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OFFICE OF THE SECRETARY

March 30, 2005

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

Re: SEC Proposal on Point of Sale and Confirmation Disclosures S7-06-04

Dear Mr. Katz:

As a financial advisor, I am concerned about the potential negative impact that the SEC's proposal on point of sale and confirmation disclosures will have for the **middle-income investor**.

I draw distinct attention to the middle-income investor because most high net worth investors have their investments in individual securities, managed accounts and fee-based platforms. It is the **middle-income American who relies on mutual funds** to systematically invest and attain the desired level of diversification they need and want.

The SEC's proposal will bring with it unforeseen consequences for these investors. Of the 120 households and small businesses I serve, **all but 3 would be negatively impacted** in some way. The increased costs would be passed on to these investors by the mutual fund companies' raising of internal expenses. Broker-Dealers **may decide to limit the number of covered securities** with whom they maintain their selling agreements, thus **limiting the options available to investors**. Small business owners such as myself may no longer find it feasible to work with middle-income investors because of the exponential increase in man-hours and resources spent on these smaller account sizes.

This current proposal does not directly address the pressing need; that is, to stop fraudulent and purposely-misleading Registered Representatives who fail to comply with any client disclosure at all. For the majority of us who take our roles as financial advisors very seriously, **it creates only burden and frustration without any true benefit to our clients**.

The complexity of the proposal runs the risk of further confusing investors. Rather than adopt the current proposal, I would urge the SEC to re-focus its efforts on incorporating important fee information into the prospectus and in turn, creating a more user-friendly prospectus that would better aid investors in their decision making process. **Many of the mutual fund companies with whom I work have already taken steps toward more "self-regulation"** and have made great strides to better and more accurately educate the investor. Allowing them to continue to do so would be in everyone's long-term best interest and more accurately reflects the original purpose of the SEC's mission.

Sincerely,

Shawn D Palmer, CFS
Advocate for the Goal-oriented Investor
LPL Financial Advisor