

I have been in the financial planning business since graduating from college 26 years ago. I still have many of the clients that have been with me since my first years in the business. They have accumulated investments to help them achieve their dreams thru my constant guidance and concern to keep expenses low for them. I have been reluctant to switch clients to fee based accounts because I do not see how they will benefit from the higher fees unless they change their investment objectives.

I have always been satisfied with .25 trailers and try to keep my expenses low to ride out down markets when I am doing the same service and having the same expenses but getting paid less because my service fees fluctuate with the market. Since I have been in the business I have been reluctant to expand knowing always the 12-b1 could be stopped, if the mutual fund families didn't want to pay them, as with the Money Market funds in the recent down turn.

If my trailers are eliminated my business would be worth far less and I would not have any incentive to serve clients with less than \$250,000 and a 1.5% fee. This would eliminate many of the people I have dealt with in the past and would consider dealing with in the future.

There seems to be fewer people going into this business than people retiring from this business. Working on commission and fees is a hard business to build along with all the security regulations and cost of doing business. In order to stick this business out for the long term I feel a rep has to be smart, organized, driven, and very honest and ethical. Putting the client always first and not worried about your pay. Isn't that what we are supposed to do. The trail makes that all worthwhile.

I am a financial advisor affiliated with an independent broker-dealer. My typical client is a middle-class investor who needs the financial advice, products, and services I provide to help them achieve their financial goals, such as retirement planning and college funding. Mutual funds are often the most appropriate investment option for my clients as they typically only have small amounts to invest. As a result, I am extremely concerned about the SEC's proposal to replace current Rule 12b-1 with a new Rule, 12b-2, and make other changes to the securities laws. I understand that the proposal is attempting to address four primary objectives: 1) improve transparency through disclosure; 2) cap ongoing sales charges; 3) encourage retail price competition; and 4) modify the oversight role of fund directors. My thoughts on these issues is covered in detail below.

. 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.

I appreciate this opportunity to share my thoughts on the proposal. While I support efforts to improve disclosure of marketing and service fees and ongoing sales charges, I urge the SEC to reconsider its ill advised efforts to cap sales charges and encourage retail price competition.

Sincerely,

Mrs. Mary Leneghan Skuhrovec
CFP(r)
Financial Network Investment Corp,