

I am very concerned about the proposed rule 12b-2.

The net effect is going to hurt consumers.

Consumers are going to see an increase in there fees.

I use `C` share mutual funds and provide ongoing advice to my clients. There is a fee of 1% in `C` shares. As a consequence of 12b-2 I will be obligated to switch clients to accounts on my RIA with a minimum fee of 1.2% or higher.

I am a financial advisor affiliated with an independent broker-dealer, Triad Advisors.

I am also a certified financial planner and provide a high level of advice to most of my clients. It includes advice on investing, insurance, retirement, taxes and estate planning.

Most of my investment clients want and need comprehensive advice. I provide an "open" door to my clients so that they can have access to good advice whenever they need it.

Many of my clients cannot afford and do not want a "fee" account. They would choose a "C" share compensation method.

My thoughts on the proposal are as follows:

. Improve Transparency Through Disclosure

o I support the adoption of the terms `marketing and service fee` and `ongoing sales charge` as common sense improvements to the language used to describe mutual fund distribution fees.

o I support the proposed changes to mutual fund disclosures of the `marketing and service fee` and `ongoing sales charge.` These disclosures are prepared by the mutual fund sponsors who are in the best position to report the information accurately. In addition, the prospectus places this fee and expense data in the appropriate context along with other information my clients should consider before investing.

o I oppose the adoption of confirmation statement disclosure of specific mutual fund fee details as overly burdensome, prone to unintentional error and without clear benefit to my clients. It is unreasonable to burden my affiliated broker-dealers with the duty of providing detailed post-transaction fee and expense data on confirmation statements when the mutual fund company controls this information and the disclosure will not influence my client`s decision-making.

. Cap Ongoing Sales Charges

o I oppose the Proposal`s cap of ongoing sales charges. My clients are in need of my ongoing support and service, including incidental investment advice. C-shares allow me to provide small account clients with services by outsourcing the expense of fee debiting, invoicing, and other costs associated with investment advisory accounts. In addition, my clients enjoy the benefit of putting their entire investment to work in the market and avoid capital gains taxes that would be incurred if positions were liquidated to pay me an advisory management fee. If ongoing sales charges are capped, many of my clients who currently own C-shares may find that they are no longer able to obtain my service and support.

. Encourage Retail Price Competition

o I oppose the Proposal`s effort to encourage retail price competition through a share class offered at Net Asset Value. I believe the proposal will alter the distribution model from one based upon relationships to one focused on transactions and costs. In addition, I believe this portion of the proposed rules has the unintended consequence of being an anti-competitive measure likely to result in pricing advantages for large mutual fund families, broker-dealers, and/or financial advisory practices.

Please reconsider your efforts to cap sales charges and encourage retail price competition.

Sincerely,

Jim Kinyon
Triad Advisors