



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
INVESTMENT MANAGEMENT

August 20, 2007

Neils Holch
Executive Director
Coalition of Mutual Fund Investors
400 North Capitol Street NW, Suite 585
Washington DC 20001

Dear Mr. Holch:

Thank you for your June 26, 2007 letter to Chairman Cox submitting an updated study examining the enforcement of mutual fund market timing policies within shareholder accounts held by third-party financial intermediaries, and urging the Commission to reconsider the "upon request" standard of information sharing under rule 22c-2. The Chairman referred your letter to the Division of Investment Management and asked that we respond. The Division, as you know, is principally responsible for the administration of the Investment Company Act of 1940 and its rules.

We appreciate the significant time and resources that you and the Coalition of Mutual Fund Investors have devoted to conducting and updating this study. Your work in this area, as well as your previous comment letters and studies on the issue, have contributed greatly to our understanding of the impact of market timing on mutual fund investors and our development of rule 22c-2.

As you noted in your letter, the Commission has moved to address the problem of market timing in omnibus accounts in part through the adoption and recent amendment of rule 22c-2. The Commission and the staff are monitoring the implementation of the rule, with a particular interest in its effect on curbing inappropriate trading through omnibus accounts. If the Commission determines that further action is required, the issues raised in your letter and attached study will be taken under careful consideration before any changes to the rule are made.

We are always interested in studies regarding the impact of the Commission's rules on investors and thank you again for taking the time to write.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Plaze", with a long horizontal flourish extending to the right.

Robert E. Plaze
Associate Director