

I have been in the financial services business for 28 years as a life and health agent and registered representative selling mutual funds as well as other investment products.

In return for providing ongoing service and continuing advice to my clients regarding their investments, I receive trailing compensation much in the same way that insurance agents receive renewal commissions on the life insurance policies they sell. This trailing compensation is typically paid under a written plan adopted pursuant to SEC Rule 12b-1.

The amount of this compensation is **NEGLIGIBLE FOR THE ONGOING SERVICE PROVIDED TO MY CLIENTS**; on a \$10,000 investment in a mutual fund's "A" shares, the annual "12b-1 fee" that is paid for providing ongoing service equals 25 basis points, or \$25. Investors receive substantial value for these fees--in exchange for a small annual payment, they have access to a financial services expert to answer their questions and address their concerns. Without their advisor, investors would have nowhere to turn to (except for perhaps a stranger at the end of a 1-800 phone number) when they needed some reassurance in a shaky market or assistance in rebalancing their portfolios, understanding their investments and the investment choices available.

I believe the elimination of 12b-1 fees would do considerable harm to those investors who need and want ongoing investment planning advice and counsel. A significant majority of my clients expect our office to be available and to respond quickly to a variety of questions regarding their investments. I have never received complaints from my clients about the small amounts they are charged for the services I provide to them. My clients expect me to be compensated for helping them achieve their long-term financial goals. If 12b-1 fees were eliminated, while the client might save a small amount in 12b-1 fees he or she would end up paying a much larger amount in hourly or asset-based fees to receive the same service.

For these reasons, I ***STRONGLY RECOMMEND THAT the SEC reject any proposal to eliminate or restrict the payment of 12b-1 fees to registered representatives*** for providing continued service to their clients. Thank you for your consideration of my views on this subject.

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Robert J. Adler, Registered Representative. Securities are offered through Princor Financial Services Corporation, Des Moines, IA 50392, 1-800-247-4123. Member NASD, SIPC. Princor Financial Services Corporation and Principal Life Insurance Company are members of the Principal Financial Group.