

MS Murphy

I am writing to share my thoughts on the proposed changes to the 12b1 rules. I am sixty-four years of age so the implementation of the program will most likely not affect my transactional practices. I have been a financial representative since 1986. As a small business owner the changes will affect my transition to retirement as the business becomes less profitable and therefore less valuable to the party that purchases my book of business. That concludes my disclosure.

Transparency, related to client costs is warranted and welcome. My broker/dealer has consistently mandated full disclosure. Clients need information to make prudent decisions regarding their finances. I support the proposed requirements on this issue.

Caps on ongoing sales charges are problematical in that they restrict negotiated contracts between clients and representatives. There are clients that require extensive time commitments. Often these same clients are small investors who will not be serviced by fee based advisers. We must be careful not to disenfranchise this group and those that serve them. For the most part it is the mom and pop shops in our industry (including mom and I) that sit down at the kitchen table with our clients and handle retirement, college planning and distributions due to death, the issues that are critical to the American family.

Regarding a new commission classification designed to reduce client costs, we must balance the immediate benefit of reduced costs with the longer term client access to personalized service. Remember the village in Viet Nam that was destroyed in order to save it?

Please think about the issues that I have presented and thank you for all of your efforts.

Sincerely,

Mr TIM BARNETTE
REGISTERED PRINCIPAL
BARNETTE FINANCIAL GROUP