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November 4, 2010

Submitted Electronically

Ms. Elizabeth Murphy  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

Re: Proposed Rule - Mutual Fund Distribution Fees and Confirmations (File Number S7-15-10)

Dear Ms. Murphy:

Great-West Retirement Services<sup>1</sup> ("GWRS") appreciates this opportunity to comment on the U.S. Securities and Exchange Commission's ("SEC") proposed new rule and rule amendments regarding mutual fund distribution fees and confirmations (the "Proposed Rule"). GWRS is a provider of employer-sponsored retirement savings plans, individual retirement accounts, annuity and life insurance products for individuals and businesses, and fund management, investment and advisory services.

GWRS supports the comment letters provided by both the Investment Company Institute ("ICI") and The SPARK Institute, Inc. ("SPARK") related to the Proposed Rule. The following are some of the views and concerns set forth in the ICI and SPARK comment letters that GWRS specifically supports.

1. Impact of Fee Limitations Under Rules 12b-2 and 6c-10

GWRS agrees with SPARK's concern that the 25 basis point limitation under the Proposed Rule will be disruptive to the retirement plan community, including plan sponsors, participants, mutual funds and intermediaries due to intermediaries being forced to "either (1) accept a significant pay cut, (2) stop offering mutual fund investments to small plans, or (3) undertake expensive system upgrades or other changes, including renegotiating all of their service and compensation agreements with the mutual funds they offer and the plans they service."

In addition, SPARK and the ICI each comment that in order to comply with Rule 6c-10 limitations retirement plan service providers will be required to track and age every purchase made by individual participants in each retirement plan. Retirement plan service providers do not currently have the capability to perform this type of lot tracking or the automatic conversion between share classes that will be required to comply with the Proposed Rule. Moreover, the costs associated with upgrading record keeping systems in order to have such capability are too significant for the majority of retirement plan service providers to undertake at this time.

2. Confirmation Statements

The ICI and SPARK each address the concern that confirmation statements should serve as a record of a transaction to allow the investor to verify the transaction was processed correctly, and should not take the place of a meaningful point of sale document or prospectus. In addition, the ICI expresses its concern that some of the proposed

confirmation statement disclosure is unnecessary, redundant, operationally difficult and costly to implement such that it may have the unintended consequence of (1) encouraging brokers and retirement plan service providers to sell other products not subject to the same requirements, and (2) cluttering the confirmation statement and obscuring the transaction information the confirmation statement is meant to convey.

Furthermore, SPARK notes that the Department of Labor (“DOL”) has recently completed two major rulemaking initiatives related to the disclosure of fees and expenses to retirement plans and plan participants, including detailed information about mutual fund fees and expenses. GWRS agrees with SPARK’s concern that mutual fund companies, retirement plan service providers and plan sponsors will be faced with complying with multiple sets of rules from different regulators that are duplicative, inconsistent, potentially confusing and add unnecessary extra costs. As a result, GWRS joins SPARK in requesting that the SEC allow the DOL’s fee disclosure rules to take precedence over the proposed confirmation statement amendments and include an exemption to the Proposed Rule’s confirmation statement provisions with respect to retirement plan investments.

### 3. Impact on Participants and Retirement Plans

SPARK and the ICI, in their respective comment letters, voice concern that the Proposed Rule and the anticipated response from retirement plan service providers will likely have unintended consequences to plan participants and the retirement plans themselves. Specifically, SPARK states, “the costs associated with saving for retirement through mutual funds will go up for participants because the costs of complying with the rules will be significant and will ultimately be passed on to the participants.” Additionally, SPARK expresses concern that retirement plan service providers may be forced to switch from offering shares to participants at net asset value to wrapping the funds in unitized accounts, which will likely create confusion for participants and increase costs. Moreover, the ICI states in its comment letter that due to the potential increased costs to retirement plans and participants, small employers may seek alternative investment options or may simply forego offering retirement plans altogether, such that “millions of small plan participants will lose their plans or be pushed to higher cost, less transparent, and potentially less regulated investment alternatives.”

GWRS shares these concerns and joins SPARK and the ICI in urging the SEC to modify the Proposed Rule to allow mutual funds to charge fees greater than 25 basis points on classes of shares that are restricted to investment by retirement plans only (e.g. R shares). Doing so will allow mutual funds to continue providing compensation for important ongoing non-distribution type services (e.g. record keeping and administrative services) rendered in the retirement plan environment as well as limit the unintended consequences to retirement plans and participants discussed above.

We appreciate the SEC’s consideration of our comments. If you have questions or require any additional information, please contact me at (303) 737-3086 or Beverly A. Byrne at (303) 737-3817.

Sincerely,



Charles P. Nelson  
President, Great-West Retirement Services

cc: Beverly A. Byrne, Chief Legal Officer, Financial Services

<sup>1</sup> Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates.