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August 11, 2010

Comment on Proposal Mutual Fund Distribution Fees RIN 3235-AJ94

Dear Sir or Madam:

In respect to your proposal limiting the 12-b fees paid to brokers on the sale of mutual funds, I submit the following :

Excel Worksheet with funds from two fund families showing the returns on A shares vs. C shares with the sales charges taken out.

Copy of an article from 2003 written by John C. Bogle .

The Excel worksheet details the A versus C shares with sales charges deducted. In this case the maximum load would be 5.75%. As you can see it is 10 years or more before the consumer who pays the sales load up-front catches up to the consumer who pays it every year. Considering that Mr. Bogle himself writes in his article that the average holding period for an average fund is just slightly more than 2 years, eliminating C shares would do considerable harm to the consumer.

As I stated earlier in my previous short comment, that I adhere to the principles of diversification and rebalancing. As long as my clients are in C shares, I have the ability to go between fund families when doing this. This keeps my clients diversified not only among assets classes, but also among mutual fund companies too. This limits their risk in case of scandal, default etc by a mutual fund company.

Limiting the use of C shares would greatly handicap my efforts to keep my clients balanced and diversified.

I appreciate the efforts that the SEC is doing to inform investors of the charges they pay, but I suggest that the emphasis be on information and disclosure rather than changing the structure of the mutual funds.

Sincerely,

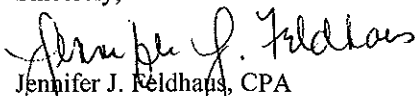

Jennifer J. Feldhaus, CPA
Branch Manager

Chart showing 06/30/10

Franklin Templeton Funds	1yr	5yr	10 yr
Templeton Global Bond			
Class A at MOP	9.22	9.69	10.6
Class C with CDSC deducted from Yr 1	12.55	10.2	10.65
American Funds AMCAP			
Class A at MOP	8.17	-1.11	0.56
Class C with CDSC deducted from Yr 1	12.87	-0.72	0.32
Franklin Templeton Mutual Shares			
Class A at MOP	9.17	-1.49	3.74
Class C with CDSC deducted from Yr 1	14.03	-0.99	3.67

Copyrighted material redacted. Author cites:

Bogle, John C. "The Mutual Fund Industry in 2003: Back to the Future." Speech. The Harvard Club of Boston, the Harvard Business School Association of Boston, and the Boston Security Analysts Society. Boston, Massachusetts. 11 Aug. 2010. Web. 11 Aug. 2011.

http://www.vanguard.com/bogle_site/sp20030114.html

Dealer Facts Guide, Performance Summary, Franklin Templeton Investments.

Second Quarter 2010 Investment Results, American Funds Distributors, Inc.