



FINANCIAL
SERVICES

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31 March 2005

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

57-06-04



Re: SEC Proposal on Point of Sale and Confirmation Disclosures

Dear Mr. Katz:

I have been in business as a financial professional for more than 40 years. I am concerned that Americans have decreased their savings from 6% to 1% of income over the years. I believe that government regulations can often go beyond their intended consumer protection purposes to increasing paperwork to the point that it becomes a disincentive for many people to invest. Therefore, I am concerned about the potential negative impact that the SEC's current proposal on point of sale and confirmation disclosures will have for investors.

As an independent financial advisor, I am currently able to offer my clients what I consider to be the appropriate investments based on an unbiased assessment of their needs. The SEC point of sale disclosure system, as proposed, may have, although unintended, the consequence of substantially limiting the broad number of mutual funds and variable annuities that I am now able to offer my clients. This consequence could affect many of my clients who currently invest in mutual funds and variable annuities.

Although cost is an important factor in any investment decision, this proposal misleads investors into believing that the lowest cost product is always the most suitable versus encouraging investors to weigh all factors of the investment's suitability for them.

I fear that it will certainly be the individual investor who will ultimately pay the added cost of implementing this proposal, either through increased fees or by limiting in the number of products offered.

The complexity of the proposal runs the risk of further confusing investors. Rather than adopt the current proposal, I would urge the SEC to spend its efforts on incorporating important fee information into the prospectus rather than requiring additional disclosure forms that may divert attention from the prospectus as the primary source of disclosure.

In my experience, most of my clients have purchased investment products based upon their trust in me to make the appropriate recommendation for their needs. Few of them actually read most of the paperwork that is currently required. It would make more sense to me that efforts should be increased to make the prospectus a more meaningful document by making it more understandable and "user-friendly" and the primary source of product information and fee disclosures in helping to aid investors in their decision making process.

Sincerely,

A handwritten signature in cursive script that reads "John A. Gaines". The signature is written in black ink and is positioned above the printed name.

John A. Gaines, CLU
Registered Representative