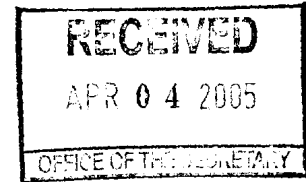


1149



March 30, 2005

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

By email: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Re: File No. S7-06-04

I am writing to you because the new disclosure requirements contained in the SEC's proposal regarding the sale of mutual funds and variable products are unnecessary and essentially duplicate requirements already in place.

Mutual fund and variable annuity prospectuses, which are reviewed by the SEC, already discuss the fees, risks and expenses associated with the purchase of these products. Very recently, in 2002, the SEC took steps to simplify the contents of the prospectus. If you feel there are additional issues regarding the contents of the prospectus, focus your efforts on further revisions to the prospectus requirements. The appropriate document would be the table of fees and expenses that is found in every prospectus. Requiring a new, separate disclosure document at the point of sale and at confirmation would duplicate information already found in the prospectus, and reduce the likelihood that consumers will read the *most* important source of information on the product -- the *prospectus*. This is where the SEC should focus its efforts... getting consumers to carefully read the prospectus they receive.

Finally, if the new disclosure only discusses the fees and expenses of purchasing mutual funds and variable annuities, and does not contain any discussion of the beneficial aspects of these products, prospective investors may focus on the investment's costs, rather than any beneficial investment returns.

For these reasons, I urge the NASD withdraw the proposed rule. Thank you for your consideration of my views on this matter.

Sincerely,

Chuck Bracht  
President

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