THE
SPARK
Institute, Inc.

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THE SPARK INSTITUTE SAYS NEW 12b-1 FEE RULE WOULD IMPOSE BURDENS AND COSTS ON RETIREMENT PLAN INTERMEDIARIES

SIMSBURY, CT, November 2 -- The SPARK Institute has submitted a letter to the U.S. Securities and Exchange Commission ("SEC") commenting on the potential impact on retirement plan intermediaries of the proposed new rule regarding mutual fund distribution fees and confirmations, it was announced today by Larry H. Goldbrum, General Counsel.

"We support the SEC's objectives of increasing transparency of mutual fund sales charges, helping investors avoid paying disproportionate sales charges in certain share classes, and helping investors make more informed choices when selecting funds that impose sales charges," said Goldbrum. "However, we are concerned that the approach taken in the Proposed Rule will impose significant burdens and costs on retirement plan intermediaries who provide important services; will adversely impact plan sponsors and participants; and will have unintended consequences that run counter to the SEC's objectives," he added. The comment letter is posted on The SPARK Institute website at http://www.sparkinstitute.org/comments-and-materials.php.

Goldbrum said The SPARK Institute letter addressed four major issues and concerns and offered alternative approaches to address them. The issues were:

Fee Limitations Under Rules 12b-2 and 6c-10 - The SPARK Institute urged the SEC to modify the Proposed Rule to specifically allow mutual funds to charge up to 75 basis points under Rule 12b-2 on classes of shares that are restricted to investment by retirement plans only, provided that the amount charged under the share class or paid to a service provider under 12b-2 for sales and distribution services does not exceed 25 basis points, and provided further that if the share class charges more than 25 basis points under 12b-2, the fund either (1) discloses that the sales and distribution services portion of the 12b-2 fee does not exceed 25 basis points or (2) provides a specific breakdown between the sales and non-sales portions of the 12b-2 fee.

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Statements and Purchase Confirmations - The Institute urge the SEC to allow the Department of Labor ("DOL") fee disclosure rules to take precedent over the proposed statements and purchase confirmation provisions as they might otherwise apply to retirement plan investments in mutual funds. "We requested that the SEC include a comprehensive exemption to the statement and confirmation provisions in the Proposed Rule with respect to retirement plan investments," Goldbrum said.

Compliance Period - "In order to provide adequate time for the affected mutual funds and retirement plan intermediaries to comply with the Proposed Rule if it is finalized in its current form, we asked the SEC to consider a compliance date of 30 months after the effective date," Goldbrum said.

Additional Rule Changes Regarding Revenue Sharing - The SPARK Institute letter urged the SEC to postpone the effective date of the Proposed Rule until such time that it either determines that it does not anticipate proposing other rules that may impact revenue sharing payments made by fund advisers or until it is in a position to propose any of such rules together with the proposed 12b-1 rule changes.

The SPARK Institute represents the interests of a broad based cross section of retirement plan service providers and investment managers, including banks, mutual fund companies, insurance companies, third party administrators, trade clearing firms and benefits consultants. Through the combined expertise of its member companies, the Institute provides research, education, testimony and comments on pending legislative and regulatory issues to members of Congress and relevant government agency officials. Collectively, its members serve over 62 million participants in 401(k) and other defined contribution plans.

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