



April 12, 2004

Mr. Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, NW
Washington, D.C. 20549

VIA ELECTRONIC MAIL

Subject: Confirmation Requirements and Point of Sale Disclosure Requirements
for Transactions in Certain Mutual Funds and Other Securities/File No. S7-06-04

Dear Mr. Katz:

The Coalition of Mutual Fund Investors ("CMFI" or "Coalition") is pleased to submit the following comments regarding regulatory proposals issued by the Securities and Exchange Commission ("SEC" or "Commission") on January 29, 2004, requiring point of sale and confirmation disclosures to customers about both investment costs and conflicts of interest.

CMFI is an Internet-based shareholder advocacy organization representing the interests of individual mutual fund investors. The Coalition is based in Washington, D.C., with a Web site that can be accessed at www.investorscoalition.com.

CMFI strongly supports the Commission's initiative to provide more disclosure of broker-dealer costs and conflicts to customers *prior* to a mutual fund transaction and also in a confirmation statement issued *after* a transaction is completed. The requirements outlined in this rulemaking are a giant step forward for investors in this area.

The Commission staff has done an excellent job of addressing all of the known cost and conflict topics which should be disclosed and evaluated by individual investors. However, CMFI would like to offer several suggestions regarding the manner and format of such disclosures.

A. The Commission Should Require That Point-of-Sale Disclosures Be In Writing or Via Electronic Mail.

Under the Commission's proposed rule, point-of-sale disclosures for transactions which do not involve an in-person meeting with a broker-dealer would be permitted to be made orally. Presumably, the broker-dealer would read aloud over the telephone the