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OFFICE OF THE SECRETARY

April 9, 2004

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

RE: Request for Comments on Proposed Rule Changes Creating New  
Disclosure Requirements at Point of Sale and Confirmation and Related Matters –  
File No. S7-06-04

Dear Mr. Katz:

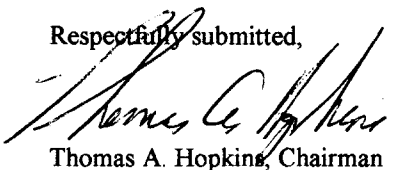
We are pleased to respond to the request for comments on the proposed rule changes relating to point of sale and confirmation disclosures for mutual fund shares, certain unit investment trust interests (including sub-accounts in variable contracts) and municipal fund securities used for education savings (e.g., 529 plans).

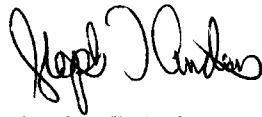
Waterstone Financial Group is a regional broker dealer located in Itasca, IL and is licensed in all 50 states. We have 540 reps primarily located in the Chicago metropolitan area. Our representatives primarily serve the middle income marketplace. We believe that the implementation of these rules will prove to be very costly for our firm and will force many of our representatives to change the manner that they are doing business. Many of our representatives are going to their client's place of business or homes to transact business today. Our representative, in concert with their client, is designing an investment program based on the client goals and the product knowledge of the registered representative. Because of the increased proposed paperwork, what is one meeting today may have to be handled in two or more meetings. It may no longer be economically feasible for the representative to service the smaller client.

The relationship between client and registered representative is based on a high degree of trust. Merely adding to the amount of paper and information that they receive at the point of sale will not increase the client's knowledge or understanding of the product that they are purchasing.

While the proposals have been presented with good intentions, we believe that present disclosure requirements relating to covered securities are generally adequate to assist customers in making wise investment decisions. Further, if more detailed disclosures are necessary, they should be accomplished by improving current disclosure materials created by product sponsors and should not require extensive and expensive new systems on the part of broker-dealers.

Respectfully submitted,

  
Thomas A. Hopkins, Chairman

  
Stephen F. Anderson, President

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CHAIRMAN

Stephen F. Anderson, CEO, CHIEF, CFP  
PRESIDENT