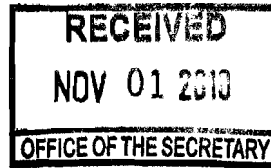


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October 24, 2010



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

File Number S7-15-10

Dear Ms. Murphy,

In regards to 12b-1 fees, especially as they relate to C shares. I would like to advocate for accurate disclosure of what the fees is, but not a change in the fee structure itself. The 12b-1 fee is compensation to the registered rep and his/her broker/dealer. Let's just call it what it is. I already explain this to every client anyway. The client deserves to know how much we get paid. Beyond that, the only other issue can be whether the fee is fair and justified - and it absolutely is. In fact, the C share is the absolute cheapest fee structure in existence for an investor that prefers to use the services of a registered financial representative - and not self-direct their retirement years. If you lower or alter the 1% C Share 12b-1 fee, you will be greatly harming investors and you will unleash a torrent of problems upon investors that you will wish you hadn't.

The C Share is not a transaction-minded fee and is not used as such by financial advisors. The C share simply mimics a brokerage account, but with substantially less investor fees and is a far better deal for investors than if I put these same clients of mine in a brokerage wrap account. Many of us registered reps voluntarily choose to use C shares and hold the clients money at the mutual fund company directly, instead of in a brokerage account - because it's better for the client. I can fly to Washington and give you no less than 10 real-world reasons why this is true. Those of us that do business this way make far less money than our financial advisor colleagues. If you cut our pay, which is already low, you will force us to overcharge our future clients in order to stay in business. You will also unleash a wave of new future business on the kings of transactions - the NFS and the Pershings of the world. This will all come out of the investors pockets - the very pockets you intend to protect through your fight against 12b-1 fees.

Because I sell C shares, and not A shares in a brokerage wrap account at NFS or Pershing like many of my colleagues, I earn just 85 basis points, vs. my colleagues who earn double or more, because they set their own fee schedule - whatever the client will pay. Not only do they set their own fees, they also collect the 12b-1 fee from the A share. They are double dipping - and it's all perfectly legal.

In addition, my fees in C shares automatically break-point at \$1 million dollars. Accounts over \$1 million held directly at the mutual fund company are automatically sold as A shares at NAV. I have accounts over \$1 million in value for which I get paid just 22.5 bps to manage. That's a full 1.5% less than I could charge if I put those clients in a wrap account. This is professional suicide, yet I do it anyway. I'm voluntarily not taking \$15,000 or more in annual compensation on every account over \$1 million. These fees are perfectly legal to charge, and my clients would have no choice but to pay them or fire me - neither of which is a desirable outcome for the SEC in this look at 12b-1's.

The bottom line is this...rewrite the language and disclose the fee for what it is. Anybody at the SEC who is of the mindset that there is something improper with the amount of the fee - is simply looking at the whole subject through a lens of ignorance. The consequences of altering the C share in any way that reduces our already low pay will have devastating, unintended consequences for investors. The first rule of thumb when regulating should be "do no harm." I am offering to fly to Washington at my own expense to explain any of this in more detail if needed.

Warm regards,



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