

Please continue your good work and see that the laws are tightened up on the entire securities industry.
Sincerely,

IRVING LEIBOWITZ.

DOVER, DEL., October 21, 1967.

Hon. JOHN E. MOSS,
House of Representatives,
Washington, D.C.

SIR: My husband and I have followed with great interest the SEC recommendations on mutual funds and more recently, the House Commerce subcommittee investigation.

A recent New York Times report (10/14/67) dealt primarily with the sales commission charged by the majority of funds. The NASD and the mutual funds argue a reduction to 5% would seriously reduce their sales force and stress the services rendered by the salesman.

The average investor has no lobby to speak for him and to protect his interests. We feel compelled to write of our experience, which is undoubtedly a common one in hopes that it will give you the "other side of the picture"—the investors'.

In June of 1960, we heard of a reputable mutual fund salesman through my husband's co-workers. We asked the gentleman to contact us, and he did. On an appointed evening, he came to our home and gave us an excellent indoctrination into mutual funds, their differences, and past performances. (This last was a large reference volume with all available funds included.) He left us with the prospectus for three funds, and appropriate application blanks. We chose to begin investing in Massachusetts Investors Growth Fund and have continued regular periodic investments (completely voluntary) ever since. We also receive all dividends and capital gains. Over the 7-year period we have been satisfied with the growth of our investment and the management of the advisory board.

Our one dissatisfaction is with the sales charge. We never saw our salesman again after the first evening—there was no need as the investments are made by mail. He has never rendered any services of any kind. Our only contact is a Christmas card from him once a year. Our cash investments have totaled \$6,700 and our dividends \$463+. At the present 8½% sales charge, we have paid \$608+ for one evening's counseling—and shall continue to pay with all subsequent investments. This is an absurdity and all out of proportion.

We suggest that the mutual funds, if they are good enough, do not need to continue to "sell" the regular investor. Let them pay their salesmen a regular salary, or a commission on new investors, but after a period of two years or so, the long-time investor should not be penalized with the exorbitant sales charge for no sales services rendered. No one sells us; we sell ourselves.

With hopes for an equitable solution to these problems, I remain.

Yours truly,

CHARLENE S. TROCHTA.
Mrs. Joseph F. Trochta.

ARLINGTON, VA., October 26, 1967.

DEAR MR. CHAIRMAN: I strongly support your bill to abolish front load mutual funds and reduce the cost of mutual funds from nine to five percent. Small time investors should be encouraged to invest in the securities market and a cost reduction is one way to attract such people and at the same time add vitality and strength to the securities market.

Presently I have two separate plans for the fractional purchase of shares with the Quinby Company of Rochester, New York. The Company's Quinby plan is both a front load plan and its cost is about nine percent. Please advise me whether the Quinby Plan offered by the Quinby & Co. Inc. of Rochester, New York will fall under the jurisdiction of your bill as the company is set up for the fractional purchase of shares and not a mutual fund.

The attention of your subcommittee or the Securities Exchange Commission to this matter will be appreciated.

Sincerely,

BOHDAN WENGLOWSKYJ.