

Ms. Murphy,

I have been a licensed insurance professional for thirty-six years and a registered representative for over 6 years.

I recognize that the SEC is trying to make our business more understandable to the public and giving them the service they deserve. In so doing, 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" would 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.

It is my opinion that while competition based on price and cost sounds good, it will come at the expense of needed advice and service for middle 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.

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 result will be that 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.

Please think about the IMPACT these rules will have on the middle and lower income clients. The larger client is already protected with breakpoints, but the lower and middle markets will suffer.

**Providing Insurance and Financial Services**

**Terri Landry, CLU**