

Although, I agree with the letter as I amended it that is listed below, I thought it might be more effective to hear my individual experience and concerns.

My delight in the independent broker-dealer system and the fee-based platform, has enabled me to have the flexibility to change clients` portfolios based on their needs, risk tolerance and the performance of the assets (including mutual funds that they own.)

Unfortunately, it takes as much time to manage a small account as it does to manage a larger investment amount, and there are only so many hours in the day. This fact inevitably leads financial advisors away from the smaller clients who in fact need our assistance MORE than the larger clients.

Over my years in the business, I have found that I do not like to have clients pay a "load" in any particular mutual fund family, because their portfolio`s performance depends on being able to change funds and, yes, mutual fund families if the performance is sub par.

There is not one mutual fund family, load or no-load around which I would build ANYONE`s portfolio.

For small clients, I can use the C shares, if need be, with our mutual understanding they need only hold the fund for one year. This gives my clients and me the freedom to adapt to changing circumstances and fund performance.

Also, I am paid for a portion of my time working with them. Unfortunately, I know that with my small clients I lose income every time I work with them.

Again, I do not use C shares very often, but to remove them as an option, removes choice for small investors and any financial advisor that chooses to work with them.

Please keep in mind that the indexes that many espouse, although low in cost, have not served individuals well during the past 10 years. Well researched mutual funds (constantly monitored)put into a diverse portfolio has served investors better.

Thank you for your time and attention to this matter!

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.

. 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,

Ms. ILIZA BARTELS
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