

## COMMENT LETTER

February 9, 2007

# ICI Encourages Other Associations to Alert Their Members to the April 16th Compliance Date for the Redemption Fee Rule (pdf)

February 9, 2007 Mr. Larry H. Goldbrum General Counsel The SPARK Institute, Inc. 714 Hopmeadow Street Suite 3 Simsbury, CT 06070 Re: New SEC Regulatory Requirements Impacting Your Members Dear Larry: The Investment Company Institute is writing to solicit your assistance in informing your members of a new regulatory requirement of the U.S. Securities and Exchange Commission that will impact the continued ability of your members to effect mutual fund transactions through nominee accounts. In particular, in April 2006, the SEC adopted Rule 22c-2, the "redemption fee rule," under the Investment Company Act of 1940. Importantly for your members, this rule, in part, requires every person or institution holding an account in nominee name with a mutual fund company to execute a "shareholder information agreement" with such company no later than April 16, 2007. Failure to execute such agreement by April 16th will result in fund companies being required, by federal law, to prohibit such person or institution from purchasing mutual funds. Because your members likely hold nominee accounts with mutual funds, they will most definitely be impacted by this new rule. Since the rule's adoption last April, mutual fund companies have been attempting to get their nominee account holders to execute the required agreements. These companies have reported to us that various financial intermediaries - including, among others, banking institutions, pension plan administrators, insurance companies, and broker-dealers - seem to be largely unaware of these new requirements. Consequently, these financial intermediaries are not responding to the funds' requests for them to sign shareholder information agreements. To ensure that your members will be able to continue to place mutual fund trades through nominee accounts after April 16, 2007, the Institute is writing to solicit your assistance in informing your members of these new requirements. To assist you in informing your members of the new SEC requirements, detailed information regarding Rule 22c-2, including model contractual language, is available on the Institute's public website: [http://www.ici.org/07\\_redemption\\_fee\\_rule.html](http://www.ici.org/07_redemption_fee_rule.html). This information was developed by the Institute for our members to use in informing financial intermediaries of the requirements of the new rule. If you or your members have any questions about this information, or if we can be of any assistance to you or your members in implementing Rule 22c-2, please do not hesitate to contact either Tami Salmon at 202-326-5825 (email: [tamara@ici.org](mailto:tamara@ici.org)), or Kathy Joaquin at 202-326-5930 (email: [kjoaquin@ici.org](mailto:kjoaquin@ici.org)). We very much appreciate your getting the word out to your members about this new rule to avoid any disruption in their

ability to effect mutual fund transactions after April 16, 2007. Sincerely, /s/ Donald J. Boteler  
Donald J. Boteler Vice President - Operations

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