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Wednesday, September 01, 2010

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: File Number S7-15-10

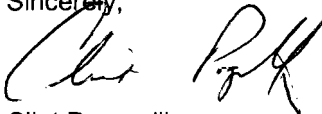
Dear Ms. Murphy:

As an employee of a small-size broker dealer, wholly owned by Modern Woodmen of America, a leading fraternal financial services organization, our mission is to improve the lives of our clients. Our middle-income, middle America clients reside on Main Street, Anytown, USA - far away from Wall Street or the financial centers that create investment products. Unfortunately, if the SEC's changes to investment company distribution fees are enacted as envisioned, they will end up hurting the very "Main Street" investor they aim to protect more than helping them. Here's why:

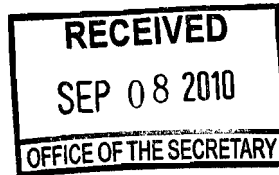
- 1) Service - If you reduce the 12(b)1 revenue available to financial advisors, they will simply be unable to service small accounts.
- 2) Costs - If the proposed rules are adopted, I envision a few possible scenarios unfolding: a) the advisor begins to externalize and invoice his increased costs, passing along higher fees to investors for services he was formerly doing for free; b) a migration to fee-based accounts. While these accounts may be suitable for larger investors, they will actually just increase net costs to many smaller investors. For those fee-based accounts funded with investment company products, you'll now see a layering of fund- and account-level charges.
- 3) Choice - if you reduce 12(b)1 revenue, there will be fewer available funds/fund companies to small shareholders. Lower choice can be disastrous and take many forms, including poor investor decision-making and less diversified portfolios.
- 4) The Commission proposes a new share class where the broker dealer is able to reduce their compensation "to become more competitive". This seems bizarre, especially when the retail fund industry has already been driven to a near-commodity state. Again, I believe many firms won't play this game, and you may see a migration to higher cost, fee-based advisory accounts.

I appreciate the opportunity to comment on this proposal, and hope that the result of any adopted final rules will truly help, not hurt the "Main Street" American investor.

Sincerely,



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