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JEFF WHITE CFP
retirement-coach

Tuesday, March 04, 2008

MAR 1 0 2008
OFFICE OF THE SECRETARY

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

RE: SEC Review of Rule 12b-1

Dear Ms. Morris:

I am a registered representative servicing the Honolulu, Hawaii community. I am affiliated with LPL Financial. Recently I've been selected as one of the top 20 financial Advisors in Honolulu by Hawaii Business Magazine. I serve more than 1,200 clients in my practice - only 3 have more than 1 million dollars invested with me.

More than a decade ago, I saw that I had a choice as a financial representative to become either transaction based - charging for my services on a purchase by purchase basis - or relationship based - providing ongoing service to clients to assist them in reaching their financial goals. I chose to provide ongoing service to my clients.

I now have a staff of 3 full time assistants. Most of our work is focused on addressing client needs - not sales promotions. Much of this effort does not provide additional compensation but is critical to their achieving their investment goals. Recently, with the market downturn, we've been helping clients explore whether now might be the time to consider converting their pre tax investments to a Roth Conversion IRA.

12b1 fees allow me to focus on client needs and provide the client and I with substantial flexibility to change investments as necessary- whether because of a change in investor objectives or investment considerations.

I encourage you to retain 12 b 1 fees as an effective and efficient mechanism for serving the average investor. If 12b1 fees were eliminated, I could no longer accept clients with less than $100,000 to invest, and this represents over 80% of the clients I now serve. It's unclear to me who would help these people determine simple - yet critical - things like types of ownership, rules associated with qualified investing, differences between investing in equity, debt, and international markets. And, worse, it creates an incentive for Registered Representatives to woo clients- make a big sale – and then abandon them. We've seen this pricing model fail in the insurance industry where a huge number of purchasers abandon their policies – and with it all of their premium payments – within the first 3 years.

Because of 12b1 fees in our industry, investors have some leverage in the advisor marketplace. If they are displeased with the service they are receiving from Registered

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Representative A, they can switch their servicing to Registered Representative B- and B has an incentive to help that client make their funds grow because of 12-b-1 fees. Without 12-b-1 fees Representative B would only have an incentive to assist the client if he could change the investment and earn a commission – that seems like it might be churning to me. And then, after the sale, there is no continuing incentive to assist the client who has no new funds. It's likely that the client might once again feel that he was the victim of "poor service" and seek to switch again incurring new transaction fees.

Thank you for your consideration.

Jeff WHITE, CFP