfect, but our efforts have always been based on our best judgment about serving the long-term interests of individual investors. As former SEC Chairman Levitt observed in 2000, "[t]ime and again, the ICI has supported laws and regulations designed to protect fund investors." The ICI pledges to continue the hard work of supporting meaningful and enduring policy changes to ensure continued confidence in mutual funds.

Sincerely,

Matthew P. Fink
President

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