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June 27, 2007
Via E-Mail

Mr. Christopher Cox
Chairman
Securities and Exchange Commission
Washington D.C.

4-538

RE: Public Comment on 12b-1 Fees

Dear Mr. Cox:

I work in the mutual fund industry and like millions of other Americans I am a shareholder in both load in no-load funds. The current discussion about the use of 12b-1 fees is important since these fees artificially support ineffective marketing efforts and management teams by providing them with revenues they could not raise if there was full disclosure.

These fees are currently being used to support wasteful activities, such as "practice management" events, expensive seminars and frivolous entertainment which do not have any iota of shareholder interest involved. Through the arcane and convoluted accounting methods used in the mutual fund industry, these fees also work to support the extraordinary high salaries paid to mutual fund wholesalers, which as the enclosed chart shows, are among the highest of any profession in the U.S. These salaries are even higher than the chart indicates since all of the expenses charged by a wholesaler are reimbursable by the fund company and ultimately shareholders.

This long-overdue discussion would never occur if 12b-1 fees were used to reduce shareholder expenses. However, we all know that is not the case. The shareholders know nothing about this practice, or how the fees are used, yet they pay for all of it.

It's time to end the practice or else push for full disclosure in 16-point type so shareholders can voluntarily opt out of this archaic fund subsidy scheme.

Yours truly,

Chuck Epstein