

Dear Sirs:

My name is Charles Widenhouse and I live in Concord, NC which is in Cabarrus County. I have lived in this area all of my life and I have been an insurance agent for 27 years. At one time I was also a registered representative, but decided not to pursue that line and concentrate on life and health coverage's. I know the pressures and amount of paperwork that registered reps have on them to keep within compliance with the SEC. I understand the confusion of consumers as they try to read a statement and know where their money is going.

It is for this reason that I support new SEC rule 12b-2, which would continue the 25 basis points fee that is used to ensure investors receive ongoing service and advice, and the SEC's proposed use of the terms "marketing and service fees" and "ongoing sales charge" in place of "12b-1 fees" to improve transparency in disclosure documents.

However, I do not agree that allowing the SEC to permit the issuing of a new class of shares at net asset value and allowing broker/dealers to set their own sales charges and commission amounts would be beneficial to consumers. The field is now even and the way representatives stand out is by providing better services and building confidence. If the playing field is determined only by what the reps charge, then the service will fall and the confidence in whoever is managing or directing the consumer's monies will also fall.

This, I feel, would be disastrous to the mutual fund market which is attempting to come back from a recession. The market needs a boost, but not at the expense of giving the consumer what they deserve and have come to expect from their money managers, S-E-R-V-I-C-E and A-D-V-I-C-E.

So when you vote on this issue, remember, it is the consumer that will be hurt the most by this portion of the bill. The low bidder in this will give them what they pay for: L-E-S-S!

Sincerely,

Charles M. Widenhouse  
Widenhouse Insurance Services