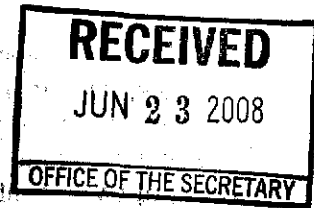


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Tuesday, June 17, 2008



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 writing to share my concerns about the SEC's ongoing review of Rule 12b-1. I have been in the financial service field for over 20 years, and have a broad spectrum of high net worth clients as well as beginning low net worth clients. Middle class Americans need the continuing service and help provided by independent financial advisors like me to achieve their investment goals. One school teacher I have had as a client for years finally hit a "6 digit" net worth from years of monthly investing, and was thrilled. He said he never thought he would see this, and I serviced him all these years with the financial support to me given by the 12b-1 fees. 12b-1 fees provide a tax efficient means to support the continuing service which these clients require for successful investing. The benefits of 12b-1 fees are numerous and include:

- Expanding Investor Choice - The multiple share classes made possible by Rule 12b-1 give investors choices by providing them with options in how they pay me. The flexibility offered by Rule 12b-1 allows me to tailor a portfolio to my client's specific needs. Sometimes when the time frame is 3 to 4 years away, I use a conservative balance fund via Class C shares which gives these clients the best fit for the goal they are saving for.

- Supporting Financial Education - Mutual funds send their investors monthly statements, confirmations, prospectuses, annual reports, and other materials. We advisors serve the vital role of educators by helping investors to make sense of these essential materials. My personal attention and availability to clients help their education, and I can help them continuously and be compensated for my time and effort by these fees.

- Managing Client Expectations - We all know the common mistakes investors make; buying high and selling low, chasing past performance and harboring unrealistic expectations. Fear and greed are two common mistakes that I often help clients avoid. In these times of uncertainty and turmoil, 12b-1 fees provide me with compensation to manage my client's expectations and protect them from falling into common investor traps.

- Insuring Small Accounts Receive Service - Investment advisory services are simply out of the reach of many small account holders. We advisors must have another means of being fairly compensated for servicing these accounts. I know I would not take many of these low net worth beginning clients if it were not for these trail fees that compensate me for my time with them. I know they cannot afford to hire me as a fee based advisor. 12b-1 fees provide the mechanism

to insure small investors receive the support and service they need to achieve their financial goals. If regulators are concerned about advice to many ordinary investors, perhaps look at the unintended consequences of taking these fees from me and see how many clients will now be able to get professional advice.

•Subsidizing Additional Services - Independent financial advisors offer their mutual fund clients a variety of additional services including: consolidated account statements, periodic portfolio review meetings, quarterly, cost basis research, and consulting on other financial decisions. Clients have a financial sounding board to come to and kick around financial issues with me, and I don't have to charge them on an hourly basis since I am receiving 12-1 fees from their mutual funds investments.

In conclusion, while it is reasonable to review the investor benefits of 12b-1 fees, it is obvious that the repeal of 12b-1 has the potential to cause great harm to thousands of individual investors who need the support and service of a trained financial advisor like me. As a result, I urge the SEC to allow Rule 12b-1 to continue to support my efforts to provide needed financial services to middle class American investors pursuing their financial goals. I could substantially increase my personal income if I went to advisory fee business instead of upfront commission and trails, but I have resisted this change since I think a good quality mutual fund company like the American Funds can do a very good job of helping my clients reach their goals cheaper and more efficiently than if I was forced into the fee based business if the regulation changes and I lose my trail commissions. In my opinion, you are not helping the middle and lower income clients in my present book of business if you got rid of these fees.

Sincerely,

A handwritten signature in black ink, appearing to read "David Cutshall". The signature is fluid and cursive, with the first name "David" and last name "Cutshall" clearly distinguishable.

David Cutshall  
CFP

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