



MUTUAL FUND DIRECTORS FORUM

"THE INDEPENDENT FORUM FOR FUND INDEPENDENT DIRECTORS"

May 6, 2004

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The Honorable Eliot Spitzer
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Dear Mr. Spitzer:

Enclosed is a copy of a letter recently sent by the Mutual Fund Directors Forum to Securities and Exchange Commission Chairman William Donaldson expressing concern regarding an apparent recommendation of the SEC Staff in the enforcement matter involving Bank of America's conduct related to the Nations Funds. The Forum's letter criticizes the Staff's proposal that Bank of America, the investment adviser alleged to have been engaged in wrongdoing, take steps to replace the Nations Funds' Board of Trustees.

FERGUS REID
(SECRETARY)

CARL FRISCHLING

WAYNE W. WHALEN

JEAN GLEASON STROMBERG

The Mutual Fund Directors Forum is a non-profit membership organization for mutual fund independent directors and trustees. Organized in 2002 as the successor to the Mutual Fund Directors Education Council formed in 1999, the Forum is recognized by the Securities and Exchange Commission as an independent voice for fund independent directors. As you may know, at the request of Chairman Donaldson, we are now actively engaged in formulating recommended Best Practices for fund independent directors in several areas specifically identified by the Chairman. In recognition of the Forum's constructive role in the education and representation of Fund independent directors, the fund independent directors from 31 fund groups have now joined the Forum or have indicated that membership applications are in process.

The role of fund independent directors is a bedrock principle of mutual fund corporate governance. It was with this in mind that we shared with Chairman Donaldson and others at the Commission our concerns that the Commission's March 15, 2004 press release seems to indicate a view

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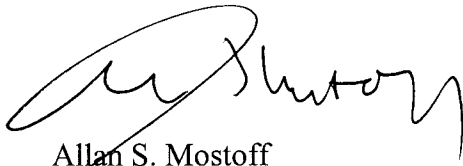
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that Bank of America, as the adviser to the Nations Funds, has the capacity to effect changes in the composition of the Funds' boards of directors.

We have a similar concern, with all due respect, that your Office's press release of March 15, seems to take the same view. We understand, appreciate and share your commitment to strengthening the role of independent directors in fund governance, and we hope that your Office's future actions with respect to any instances of misfeasance in the fund industry will reinforce rather than tend to undermine this principle.

If you would like any further information about the Forum, or if I can be helpful in any other way, please feel free to contact me.

Sincerely,



Allan S. Mostoff
President