

I am a registered rep and insurance agent with 45 years in this profession. I have never had a prospect or client ask me the cost, my earnings or any data related to the sale that was not discussed.

One major element is missing from this discussion of disclosure. The rep sinks his or her time in finding a prospect, inviting them to their office, providing a presentation and then or later designing a program to fit the prospects personal situation. If this exchange from client to the rep results in a sale, this is only the beginning. Many documents are prepared, disclosures are made, and applications are completed.

In the sale of securities the acceptance by the broker dealer is many times a routine procedure except for variable annuities. Variable annuities are complicated and need much more disclosure and explanation before getting approval from the broker dealer to sell the product.

Insurance products are time consuming and have as many as 10 items that must be done after the application is completed. For disability insurance, the list can be up to 20 items of concerns the insuring company may request the agent to spend time completing. After the sale and issuance of the life contract the client is invited to the reps office to review the contract and affirm the suitability.

The rep again encourages the client to call any time there is a question or need for service, at no additional costs.

In my practice, I have given hundreds of client's service, at no cost and my daughter is here to convene this service for years to come. Can you in real conscience believe and that a new client who has never discussed their needs with a rep can in any way understand the extreme long list of items we are required to do?

Our profession is the only one I am aware that gives no fee service, in many instances for the life of the client.

Certified Public Accountants charge by the hour, \$250 per hour is not uncommon.

The attorney charges are similar to the CPA. The medical profession has a long menu of charges, test, time and hundreds of procedures.

Our profession, I am speaking for our firm, gives and gives and gives.

Does the grocery store, drug store, gas station, liquor store, etc state any beyond the sale price? Do they disclose their earnings on each item? Of course not. There are two urges that are involved in our profession. Greed and fraud!

Compel the manager of the office to be responsible; the broker dealer to be responsible; and the insurance company to be responsible.

When the insurance companies hire and the broker dealer recruits they feed the greed in the new recruit. The potential for way above average savings and any easy path to riches is the siren song that managers voice. If you want to discuss this further, I invite you to give me a call.

Sincerely,

Joseph C. Merrill

817-460-4051