Gentlemen,

I have been a licensed insurance professional and registered representative for over 46 years.

I support new SEC rule 12b-2, which would continue the 25 basis points fee that is used to ensure investors receive ongoing service and advice, and the SEC's proposed use of the terms "marketing and service fees" and "ongoing sales charge" in place of "12b-1 fees" to improve transparency in disclosure documents.

However, I strongly object to the SEC permitting mutual funds to issue a new class of shares at net asset value that would allow broker-dealers to set their own sales charge and commission amount.

Competition based on price and cost sounds good but will come at the expense of needed advice and service for small market investors.

As broker-dealers lower their sales charges and fees in an effort to gain market share, it will no longer be financially feasible for registered representatives to continue to provide the level of individualized advice and ongoing service that we currently provide to our middle and lower market clients. After 46 years I am now working with third generation families and the young couples do not have large amounts of assets and yet I feel and obligation to work with them. Most of the broker/dealers are charging anywhere from $50 to $250 a year service charge in addition to the fees if they don't have anywhere from $100,000 up in assets under management in their accounts. We had this type of venue in the life insurance industry until we came out with non-rebating rules because it was just breeding corruption. So what you are invoking here is a form of rebating to get the customers business. Again, here, you are going to reduce a number of agents and representatives in smaller communities that won't be able to compete with the larger houses and therefore, less representation to the public in general.

As a result, only upper-income investors who can afford assets-under-management arrangements or higher cost/higher service classes of shares will continue to receive personalized investment advice.

Investors with smaller fund account balances will be forced to self-direct their accounts if they wish to continue to own mutual funds because their advisors will no longer be able to afford to spend the time to guide and advise them, leaving discount brokerage fund platforms as the only affordable option for middle and lower market investors.

The people the SEC is trying to protect the most--middle and lower market investors—will be hurt the most, since they will be deprived of the guidance and service they need and deserve.

In closing I would sincerely hope that this information is helpful to you in making your decision. I also would like to comment that the "man in the street financial advisor" is already regulated enough. It's the "Madoffs" of the world and the large banking institutions that need more regulation, not the people at the bottom – it's at the top.

Thank you.

C. Dennis Burd, CLU, ChFC
Financial Advisor