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Ms. Nancy M. Morris, Secretary
Securities & Exchange Commission
100 F Street, NE
Washington, DC 20549-1090



RE: File Number SR-NASD-2004-183, Amendment Number 2

July 13, 2006

Dear Secretary Morris:

I am writing in reference to the new / proposed regulations relating to Variable Annuities.

I've been in business for over 29 years and have always conducted myself in a completely professional manner. I feel more regulations would not stem the problem of unprofessional people acting in a manner that is not in the best interest of our clients. Preventing bad business practices should always be of utmost concern to all of us, but, when an illegal or immoral act is uncovered, I do believe it should be dealt with swiftly and strongly.

A few points of concern, on the proposed regulations, are as follows:

- 1.) Product Specific Suitability: I am concerned that this would be extremely burdensome on the Broker/Dealers, cause undue expense, and still would not solve the problem relating to suitability. Much of this would be to the detriment of our clients, as it would cause us to possibly pay less attention to the clients, and spend more time on excessive paperwork.
- 2.) Obligation to inform clients of Material Features of the VA: I feel we are already required to do this, and the current disclosure(s) required are quite sufficient. From supplying complete prospectus', to the disclosure check lists, we already provide the prospective client with a plethora of paperwork.

- 3.) **Principal Review and Approval:** I am concerned that the "time line" (two days) for this is extremely short and could cause undue stress on the process. The postal service has an excellent "Express Mail" service, but I, personally, have had express mail accidentally re-routed, or delivered to the wrong address, and their "one day guarantee" has taken 3 – 5 days. The Post Office will refund the fee, but I've always wanted the parcel to get to the proper person(s) ASAP and I am NOT concerned with the refund.
- 4.) **Training:** While "training" is of utmost importance, and I have always fulfilled all of my requirements, this still would not insure that all salespeople will have complete and proper training, and complete product knowledge. Presently, NASD Conduct Rule 2310 requires that the member make "suitable recommendations to the client".
- 5.) **Enforcement – not – Regulations:**
While there have been abuses relating to VA sales practices, I do not believe that more regulations will stem them. I feel that strong enforcement of current regulations should be the answer.
- 6.) **Legitimate Tax-Deferred Vehicle:** I fear that more regulations could take a very valuable investment vehicle away from qualified clients. VA's can be an excellent investment under the correct circumstances, and these additional regulations could cause Representatives to cease or limit selling them, to the loss of the prospective client.

With all of this said, I hope the proposed regulations will be re-considered, and enforcement of the current regulations will suffice.

Thank you,


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