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**secretary**

**From:** Peter G. Crane [pete@cranedata.us]  
**Sent:** Tuesday, June 02, 2009 9:46 AM  
**To:** secretary  
**Subject:** Comment on "Advance Notice of Proposed Rulemaking for Regulations 1.25 and 30.7"

Dear Sir/Madam:

The letter is in regards to the CFTC's recent proposal to remove money market mutual funds from its list of permitted investments for customer funds. I believe the record shows that money market mutual funds continue to be an investment "consistent with the objectives of preserving principal and maintaining liquidity" and that they should remain allowable investments.

The events of the past two years have been unprecedented, and I think should be considered akin to a "1,000 year flood." Every single heretofore conservative investment class, with the possible exception of Treasury securities, experienced cases of losses and illiquidity at one point or another during the "Great Subprime Liquidity Crisis". But money market mutual funds, which represent a much larger market, and target, than any other eligible investment category at \$3.8 trillion, experienced just a single case of loss (Reserve Primary Fund) and just a handful of temporary liquidity issues. (I expect Reserve to be resolved with a loss to shareholders of less than 2 cents on the dollar, less than the interest income earned by these investors in the 8 1/2 months prior to the fund "breaking the buck".)

While Treasury securities provided safety, investors experienced substantial losses of interest income. The extremely high cost of this absolute safety has yet to be measured, but I believe that far more money was "lost" by investors (in interest) than will be lost due to Reserve Primary, or even to SIVs, for that matter. The limited size of the Treasury bill market should also give the CFTC pause in concentrating its client funds to such a small and volatile sector of the marketplace.

The Investment Company Institute and a number of others (including my website, <http://www.cranedata.com>, and my newsletter, Money Fund Intelligence) have chronicled the history and record of money market funds, which have served tens of millions of investors well for decades. Crane Data estimates that money funds have paid investors over \$1 trillion in interest income since their creation almost 40 year ago. Money funds remain the most transparent, liquid, and safest available investment option for both large and small investors' "cash" balances. I say to the CFTC, "Don't throw out this baby with the bathwater."

I would be happy to discuss in more detail and to provide supporting statistics, publications and other contacts who would be happy to discuss any money fund-related issues.

Sincerely,  
Peter G. Crane  
President & Publisher  
**Crane Data LLC**

**Received CFTC  
Records Section  
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**COMMENT**

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*Money Fund Intelligence*  
<http://www.cranedata.com>  
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P.S. Note that I've featured the CFTC's proposal in today's  
News on Crane Data's website at: <http://www.cranedata.com>.