

Fund Democracy

December 14, 2007

BY EMAIL ONLY

Nancy M. Morris  
Secretary  
Securities and Exchange Commission  
100 F Street, N. E.  
Washington, D.C. 20549-1090

RE: S7-25-07

Dear Secretary Morris:

I am writing on behalf of Fund Democracy in support of the Commission's proposal to require electronic filing of exemptive applications. I also support the Commission's proposed revisions to Rule 0-2.

Under the current system, it is difficult for the public to comment on exemptive applications because the one-month window between the issuance of the notice and order is too short to afford adequate time for review. Although paper copies of exemptive applications are currently available at the Commission's home office, this form of access does not provide a meaningful opportunity to review exemptive requests prior to the issuance of the notice.

I am concerned, however, that the new filing requirement will increase the use of draft applications as a means of avoiding public disclosure. Permitting applicants to file draft applications is contrary to fundamental principles of administrative law and the public interest. It also is unfair to other applicants for Commission staff to spend time on draft applications while applications that have been properly filed are left on hold. In its adopting release, the Commission should clarify that the staff will not accept or review draft applications, and that concerns regarding the confidentiality of proprietary information should be addressed by appropriate redactions in a filed request.

Thank you for your consideration of my comments.

Respectfully submitted,

Mercer Bullard  
Founder and President  
Fund Democracy