

September 2, 2008, 10:04 AM

SEP 09 2008

Dear SEC,

OFFICE OF INVESTOR
EDUCATION AND ADVOCACY

Please do not regulate the index annuity. The product offers the customer a variety of interest credits based on the index they choose. Over the next 12 months they might be credited with 0 (zero) interest or higher, depending on the index. Maybe 6 ½%, which is certainly higher than a 12 month CD. The public likes choice and the money that is placed with insurance companies buys a lot of government bonds and that helps us all.

If you regulate the index annuity I will no longer sell them. Here is why. During the 80's & until 1999 I was a licensed series 7 securities broker and I realized that investors did not understand the risk they were taking by buying mutual fund shares, I.e. Black Monday 1987. They would sign the prospectus saying that they read the prospectus and understood the risk, but they did not understand. So in December 1999 I resigned from the securities business.

I felt there was a better product to sell, the index annuity, because it offered some of the gain of the S&P but none of the downside principle risk. My family, cousins, uncles, neighbors and friends have purchased and still have money in index annuities and depend on them to provide retirement income they don't have to worry about.

I'm a self-employed, commission only insurance agent and proud of it. This great country has allowed me the independence to provide for and raise children who are also registered voters.

Sincerely,

Mitchell C. Schwarz

805 J Runaway [REDACTED]

[REDACTED] 64
[REDACTED]