

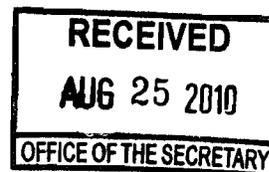


Precision Financial Services  
An Independent Firm

2500 S. Power Rd., Suite 111 Mesa, AZ 85209  
ofc: 480-776-3511 fax: 480-776-3560

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



August 19, 2010

Dear Ms. Murphy,

I am writing in response to the issue of the U.S. Security and Exchange Commission's (SEC) proposal to reform by lowering and adjusting 12(b)-1 fees and making 12(b)-1 fees clearer and fully transparent. I agree, in theory, that fees should be transparent. Unfortunately, I do not believe this objective can be met, and yet ensure that clients will receive the same excellent service they are accustomed to and need.

First, to ensure that all clients receive consistent, best-practice service, a financial advisor needs to be appropriately compensated. As advisors, we perform many services relating to a clients' overall financial situation that we do not receive additional compensation for, or charge additional fees for. If the proposed action is put into law, it will require advisors to charge additional hourly fees for those services. In turn, these additional fees will further reduce the client's overall performance and reduce their probability of obtaining their financial goals.

Secondly, many clients who purchase C Shares typically do not have the funds to qualify for managed or fee-based financial service models. Many advisors also do not have the additional time to dedicate to these small accounts; therefore, the quality of service the advisor could provide would be inferior. There are also clients who do not want to pay a quarterly fee or a front end sales charge, even though they meet the minimums. C Shares are the best options for clients in these scenarios.

A third issue to consider is how the proposed reform could negatively affect financial advisor behavior. My concern is the reform will either:

1. incent advisors to unnecessarily churn out accounts in order to get paid for the time they spend on the client; or
2. neglect the client because the advisor has no incentive to continue to work with that client or be able to afford to hire staff to provide the excellent service due to these clients.

Finally, a benefit of C Shares over fee-based or hourly fees is the tax benefits they offer since fees are deducted pre-tax as an expense of the fund.

In summary, I agree with transparency on fees and that full disclosure is very important and needs to be upgraded and implemented. However, I believe this can be done without changing the reduction of the 12(b)-1 fees paid to the financial advisor. If the proposed reform is implemented, there will be many clients left without financial guidance. I also believe the recommended changes will lead to negative behavior and unintended results. Our country's Social Security and welfare systems are under pressure and near bankruptcy now; I fear these systems will certainly collapse without the exceptional financial guidance that 90% of U.S. citizens currently receive.

Sincerely,

Mark E. Rauguth, CFP®

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