

April 4<sup>th</sup>, 2005

Mr. Jonathan G. Katz, Secretary  
Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, DC 20549-0609

**Re: SEC Proposal on Point of Sale and Confirmation Disclosures**

Dear Mr. Katz:

The proposed change to the disclosure of fees places the burden on the consumer. The consumer is already burdened and confused with all the disclosures they have to sign.

Are we not simply trying to correlate value received from the professional to the amount paid in fees and expenses? The answer is simple, change compensation.

Mandate removal of hidden fees, i.e. 12b-1. No longer allow brokerage firms to charge a fee to be on the "preferred" list. Stop the variable annuities, variable life and mutual funds from "special" commissions or sales incentives.

As an independent financial advisor, I am able to offer my clients the most appropriate investment vehicles based on an unbiased assessment of their needs. The SEC point of sale disclosure system, as proposed, would have the unintended consequence of substantially limiting the broad universe of mutual funds and variable annuities that I am now able to offer my clients.

I fear that in the end, it will be the individual investor who will ultimately pay the added cost of implementing this proposal. Representatives who are operating as sales people will continue, with limited products! Choice is good for the consumer.

The complexity of the proposal runs the risk of further confusing investors. Rather than adopt the current proposal, I would urge the SEC to re-focus its efforts on incorporating important fee information into the prospectus and in turn, creating a more user-friendly prospectus that would better aid investors in their decision making process.

Trust and confidence comes from integrity. Integrity comes from the inside. Change compensation and you will begin to restore consumer confidence.

Sincerely,  
Peter Catalano