

To whom it may concern;

I have been a licensed insurance professional and registered representative for over 15 years.

During this period of time we have seen more and more investors coming to the market mainly due to employer based plans, and a gradually improving understanding of the securities market.

This is why I support the new SEC rule 12b-2, calling for a 25 basis points fee to insure investors receive ongoing service and advice. Using the terms “marketing and service fees” and “ongoing sales charges” in place of 12b-1 fees should provide for a better level of understanding for the average investor.

However, I strongly object to the SEC permitting mutual funds issuing a new class of shares at net asset value and allowing broker-dealers to set their own sales charge and commission amounts. As a service to most investors in the consumer market, simpler is better. While competition sounds good, it will overturn what you are trying to do with the 12b-1 changes. The only ones that might benefit from this change are high end investors that are more sophisticated. On the other hand, small investors might be abandoned due to not having any real compensation for services.

The people the SEC is trying to protect the most, the less informed low and middle market investors, would be hurt the most.

Thank you for considering my comments.

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Roger McDowell
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