

July 19, 2006

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

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

Dear Ms. Morris:

The proposed changes to the variable annuity sales practices and supervisory standards prompt me to offer some comments based on my experience, both as a Registered Representative in the field, as well as a former OSJ. The current supervisory and variable annuity sales practice rules are more than adequate to make sure that our clients are given the proper tools to make informed investment decisions.

When working with a client to determine how best to help them meet their goal of a lifetime income, and not outlive their money, the variable annuities offers a unique and important function. 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 the client of lifetime income regardless of poor market performance.

I have not observed widespread abuses with regard to variable annuities. In fact, my observation of abuse in the annuities market has been in the area of the indexed annuity. The currently required disclosures and explanations, along with a thorough knowledge of my client, their goals and their entire financial picture, allow them to make prudent decisions about providing for their future whether they have had any real prior investment experience or not. Prohibiting an investor from investing in a variable annuity because they don't have the proper "length of investment experience" unfairly penalizes that person.

There are always those unethical people who choose to ignore the rules and regulations that the NASD and SEC already have in place. Additional disclosures and shorter review period for OSJ supervisors would, in my opinion, not bring about the desired result. Compliance with the existing regulations covers all of the areas your proposed 2nd amendment deals with.

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 and in my opinion, are more than adequate in properly informing clients of both the advantages and disadvantages of variable annuities.

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

Thank you for your consideration.

Sincerely,

Phillip Hinds
Registered Representative
Transamerica Financial Advisors, Inc.
"A Registered Broker Dealer"

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