

Do not squash financial services to the middle class. Please. They had a tough enough time getting through 2000 and 2008, and some of the provisions in regulations like this will only make it harder for them to get any advice going forward. Imagine buying a house without a home inspection. Imagine paying 30% more for your kid's clothes at Kohls all because Kohls now has to send a letter to you after each purchase explaining all the costs that went into making and distributing those cloths. Sounds kind of crazy right? Please don't do that to our industry.

I am a financial advisor affiliated with an independent broker-dealer. My typical client is a middle-class investor who needs the financial advice, products, and services I provide to help them achieve their financial goals, such as retirement planning and college funding. Mutual funds are often the most appropriate investment option for my clients as they typically only have small amounts to invest. As a result, I am extremely concerned about the SEC's proposal to replace current Rule 12b-1 with a new Rule, 12b-2, and make other changes to the securities laws. I understand that the proposal is attempting to address four primary objectives: 1) improve transparency through disclosure; 2) cap ongoing sales charges; 3) encourage retail price competition; and 4) modify the oversight role of fund directors. My thoughts on these issues is covered in detail below.

#### . Improve Transparency Through Disclosure

- o I support the adoption of the terms `marketing and service fee` and `ongoing sales charge` as common sense improvements to the language used to describe mutual fund distribution fees.
- o I support the proposed changes to mutual fund disclosures of the `marketing and service fee` and `ongoing sales charge.` These disclosures are prepared by the mutual fund sponsors who are in the best position to report the information accurately. In addition, the prospectus places this fee and expense data in the appropriate context along with other information my clients should consider before investing.
- o I oppose the adoption of confirmation statement disclosure of specific mutual fund fee details as overly burdensome, prone to unintentional error and without clear benefit to my clients. It is unreasonable to burden my affiliated broker-dealers with the duty of providing detailed post-transaction fee and expense data on confirmation statements when the mutual fund company controls this information and the disclosure will not influence my client's decision-making.

#### . Cap Ongoing Sales Charges

- o I oppose the Proposal's cap of ongoing sales charges. My clients are in need of my ongoing support and service, including incidental investment advice. C-shares allow me to provide small account clients with services by outsourcing the expense of fee debiting, invoicing, and other costs associated with investment advisory accounts. In addition, my clients enjoy the benefit of putting their entire investment to work in the market and avoid capital gains taxes that would be incurred if positions were liquidated to pay me an advisory management fee. If ongoing sales charges are capped, many of my clients who currently own C-shares may find that they are no longer able to obtain my service and support.

#### . Encourage Retail Price Competition

- o I oppose the Proposal's effort to encourage retail price competition through a share class offered at Net Asset Value. I believe the proposal will alter the distribution model from one based upon relationships to one focused on transactions and costs. In addition, I believe this portion of the proposed rules has the unintended consequence of being an anti-competitive measure likely to result in pricing advantages for large mutual fund families, broker-dealers,

and/or financial advisory practices.

I appreciate this opportunity to share my thoughts on the proposal. While I support efforts to improve disclosure of marketing and service fees and ongoing sales charges, I urge the SEC to reconsider its ill advised efforts to cap sales charges and encourage retail price competition.

Sincerely,

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