



FINANCIAL
SERVICES



Walter W. Ince
Senior Investment Consultant

300 B Street, Suite 214
Santa Rosa, CA 95401
Office (707) 573-8682
Fax (707) 573-8683
Toll (800) 273-1369

1206

March 31, 2005

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

57-06-04

Subject: Point of Sale/Confirmation Disclosures now being discussed at the SEC

Dear Mr. Katz:

For too many years, I was a Stockbroker for one of the major wire houses. In 1996, for many reasons, I decided to become an independent financial advisor and have made a good living in this capacity for the past nine years. As an independent, I am gravely concerned about the potential negative impact the SEC's discussions, and, possible implementation, regarding point of sale/confirmation disclosures will have for my clientele and potential future investors.

As an independent financial advisor, I am able to offer my clients the most appropriate investments based on an unbiased, and, I hope, objective assessment of their needs. As you undoubtedly know, as independent financial advisors, we do not offer any proprietary mutual funds or variable annuities. The SEC point of sale disclosure system, as proposed, would have the unintended consequence of substantially limiting the broad universe of mutual funds and variable annuities that I am now able to offer my clients; based on the client's needs and the features and benefits of the investment product offered.

In my humble opinion, there has been far too much emphasis on expenses, the use of discount brokers (in TV advertisements for example,) and the perception that anyone can practically eliminate the broker, and his commission, by trading direct via the internet. All this to the detriment of the professional financial advisor, his vocation, and his many years experience; or lack thereof. While cost is an important factor in any investment decision, this proposal misleads investors into believing that the lowest cost product is the most suitable versus encouraging investors to weigh all factors of suitability, with the assistance of a professional and trusted financial advisor.

In the final analysis, I think the individual investor will bear the ultimate costs of implementation of this proposal. The breadth and variety of the investment offerings, for the independent financial advisor, will be substantially reduced, eliminating one of our competitive advantages vs. the wire houses. The latter would love this point! It will again tilt the playing field in their favor.

(2)

The individual investor, now more than ever, needs the advice and counsel of professional, and, yes, independent financial advisors. Not long ago, while standing in line to do some business with a teller at my bank, I overheard one of the bank's financial services "professionals," proffer some advice to two (2) elderly retirees. I could see both were confused and did not understand the advice they were being offered. I waited outside until the couple exited the bank, introduced myself, offered them my business card, told them I had overheard the advice offered to them, and, that I strongly disagreed with it. I told them not to take my word for it, but, to seek out other professional financial advice before going down the road to which they had been pointed. I thought the man's wife was going to cry. She said she did not understand what they had been told and was very uncomfortable with the individual that was giving the advice. About a week later, she called and asked if I could see them. They had, indeed, gone and listened to two more advisors; one at a major wire house, who, of course, pointed them toward the proprietary mutual funds they offered, B Shares, with a seven year CDSC. People are confused. Between the banks and the discount brokers, they don't know whether to s ___ or go blind! Needless to say these two came back to me and are now my clients.

As you can tell, I favor rather plain talk. I would offer that is what we need in the Prospecti; plain talk that people can understand. And, we don't need twenty-five pages in a prospectus if five will do just as well. Let's get back to the fundamentals; blocking and tackling, passing and catching.

Again, in my humble opinion, I think the SEC would spend their time and effort most effectively if they would concentrate on the plain talk enhancement of the mutual fund and annuity prospecti, the bank "financial professionals," the almost lock-step proprietary mutual fund offerings of the major wire houses, and the discount brokers.

Sincerely,

LPL FINANCIAL SERVICES

Walter W. Ince
Branch Manager
