

Dear Ms Murphy,

I have been a Registered Representative since 1970. Over that time I have helped to guide small investors to acquire financial security through the thoughtful investment in mutual funds offered on a retail basis.

I am in favor of a new SEC rule 12b-2 that would continue the 25 basis points fee used to assure continued service and advice. I also support use of the terms "marketing and service fees" and "ongoing sales charge" in place of "12b-1 fees" improve the understanding of the account owner.

I object to the SEC permitting mutual fund companies to create a new class of funds that would allow broker dealers to set their own sales charge and commission amounts. In the end like rebating commissions on life insurance policies, a practice prohibited in most states as being against the interest of policy owners this practice will do the same to account owners of mutual funds. In the end it would disenfranchise small and medium account owners by firms reducing fees to the point where the Registered Rep cannot afford to give small accounts the time and advice needed for them to become successful investors. Further, history has proved that such arrangements will destabilize the retail funds market leaving the consumer confused and potentially misguided.

The large account owners will always have the opportunity to make use of fee based advisory accounts. But this arrangement is not an economical alternative for small and middle account holders. Smaller account owners need the advice and help of qualified Registered Representatives. The people the SEC is trying to protect the most are the middle and lower market investors. The very same who will be deprived the guidance and service they deserve.

Sincerely Yours,

Larry J. Winkelhake, CLU, ChFC

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Senior Financial Services Representative  
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