

Jonathan G. Katz  
 Secretary  
 Securities and Exchange Commission  
 100 F Street, NE  
 Washington, DC 20549-9303

Re: File Number SR-NASD-2004-183

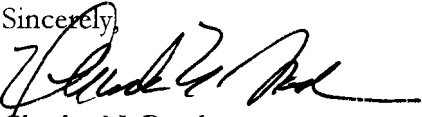
Dear Secretary Katz:

I am a licensed insurance professional and variable product salesperson, and have had my securities license since 1972. I am writing regarding NASD proposed Rule 2821. The principal review requirements and redundant suitability standards contained in this rule are unnecessary, will provide no meaningful additional protection to consumers and will adversely impact my business. I urge the SEC to disapprove the proposal.

There is absolutely no question that people who engage in misleading sales practices should be aggressively prosecuted and subject to appropriate sanctions. However, proposed Rule 2821 duplicates requirements that are already in place. NASD rules already contain suitability requirements that apply to *all* sales of securities, including variable annuities. If regulators really want to protect consumers, the answer is appropriate enforcement of the existing suitability rule, rather than the adoption of yet another rule.

Furthermore, the requirement for review by a principal found in the proposed rule appears to present a bias against these products. In addition, the proposed requirements will lead to constant second guessing of my advice and recommendations (based upon less first hand information than was available to me) as well as significant increases in merit-less litigation.

Finally, I do not think the available data support the NASD's claims that the level of sales problems in the variable annuity marketplace calls for the adoption of the proposed rule. The NASD has not statistically quantified the scope of the problem it is allegedly seeking to solve with the proposed rule. Over 95% of the comments received by the NASD regarding the proposal opposed the new rule, and the NASD has not adequately responded to the concerns raised by the vast majority of commentators. For these reasons, I urge the SEC to disapprove NASD proposed Rule 2821. Thank you for your consideration of my views on this matter.

Sincerely,  
  
 Charles N. Bracht  
 President