

I have been a licensed registered representative for over 20 years and 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 strongly object to the SEC permitting mutual funds to issue a new class of shares at net asset value that would allow broker-dealers to set their own sales charge and commission amount. This new rule will be a disservice to the smaller and middle of the range investor who will be relegated to calling 1-800 no help, rather than working with an advisor they know and trust. This could also lead to bait and switch tactics by unscrupulous brokers who lure accounts in with cut rate commissions and then switch clients into alternative products that have restrictions and high CDSC charges. Investors clearly have a choice at this time and can elect to purchase no load funds direct with no or minimal 12-b1 fees, however, many investors want and need the help of their broker who will be forced to give up working for the smaller investor because they will not be able to justify the time without fair and ongoing compensation for their services. I believe you will open yourselves up to many unintended consequences if you allow BD's to set their own sales charge and commission amounts.

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