This letter is to express my regret over the SEC's proposal to cap 12b-1 fees at .25bps and the proposal to make sales charges competitive amongst broker/dealers.

The issues that are important to consider are as follows:

- Smaller investors will invariably be hurt as Advisors will abandon them due to lack of larger trail commission
- Larger investors may be hurt as well as clients will be moved to fee based accounts which are almost always larger fees and fee based accounts are not appropriate for everyone. If you think somehow consumer protection won't be compromised by this ground swell of accounts being moved to Fee Based accounts, think again. It will.
- Accounts that would have been sold as C shares for short term investors will undoubtedly be hurt as well. For instance short term 529 plan holding periods. A shares would not be appropriate in that aspect since it is shorter term and C shares will likely be out as an option for many investment companies just a B shares are being eliminated today. Investment companies will eliminate them altogether just as they did B shares.
- This will inevitably increase the cost to broker dealer firms and especially to smaller firms which will no doubt be passed on to clients. Extra compliance, disclosures, etc.

At the end of it all, most people don't have a problem with disclosing the compensation they earn and transparency since most investors are reasonable and expect the Advisor to get compensated for the Advice they give. I believe everyone should be paid for their work and the client needs to know what they are paying for. Stating the fee charged is a 'load' as opposed to '12b1' fees is not and should not be the issue here. Changing the sales load structure where it is competitive prcing is the problem here.