CERTIFIED FINANCIAL CONSULTANTS, LTD.

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April 29, 2004

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

Re: File No. S7-11-04
May 10th Comment Deadline

Dear Mr. Katz:

As an independent Registered Representative with an NASD firm, I would like to urge the SEC not to adopt rule number S7-111-04. This proposed rule would increase the risk of lost to my clients who utilized Federally licensed third party Investment Advisors to help them select sub-account choices. Their risk of loss would be increased in their mutual funds, variable annuities and variable life policies.

My reasons follow:

1. Mutual funds already have the ability to impose the proposed 2% redemption fee for whatever time period they decide. This should not become a government mandate as it is not the only way to halt after hours trading.

My individual clients do not engage in International Arbitrage or after hours trading, so this proposal would only increase their risk of loss by locking them in for an unnecessary five days. If a previously strong sub-account weakens, the RIA needs to be able to switch them to a stronger sub-account, immediately, not after an arbitrary five day period. It is my understanding that "after hours" trading is already illegal. The RIA I use with my clients has never and will never engage in that type activity.

2. This would be a NEW TAX penalty on short-term traders. If Congress wants to change the tax codes, they should do it and stand for re-election on their voting records. The SEC should not try to take this power from Congress. Short-term trading is not an illegal activity.

My clients do not engage in short-term trading per se, but want to retain that ability. To have their RIA react quickly, if necessary, is crucial to their investment health.

3. The SEC has estimated that the enforcement of this unnecessary rule would require an extra $1 billion a year, on top of the $2 billion they suggest would be required

the first year. That old time Senator from Illinois, Ev Dirkson, used to have a saying. "A billion here, a billion there, after a while it adds up to real money".

4. The SEC has not told us the cost of the "problem" they are trying to solve. Instead of using a "sledge hammer", perhaps a "fly swatter" would make more sense. Remember, Putnam reported to its shareholders that its $53.7 billion in net redemptions in 2003's final quarter, had no significant impact on any fund's NAV or performance.

Individual fund employees might have benefited slightly, but no case has been made that the public has been hurt financially in any significant way. Punish the perpetrators, not the public.

5. Redemption fees discourage investors from limiting portfolio risk. They create artificial barriers to liquidity and discourage investment.

Why should short-term investors be punished with extra fees (taxes) while long-term traders are given special protection? Why should those with a short-term need pay for a solution designed to punish abusive trading? The public was not involved in this over night abusive trading. Don't punish the public for lax over sight by the fund companies and the SEC. In fact, I contend the public has already punished the fund companies and continues to do so.

In short, the proposed 2% redemption fee would do far more damage to my clients and the investing public than it would solve. And, my clients vote.

Yours truly,

R. K. Barton III

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Cc: Congresswoman Candice Miller
Congresswoman Carolyn C. Kilpatrick
Senator Carl Levin
Senator Deborah Stabenow
President George Bush