

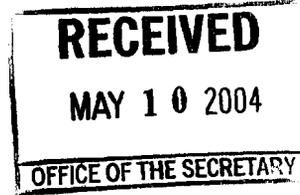
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Michael P. Kratzer, CLU, LUTCF

94

May 5, 2004



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

S7-09-04

Dear Sir,

As a registered representative, I certainly support the Securities and Exchange Commission's efforts to eliminate illegal and inappropriate practices in the mutual fund industry.

While efforts to eliminate illegal practices are commendable, I am concerned that some efforts to "protect the investor" may have untoward side effects.

It appears that the practice of paying 12b-1 fees has become an issue. I oppose any efforts to eliminate or restrict the payment of 12b-1 fees by those fund companies who utilize them. These fees compensate representatives for providing ongoing service and advice to clients in regards to their accounts held with us. We frequently establish long-term relationships with our clients, and are often the first and only person to be called for advice. These fees provide substantial value to the investor. That is, in exchange for a small annual payment, clients have personal access to a licensed, financial expert. The payment of these relatively modest fees, act as ongoing compensation - much like a renewal commission on life insurance.

For those investors who wish to avoid such fees, there exist a significant number of mutual funds which do not pay 12b-1 fees. Investors DO have alternatives to the payment of 12b-1 fees, and many of us (investment professionals) support the right of our clients to choose such funds.

I strongly oppose any efforts to eliminate or restrict the payment of 12b-1 fees. Wholesale elimination of 12b-1 fees is quite likely to harm those investors who need and want ongoing investment planning advice. I would encourage you to allow individual investors to exercise their own discretion in this matter.

Thank you for assistance in this issue.

Best regards,

A handwritten signature in cursive script that reads "Carl Henderson".

Carl Henderson

Registered Representative

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