



**American National Insurance Company**

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October 27, 2010

Elizabeth M. Murphy, Secretary  
Securities and Exchange Commission  
100 F Street, NW  
Washington, DC 20549-1090



Dear Ms. Murphy:

I have been selling insurance and securities products for 18 years and support the new SEC rule 12b-2. I particularly like the proposed use of “marketing and service fees” and “ongoing sales charge” as terms to replace the vague “12b-1” fee description. We need greater clarity in all our sales communications and I encourage this effort from the SEC.

*However*, I strongly object to the SEC permitting mutual fund companies to issue new share classes at Net Asset Value in a manner that would permit broker-dealers to set their own sales charge and commissions. *Although this would appear to create increased competition in the market place, in my opinion, it will create an increasing commoditization of the sale of financial products and will ultimately cost middle and lower income clients a loss of the individual service they need and deserve.* We have already seen this unfortunate consequence in insurance markets and consumers have suffered the consequences.

Instead of protecting middle and lower income investors, the current proposal will have the exact opposite effect. For example, this has happened in the automobile insurance marketplace – an area in which consumers expect high levels of service yet increasingly are unable to experience that because the profit margins on the product have reduced to the point that individual agents can no longer earn sufficient income to support a lower-middle class lifestyle without building agencies of such size that the “personal service” element, of necessity, disappears. *This has created significant frustrations for agents and consumers alike, although its cause has not been easily recognized.* Likewise, if the current SEC proposal is realized, discount brokerage fund platforms will become the only affordable option for consumers who, frankly, need and deserve better.

**The sale of securities is simply too demanding and significant in consequence to inadvertently encourage such commoditization. Please stop the initiative to permit new share classes in the manner described.**

Best regards,

Registered Representative  
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