

JHB Financial Associates

*Business
Retirement &
Estate Planning*

JOHN H. BERRY
President

May 7, 2004

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

*Registered Representative
Offering securities through
Mutual Service Corporation
Member, NASD / SIPC*

CA. License # 0605476

RE: Proposed Rule S7-09-04

Mr. Katz:

It is our opinion that proposed rule S7-09-04 would be detrimental to our clients, the investing public and our firm. Rescinding Rule 12b-1 would undoubtedly produce less service or higher fees to the investor, in particular a smaller investor. Additionally, it would be an incentive for less professional brokers to churn their book of business, a practice that we all know is not in the investing public's best interest. Please consider the following:

Rule 12b-1 Has Allowed Shareholders to Receiving Ongoing Professional Services - A very positive development has occurred over the years since the adoption of Rule 12b-1 which we believe is of substantial benefit to fund shareholders, particularly those shareholders with relatively smaller mutual fund investments. The receipt by broker-dealers and their representatives of 12b-1 fees has enabled these shareholders to receive ongoing professional services, which would otherwise not be available to them or only available at additional costs to these shareholders. These services include not only administrative services, such as providing, changing or correcting account information, but also substantive assistance through the provision of analysis and financial planning for these shareholders.

Rescission of Rule 12b-1 Would Increase Incentives to Churn - We note that the Commission has received numerous comment letters from brokers indicating that, without the 12b-1 Fees they receive they would not be able to provide these services to their fund shareholder clients at all or without imposing charges for these services. The incentive to receive commissions on transactions in the absence of Rule 12b-1 fees also likely would result in reduced attention paid to fund shareholders after the sales as well as possible increases in transactions in accounts.

Rule 12b-1 Aligns Shareholder and Broker Interests - We believe that the interests of fund shareholders are best served by aligning the interests of the broker with the interests of their fund shareholder clients. This is best achieved through the receipt of Rule 12b-1 Fees as opposed to incentives for transaction-based commissions or the need for additional charges to fund shareholders for these valuable services.

It is our hope that this proposed rule is NOT enacted.

Sincerely,



John H. Berry
JHB/vd