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February 9, 2009

The Honorable Mary L. Schapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-0609

Dear Chairman Schapiro:

On behalf of the Independent Directors Council, I would like to congratulate you on becoming the 29th Chairman of the Securities and Exchange Commission. The IDC, which is part of the Investment Company Institute, serves the fund independent director community by advancing the education, interaction and policy positions of independent directors. Its activities are led by a Governing Council of independent directors.

We are heartened to have someone of your caliber and experience to lead the SEC at this critical juncture. At FINRA, you oversaw the merger of the regulatory units of the New York Stock Exchange and the National Association of Securities Dealers; an experience that will be invaluable as you participate in efforts to reform our nation's financial services regulatory framework. Your longstanding commitment to investor protection unquestionably will serve the public well as you and other regulators work with Congress and the Administration to explore potential reforms. We believe that investor protection must remain a cornerstone of capital markets regulation, along with efficiency, competition, and capital formation.

Mutual funds are an important component of the financial services industry, and independent directors play a significant role in overseeing funds on behalf of their shareholders. The responsibilities of fund directors have increased substantially over time as the industry has grown and evolved. These increasing responsibilities, however, have not, until now, been subject to a top-to-bottom evaluation to determine their continued relevance and effectiveness. As you may be aware, the staff of the Division of Investment Management is currently evaluating the full range of director responsibilities with the intent of putting together recommendations for the Commission, which may include a formal

recognition of situations in which independent directors may delegate certain responsibilities consistent with the valid exercise of their business judgment. We strongly encourage the Commission to be supportive of and move forward with this Director Outreach Initiative.

In addition to the Director Outreach Initiative, there are other matters likely to come before the Commission in the near future that undoubtedly will impact the role of fund boards, such as rule 12b-1 reform and amendments to the money market rule (rule 2a-7 under the Investment Company Act). IDC believes that both rules 12b-1 and 2a-7 should be updated to reflect the appropriate role of boards. As these and other initiatives come before the Commission, IDC offers its assistance to you and your colleagues to ensure that fund directors' perspectives are taken into account and that the oversight role of a fund board is appropriately defined.

After you get settled in your new position, I would like very much to bring several members of the IDC Governing Council in to meet with you. I will call your office to schedule a meeting. In the meantime, if you have any questions about our organization, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Amy B.R. Lancellotta". The signature is written in a cursive, flowing style.

Amy B.R. Lancellotta
Managing Director

cc: Andrew J. Donohue, Director
Division of Investment Management