Rule Comments

Proposed Rule on Mutual Fund Disclosure Forms

(SEC File No. S7-06-04)

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Name: Glenda Patrick

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: I read the forms you sent me. I have found through discussion with other retirees that we do not always understand the terms the Broker and/or Financial Planner uses. The terms need to be explained in such a matter that the investor fully understands what is happening. Investors should realize that with some investments they are locked in for a certain number of years and that to get out early would cost huge penalties.
They should clearly understand that the Broker and/or Financial Planner is getting a great deal of money for putting them in certain plans and in some cases signing them up with additional money managers for an additional fee, part of which goes to the Broker and/or Financial Planner. This needs to be fully explained in terms the investor clearly understands.

The planners should never advise retirees to place their money into aggressive investments. If the client insists on aggressive investments the planner should have the client sign a letter stating that being placed in aggressive investment is against the Broker and/or Financial Planners advise. This way if the clients lose their money the Broker and/or Financial Planner will be not be held responsible.

In talking with fellow investors, one told me she did not like the way her Financial Planner was handling her money but she could not change Planner for 7 more years because of the investments he had place her in. The retirees should be told they could change Planner at any time regardless of how they are invested. The process for changing Brokers and/or Financial Planners should be explained.

A planner should not have more clients than he can physically handle. Most retirees do not understand investing. They go to a professional to help them. Much the same way they rely on medical professional when they are ill because they can not cure themselves. This is the same logic that is applied when investing; they rely on a professional to be working in their best interest. If he does, everyone wins.

The SEC should raise the bar and stop the kind of fraud that is cheating millions of investor out of their life savings. Brokers and/or Financial Planners should be held to a higher standard. The SEC should realize when a Broker and/or Financial Planner is reported to them by an investor; there are probably hundreds of other investors that do not know how to report this kind of activity.