

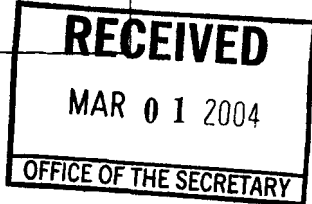


Rule Comments

Proposed Rule on Mutual Fund Disclosure Forms

(SEC File No. S7-06-04)

267



Name: NICHOLAS J. ZITO

Please be aware that all comments we receive will become part of the public record of what we considered in this matter. Please return the comment form to the SEC representative or mail your comments to the following address:

Jonathan G. Katz, Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Comments: THANK YOU FOR THE OPPURTUNITY TO SUBMIT MY

COMMENTS ON THE SEC'S PROPOSED DISCLOSURE RULES. THE
COMPLAINT I FILED WITH THE SEC IS EXACTLY WHAT YOU
OFFICE IS ATTEMPTING TO CHANGE. MY COMPLAINT WAS FILED
BECAUSE MY BROKER DID NOT TELL ME ANY BACK-END
SALES LOAD, FILLED IN SALES LOAD %'S ON HIS COPY
OF DISCLOSURE STATEMENT (MY COPY WAS BLANK) AND
FAILED TO FURNISH ME A PROSPECTUS. THEY NEVER
ADMITTED ANY WRONG DOING AND I WAS UNABLE TO
SECURE ANY HELP FROM THE SEC. NYSE ETC.
I ALSO COULD NOT AFFORD LEGAL REPRESENTATION.

WITH RESPECT TO ATTACHMENT 2^{AND} 3 I
BELIEVE THE FORM CONCERNING FEES AND
PAYMENTS ASSOCIATED WITH INVESTMENT

is ~~very~~ comprehensive and section B
lays out what charges apply, the
actual amount and period ie years
1 to 6.

I also favor the special compensation
sales agents receive for selling securities.

If the SEC establishes this new
disclosure I hope that the
~~new~~ format shown in attachment 2
becomes a standard form which
brokers must use in selling mutual
fund securities. Perhaps a space
at bottom should be inserted where
broker sales agent and customer both
sign and date disclosure statement.

Finally, I would like to see brokers
held accountable, including levy of penalties
when they violate SEC rules. Small investors
who are harmed by unlawful practices should
be able to recover losses without having to
resort to expensive legal remedies.

NICHOLAS J. ZITO