

To: The SEC  
From: Jake Yetterberg  
Date: August 26, 2008

Dear Sir/Ma'am:

I wanted to oppose rule 151A as it will hurt many small businesses in San Antonio (and the entire country, for that matter). This proposal would make the fixed index annuity a security. The courts have already clearly ruled on this, but the SEC seemingly wants to ignore the facts and try and grab jurisdiction over something that does not and should not fall under their regulation.

More regulation means a higher fees structure on a simple and effective fixed financial and retirement planning tools. The end loser, besides small retirement planning businesses, will also ultimately be the general consumer. The individual state insurance departments already regulate these products (as it should be, as they are state-by-state approved fixed insurance products, not nationally registered variable products). More regulation *on top of the layer that already exists* will ultimately take money right out of the hands of the consumer, thus limiting their return and reducing their retirement dollars that they will have to live on in the future.

The litmus test for variable registration is whether or not the consumer bears the investment risk of the product. In the case of fixed index annuities, they clearly do not bear the risk. If they hold the annuity to term, they cannot lose money...no matter what the stock market index does. Likewise, they will actually make a minimum guaranteed rate of return if the market loses money. It is ludicrous that the SEC would deem this a variable product when it is not.

Conclusion: The last thing that the consumer needs is another hidden fee (drag) on their investment return. They are already battling skyrocketing inflation, stagnant stock market returns (think zero growth over the last 8 years in the S&P 500), Social Security taxation and phased in age restrictions, incalculable future health care costs, longevity concerns, etc.

I appreciate you taking the time to listen to my concerns regarding SEC Proposed rule 151A. If enacted, it will not only hurt small business people, it will also ultimately affect thousands of people who hope to one day retire with a decent standard of living.

**Thank you and have a great day!**

Sincerely,

*Jake Yetterberg*