

purchase and on the sale of a security. Mutual funds have varying percentages for sales charges, normally $8\frac{1}{2}\%$ only on the purchase. There is normally no charge for redemption.

3. *Restriction of management fees to a level called "Reasonable."*—The Bill proposes to restrict management fees to a reasonable amount. Therefore, current fees must be unreasonable. Yet, no definition of "reasonable" is given nor is any criteria given to determine what is and what is not reasonable. To determine a reasonable management fee would require a constant review of individual situations and I doubt whether such a system of review is possible. If constant review is not made, then a new standard or the current standard will become generally acceptable to the SEC and reasonable. The sole authority to determine what is reasonable to an individual manager or an industry will rest with the SEC. No avenue of joint agreement is available.

4. *"Change" is a big word.*—Change does not consist of just the present but also includes the past, and the future. It must also include the why, when, where and how of the change. To date the Mutual Fund Bill includes the past and the present of the mutual fund industry. The future is unknown. It also includes the SEC's why, the SEC's when, the SEC's where and the SEC's how. The Bill's presentation does not include the investors, the general public or the mutual fund industries viewpoints or feelings. The Bill does indicate the SEC's viewpoints, feelings and recommendations.

The above are some of my reasons for opposing this Bill, and I would appreciate you conveying my thoughts to the appropriate Committee.

A reply at your earliest convenience certainly would be appreciated.

Sincerely,

ROBERT L. COX.

LONG BEACH, CALIF., July 17, 1967.

Subject: H.R. 9510 (Investment Company Amendments Act of 1967).

Congressman HARLEY O. STAGGERS,
Chairman, House Interstate and Foreign Commerce Committee,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN STAGGERS: Having read and evaluated the SEC's legislative proposal to regulate the Mutual Funds' sales charges and management fees, I am prompted to emphatically oppose this legislation.

The SEC's proposal to impose rate regulation by litigation or threat is unsound. To place effective power to set sales charges and management rates solely in the hands of the SEC, Investors and Federal District Courts, would bring about chaotic business conditions in the Mutual Fund business.

In my opinion, Congress should not entertain any proposal which would have such a devastating effect on the incentives of those who are already in the business or who might want to enter it.

I urge that you legislate against this bill.

Respectfully yours,

KENNETH H. HOLDEN, *Mutual Fund Sales Representative.*

SAN JOSE, CALIF., July 17, 1967.

Subject: H.R. 9510 (Investment Company Amendments Act of 1967).

Congressman HARLEY O. STAGGERS,
Chairman, House Interstate and Foreign Commerce, Committee, House Office
Building, Washington, D.C.

DEAR CONGRESSMAN STAGGERS: As a sales representative of many years and presently an employee of a large mutual fund, I am writing to express my concern over the proposals being made by the Securities and Exchange Commission. Their proposed control and or regulations for maximum sales loads and management fees are particularly perplexing.

First, I wonder why mutual fund sales charges should be subject to Government control. These charges are disclosed to the public, and competition being an important part of successful selling dictates to a great extent whether or not a customer chooses to buy. Funds do not represent the exclusive way of invest-