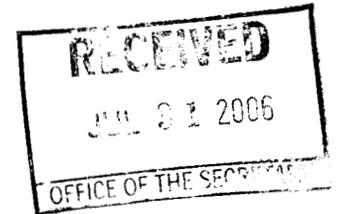




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July 21, 2006



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

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

Ladies and Gentlemen:

I would like to comment on NASD's proposed 2<sup>nd</sup> amendment to variable annuity sales and practice NASD Rule 2821. I have reviewed the proposed changes to the variable annuity sales practices and supervisory standards. As a Registered Representative in the field for 38 years, I would like to suggest that the current supervisory and variable annuity sales practice rules are quite adequate to make sure that our clients are given the proper tools to make informed investment decisions.

Specifically, variable annuities offer a very unique and important function with today's aging population. Not only do they guarantee a minimum death benefit which is very important to many families, they also offer living benefit income guarantees which serve to assure our clients of lifetime income regardless of poor market performance.

I do not believe there are widespread abuses in our industry with regard to variable annuities. There will always be unprofessional and unethical representatives in our business and I believe that the NASD and SEC already have the proper rules and regulations in place to police these few bad apples.

Please do not penalize the rest of our ethical and moral community because of these few unethical and immoral representatives. Under current practices, my clients are required to sign in approximately 10 places for a variable annuity transaction. Additional disclosures would in my opinion be onerous and in my opinion, ineffective. You will never be able to legislate morality.

Most firms employ a checklist of important points relating to variable annuity sales practices which are reviewed with the potential client. These points clearly point out any of the negatives of variable annuities in my opinion, are more than adequate in properly informing clients of both the advantages and disadvantages of variable annuities.

In regard to you're requiring a certain amount of investment experience for an investor to invest in a variable annuity, I see this as a huge injustice to clients who need the possible growth of principal and who are currently invested in non-equity products. Part of the educational process in working with our clients is to inform them of how inflation will increase the amount of income they'll need at retirement. Prohibiting an investor from investing in a variable annuity because they don't have the proper "length of investment experience" unfairly penalizes that investor.

As a financial advisor reviewing these investments, a requirement to review each and every transaction within 2 days also has pitfalls. A limited review period is problematic in my opinion and must have been arbitrarily created. Imposing a very short review period for OSJ supervisors only serves to undermine their ability to do an accurate and thorough review.

Prior to 2001, I read several articles relating to the fact that variable annuities' death benefits were worthless. Ask any widow or widower whose husband or wife's assets were invested in a variable annuity whether or not the death benefit they received (that preserved their retirement income) was worth the additional cost after suffering a 40% or 50% loss in the US markets. What other product is available to the investing public that gives them the potential for growth of principal yet assuring them of no less than lifetime income based on the monies they invest through living benefit variable annuities?

Yes the fees are higher than those of mutual funds but what mutual fund offers a death benefit guarantee as well as a lifetime income benefit guarantee?

Thank you for reviewing my comments.

I urge you not to make any changes to the excellent checks and balances already in place with regard to variable annuities sales and supervision.

Sincerely,

A handwritten signature in black ink, appearing to read "M. L. Vincent, Jr.", written in a cursive style.

M. L. Vincent, Jr.

Registered Representative

Transamerica Financial Advisors, Inc.

MLV:cl