

E  
B  
I  
A

Erickson - Baldwin  
Insurance Associates

235 First Street, Suite 100 • P.O. Box 2500 • Havre, MT 59501 • 406/265-1226 • Fax 406-265-9667



March 30, 2005

Jonathan G. Katz, Secretary  
Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, DC 205419-0609

Re: File No. S7-06-04

Dear Secretary Katz:

As certified and licensed insurance professionals we are writing to give our opinion on the proposed SEC rule on Disclosure governing mutual funds and variable products such as variable annuities. The rule as proposed is not only unnecessary it is impractical as well.

While we are advocates of disclosure, guidelines such as those proposed by the SEC in this rule take that aim to an extreme by duplicating that which is already made available to consumers and mandated by the SEC in the prospectus.

One must also understand that 90% of the transactions with these products are very small accounting for commissions of less than \$15. The expense with this requirement far outweighs that gain and will more than likely be passed on directly to the consumer.

This rule is a bad idea and we would urge the withdrawal of this proposal and ask that the SEC do more to simplify the regulations already in place and to help consumers to become more educated about their financial wellbeing than to create more duplicative processes.

Best Regards,

Max L. Erickson, CLU, ChFC  
General Partner

E.J. 'Bud' Baldwin, CIC  
General Partner

MLE.EJB/arb