



January 17, 2007

Jose Castaneda
1377 Rutan Way
Pasadena, CA 91104

Dear Mr. Castaneda:

We appreciate your patience while WM Financial Services' (WMFS) Complaint Department reviewed your concerns noted in your December 11, 2006 letter, regarding Felicitas Castaneda's investment account. In this letter, you again are requesting assistance in understanding several transactions which occurred in her account.

As you know, we provided statements from Griffin Financial Services (GFS) enclosed in our previous letter which indicated that the following purchases were made on September 4, 1997:

1. \$22,000 of the Griffin Growth & Income Fund Class A
 2. \$10,000 of the T. Rowe Price International Stock Fund (no-load)
 3. \$16,000 of the Griffin Short-Term Bond Fund Class A
 4. \$17,000 of the Griffin Bond Fund Class A
 5. \$17,000 of the Griffin U.S. Government Income Fund Class A
 6. \$10,000 of the Griffin Money Market Fund Class A
- Total = \$92,000

As stated in our previous letter, we were unable to verify a September 4, 1997 purchase of the Griffin Growth Fund Class A shares. However, an account statement dated December 31, 1998 indicated this investment had a value of \$8,240.75 as of that date. Therefore, it is reasonable to assume the total of all purchases made on September 4, 1997 was approximately \$100,000.

As stated in our previous letter, we were able to identify the following redemptions:

1. \$7,000 from the Griffin Money Market Fund Class A on July 1, 1998
 2. \$20,000 from the Griffin Money Market Fund Class A on January 7, 1999
 3. \$7,995.75 from the WM Short-Term High Quality Bond Class A Fund on April 7, 1999
 4. \$7,969.62 from the WM Money Market Fund Class A on April 7, 1999
 5. \$14,034.63 from the WM U.S. Government Securities Fund on April 7, 1999
 6. \$10,000 from the WM Flexible Income Portfolio Class A on November 8, 1999
 7. \$26,636.25 from the WM Flexible Income Portfolio Class A on January 28, 2000
- Total = \$93,636.25

However, an additional \$20,000 withdrawal occurred from the WM Flexible Income Portfolio Class A on September 1, 1999. This withdrawal was recently discovered by you and it was not contained on the previous list. The total amount of withdrawals that we can verify is now \$113,636.25. Further, we were unable to locate any other withdrawals in September 1999.

In your letter, you are also requesting verification that the redemptions proceeds were received by Ms. Castaneda. Unfortunately, the account statements do not indicate where the proceeds were sent after the redemptions of the investments occurred. However, the ongoing research being conducted by Washington Mutual Bank may provide some insight.

As stated in our previous letter, the Griffin mutual funds owned by Ms. Castaneda converted to similar mutual funds at the WM Group of Funds on March 5, 1999. After the fund conversion, there were seven mutual funds from the WM Group of Funds which remained. The enclosed statements show that on July 16, 1999 the WM Growth Fund, WM Short-Term High Quality Fund, WM Growth & Income Fund, WM Income Fund, WM Money Market Fund, WM U.S. Government Securities Fund and the WM High Yield Fund were exchanged into the WM Flexible Income Portfolio (fund #137). Our records indicate that prior to July 16, 1999 Ms. Castaneda did not own the WM Flexible Income Portfolio. Therefore, statements for the WM Flexible Income Portfolio did not exist prior to this date.

We are unable to determine the Griffin Financial Consultant who originally assisted Ms. Castaneda with her investment account. However, our records indicate that WMFS' Financial Consultant, Christian Holt was assigned to her account soon after the conversion to the WM Group of Funds. He is no longer is employed with our firm.

Per your request, please find enclosed the remaining statements that were not included in our last correspondence.

We appreciate your business and thank you for bringing this matter to our attention. If you have any additional questions or concerns, please do not hesitate to write to me at the address on the bottom of page one.

Sincerely,

WM Financial Services, Inc.



David W. Andersen
Compliance Specialist

Enclosures