



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

DIVISION OF
INVESTMENT MANAGEMENT

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

Re: CMFI White Paper on Mutual Fund Account Fees

Dear Mr. Holch:

Thank you for your August 18, 2010 letter and attached white paper on mutual fund account fees, which you sent to Chairman Schapiro and copied to various SEC staff. Chairman Schapiro referred your letter to the Division of Investment Management for response. As you know, the Division is principally responsible for the administration of the Investment Company Act of 1940 and rules thereunder.

Several of the issues raised in your white paper relate to the Commission's recent rule proposal regarding mutual fund distribution fees. The Commission's proposal would allow funds to continue to bear distribution-related costs within certain limits, and would preserve the ability of funds to provide investors with alternatives for paying sales charges (e.g., at the time of purchase, at the time of redemption, or through a continuing charge to fund assets).

Because your white paper touches on these issues, we are adding it to the public comment file for the proposed rule amendments, and the staff will consider the paper as it prepares recommendations for subsequent action by the Commission. Because your letter also raises issues related to fees charged by broker-dealers, I am also forwarding it to the SEC Division of Trading and Markets and the Office of Compliance Inspections and Examinations.

Thank you again for your interest in this matter.

Sincerely,

A handwritten signature in black ink that reads "Robert E. Plaze".

Robert E. Plaze
Associate Director

cc: Robert W. Cook, Director, Division of Trading and Markets
Carlo V. diFlorio, Director, Office of Compliance Inspections and Examinations