THE SPARK Institute, Inc.

714 HOPMEADOW STREET, SUITE 3
SIMSBURY, CT 06070
(860) 658-5058

ROBERT G. WUELFING, PRESIDENT
LARRY H. GOLDBRUM, GENERAL COUNSEL

950 F STREET, N.W.
WASHINGTON, DC 20004

Filed Electronically

July 6, 2007

Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: **Proposed Distribution Plan for Franklin Advisers, Inc.**
(Administrative Proceeding File Number 3-11572)

Dear Ms. Morris:

The SPARK Institute, Inc. ("SPARK")[1] appreciates this opportunity to comment regarding the proposed distribution plan (the "Distribution Plan") for Franklin Advisers, Inc. ("Franklin") that was published by the U.S. Securities and Exchange Commission ("SEC") on June 6, 2007. The SPARK Institute members include the retirement plan service providers that will be responsible for reconstructing accountholder balance information, making allocations, receiving proceeds, and making distributions to plan participants who are the intended beneficiaries of a substantial portion of the distribution at issue.

[1] SPARK represents the interests of a broad based cross section of retirement plan service providers, including members that are banks, mutual fund companies, third party administrators and benefits consultants. SPARK members include most of the largest service providers in the retirement plan industry and the combined membership services more than 95% of all defined contribution plan participants.

The SPARK Institute has filed comment letters regarding the other distribution plans that were released by the SEC.[2] The comment letters we filed at the beginning of Fair Funds Settlements process expressed serious concerns regarding the treatment of retirement plans under the proposed distribution plans. More recently, our comment letters and positions on certain proposed and finalized distribution plans commended the fund companies, the IDCs and the SEC for addressing many of the concerns we raised. Included among our concerns from the outset was the unfavorable treatment of retirement plan omnibus account service providers. Although, the Franklin Distribution Plan appears to address certain concerns previously raised by The SPARK Institute, we are concerned that the Distribution Plan reverts back to the provisions of some of the earlier distribution plans and treats retirement plan service providers differently from other omnibus account service providers. We request that Franklin, the IDC and the SEC consider the following requests for modifications to the Distribution Plan.

I. Retirement Plan Omnibus Account Service Providers Should Not Be Treated Less Favorably Than Other Similarly Situated Omnibus Account Holders.

Retirement plan omnibus account service providers, plan sponsors and plan participants should not be treated less favorably than similarly situated other omnibus account holders, broker-dealers, and their respective customers. The Distribution Plan permits "Other Omnibus Account" holders to submit data regarding the first level of underlying account holders to the Fund Administrator so that it could perform calculations of distribution amounts to such underlying holders. In the context of retirement plan omnibus accounts this would be comparable to making plan level allocations among multiple plans that hold shares through a single omnibus account. However, no such assistance is made available with respect to retirement plan omnibus accounts. We see no justification for treating retirement plan accounts differently in this way. We note that the respondents in several of the more recently released distribution plans have accepted responsibility for making or assisting with making plan level allocations among plans that hold shares through omnibus accounts. See Putnam Investment Management, LLC Distribution Plan (Administrative Proceeding File No. 3-11317). We request that Franklin, the IDC and the SEC modify the Distribution Plan so as to make available to retirement plan omnibus account service providers the same administrative assistance and alternatives that are available to Other Omnibus Account providers.

II. The Distribution Plan Should Expressly Provide For Reimbursement Of Expenses To Retirement Plan Service Providers For Making Allocations And Distributions With Respect to Retirement Plan Omnibus Accounts.

The SPARK Institute has consistently argued that retirement plan service providers should be reimbursed for the reasonable costs and expenses they incur in carrying out the role they are called upon to play in connection with the distribution plans. The SPARK Institute has addressed these issues in its prior comment letters and reiterates that in the absence of any cost relief in the form of reimbursement, retirement plan intermediaries will be forced to pass on their costs associated with allocating and making distributions to plan participants. This could reduce, if not

[2] Such other comment letters are available at http://www.sec.gov/litigation/admin.shtml.

entirely eliminate plan participant distribution amounts. Several similarly situated respondents in other recently proposed distribution plans released by the SEC have agreed to reimburse retirement plan service providers for certain costs associated with facilitating their distributions. Moreover, the Franklin Distribution Plan includes cost reimbursement provisions but only offers such cost reimbursements to non-retirement account omnibus service providers. If the Distribution Plan does not provide for reimbursement of costs and expenses to retirement plan service providers, then in effect the Distribution Plan is dictating that retirement plan participants receive less than other beneficiaries unless the retirement plan service provider absorbs such costs. It is unreasonable to expect only retirement plan service providers to absorb all of the costs associated with facilitating the Distribution Plan.

We note that the Distribution Plan attempts to justify the disparate cost reimbursement treatment of retirement plan service providers because the Distribution Plan provides "alternate distribution methodologies to Retirement Plan Accountholders." We note that such alternate methodologies, while helpful in certain respects, do not eliminate the costs that will be incurred by retirement plan service providers. Therefore, it is unreasonable to rely on such alternatives as a justification for not reimbursing such service providers for their expenses while at the same time offering to reimburse Other Omnibus Account providers for their comparable expenses. In effect the alternative methodology provisions appear to be viewed by Franklin, the IDC and the SEC as solely for the benefit of the retirement plan service providers. However, to the extent that such alternate methodologies facilitate more cost effective approaches to allocating and distributing funds under the Distribution Plan they will also benefit Franklin by reducing the costs that they should be required to reimburse. Such alternative will also benefit the intended beneficiaries by preserving more of the settlement amount for distribution. Accordingly, The SPARK Institute requests that the Distribution Plan be modified to provide that retirement plan service providers will be reimbursed for the commercially reasonable costs and expenses they incur in connection with the Distribution Plan.

Additionally, the SPARK Institute understands from the information provided in the Distribution Plan that the settlement amount ($50 million) exceeds the amount of calculated losses (approximately $38 million). The SPARK Institute urges Franklin, the IDC and the SEC to set aside such excess amounts to instead be made available as a potential source of funds to reimburse retirement plan service providers for the costs they will incur. This will ultimately allow retirement plan participants to keep a greater portion of the gross proceeds.

We thank you for this opportunity to comment on this very important effort. Should you have additional questions or need additional information regarding this comment, please do not hesitate to contact us at (704) 987-0533.

Respectfully,

/s/

Larry H. Goldbrum
General Counsel