

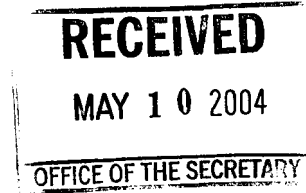


Mutual Service
Associates

96

May 6, 2004

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



Re: File Number S7 - 09 - 04

Dear Sir:

The rescission of 12 B 1 fees is big mistake. Twenty years ago, clients paid a maximum sales charge of 8 ½ % to buy commissionable mutual funds. There was little or no incentive to help investors hold onto good assets.

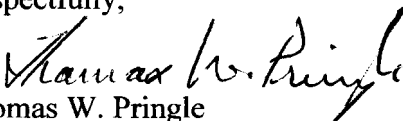
Today, the average maximum sales charge is 33% less than it was in 1983 before taking into consideration rights of accumulation or letters of intent. Clients pay a 12-B-1 fee that compensates registered representatives for servicing their accounts. Those services can include anything from changing an address to settling an estate. It can include reallocating assets within a fund family, transferring shares to charities or holding a hand during a market break.

As witness, I am fortunate to have clients who still hold the same funds they purchased in 1955. I submit to you that they continue to hold on to those accounts largely due to on going service. Good service came in part from compensation and training.

As a former owner of a broker-dealer/investment advisor, I complained for years to the NASD and the mutual fund industry that registered representatives should be compensated for service instead of sales. The rescission of 12-B-1 fees will result in many assets moving to 'fee' based accounts where clients frequently pay more than 1% *per year* for similar funds.

Shareholders are best served through the existing 12 B 1 structure. I strongly encourage you not to rescind the 12B1 fee.

Respectfully,


Thomas W. Pringle

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