



American Funds Distributors, Inc.
333 South Hope Street
Los Angeles, California 90071-1406

VIA ELECTRONIC DELIVERY

November 20, 2009

Marcia E. Asquith
Senior Vice President and Corporate Secretary
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, D.C. 20006-1500

Re: FINRA Regulatory Notice No. 09-55

Dear Ms. Asquith:

American Funds Distributors serves as principal underwriter to the American Funds, one of the oldest and largest mutual fund families in the nation. We appreciate the opportunity to comment on the proposed FINRA rules governing communications with the public.

As principal underwriter to the American Funds we produce various marketing materials for use by financial advisers and their clients. In producing these materials it is our goal to provide information that is most helpful to investors. We believe the proposal provides an excellent opportunity to modernize the rules regarding communications with the public. In general, we concur with the comments submitted by the Investment Company Institute. However, in the area of disclosure of mutual fund expenses we suggest a different approach in order to provide investors with current, and therefore more meaningful, information on the costs of their investment.

Under NASD Rule 2210(d)(3) certain communications with the public that include mutual fund investment results must disclose the fund's maximum sales charge and the total expense ratio contained in the fund's current prospectus. Proposed FINRA Rule 2210(d)(5) would require funds to

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disclose the maximum sales charge and expense ratio presented in the fund's prospectus or annual report, whichever is more current.

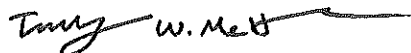
We believe that a mutual fund should have the flexibility to present expense information that is at least as current as that which appears in the fund's prospectus, provided the presentation is not misleading. Fund expenses can change after the fund's prospectus or annual report is updated. For instance, a decline in fund assets due to market movements may cause expenses to increase significantly. In these circumstances investors would be better served by receiving information that reflects a more current calculation of the expense ratio rather than the ratio in the prospectus or annual report. However, funds should not be permitted to include updated expenses if the presentation would be misleading. Neither the current nor the proposed rule would permit disclosure of only a current expense ratio.

FINRA recently allowed the American Funds to include current monthly expenses in marketing material so long as the expenses disclosed in the prospectus are also included. We do not believe this is an effective solution because providing two expense ratios may confuse and overwhelm investors.

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Thank you for considering these comments. We believe allowing funds to present current expenses in communications with public will provide investors more relevant information that will allow them to make a more informed investment decision. Please feel free to contact me should you have any questions or wish to discuss our thoughts on the current proposal.

Sincerely,



Timothy W. McHale
Counsel
(213) 615-0404

cc: Thomas A. Pappas, Vice President and Director, Advertising Regulation
Joseph P. Savage, Vice President and Counsel, Investment Companies Regulation
FINRA