



DIVISION OF  
INVESTMENT MANAGEMENT

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

December 22, 2003

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

Re: Omnibus Accounts and the Need for Uniform Treatment of Mutual Fund Shareholders

Dear Mr. Holch:

Thank you for the December 12 letter you sent Chairman Donaldson regarding your views on the role omnibus accounts play in many of the current scandals affecting the fund industry. The Chairman has referred your letter to the Division of Investment Management for response. The Division is primarily responsible for the administration of the Investment Company Act of 1940 and its rules.

As you may know, in November Chairman Donaldson asked the NASD to lead an Omnibus Account Task Force to study the relationship between omnibus accounts and abusive market timing activities. The Chairman stated earlier this month that the Commission would weigh the Task Force's findings as it contemplates additional proposals to halt timing abuses. Because the Task Force has not yet released its final report, we recommend that you direct your analysis on omnibus accounts to Angela M. Goelzer at the NASD.

Thank you again for your thoughtful observations.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Plaze".

Robert E. Plaze  
Associate Director