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**Matt D'Arcy, CFP**

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



Dear Ms. Morris,

I have deep concern regarding the Rule 12b-1. My more affluent clients are happy to pay for my ongoing advice. However, for clients who are less affluent or those who, for whatever reason, choose to buy mutual funds on a commission basis, the 12b-1 is necessary to allow me to give them continued access to my time.

If you take away the 12b-1, you will eliminate a fee that, in some cases, is a wasted expense. However, you will also eliminate the ability of many good, honest reps. to serve their smaller clients. Portfolios might go without rebalancing. Many people will likely pay much more in the form of poor performance than they would ever pay in the 12b-1. If that happens, we'll see more law suits and another black eye on the industry and, in the end, it is the public who suffers.

My customers and clients understand all fees involved. I open each prospectus and review it with the client before a sale. We review the fee-related pages carefully together until I am certain the buyer understands both what they would pay and what I would be paid and the short-term and long-term advantages and disadvantages of the options. We discuss no-load funds also. I would rather lose business (and I sometimes do) than sell to people who do not understand how they pay me.

If there is concern that people in the industry are taking advantage of the public, let us work together to make a format of disclosure that is brief, consistent and clear. Let us make the font large and have customers sign it to indicate they understand and agree with the fees involved.

This is an education issue. Not a fee issue. Please do not fix the wrong problem and, in so doing, break something much more important.

Kind regards,

*Matt D'Arcy*  
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