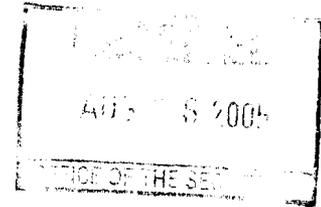


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August 10, 2005

Jonathan G. Katz
 Secretary
 U.S. Securities and Exchange Commission
 Room 6148, Stop 6-9
 450 Fifth Street, N.W.
 Washington, D.C.



Ref: Release No. 34-52046A; File No. SR-NASD-2004-1183; *Proposed NASD Rule Concerning Supervision and Suitability in the Sale of Variable Annuities*

Dear Mr. Katz:

I am a licensed insurance and securities salesperson with more than 17 years in the business. I have been a Certified Financial Planner Professional since 1990. I am also an adjunct faculty member of a local community college teaching adults how to achieve financial independence. I have from time-to-time sold deferred variable annuities to a relatively small base of my clients.

After I first became aware of the NASD concerns relative to the suitability of deferred variable annuities in June, 2004, I looked closely at the research some experts have published as to the suitability criteria for deferred variable annuities. One of the professional experts I have read carefully and listened to his presentations on the suitability of deferred variable annuities is Professor John P. Huggard, J.D., distinguished professor at North Carolina State University, Raleigh, NC.

Professor Huggard has published a book entitled: "*Fifty Reasons Why Variable Annuities are Better than Mutual Funds.*" His thoughtful research into the many myths of variable annuities prompted me to include many of his 50 reasons into my generic educational investment classes as well as discussions with prospects and periodic client portfolio reviews.

The NASD study and my ongoing evaluation of the potential problems that concerns the NASD with deferred variable annuities may stem from the many features that this investment vehicle provides to clients. It is entirely possible that some of the more than 600,000 registered representatives are not adequately communicating the many features and benefits this investment vehicle can provide. I do not believe that achieving

increased understanding and awareness of the pros/cons of annuities requires the approach contained in Rule 2821.

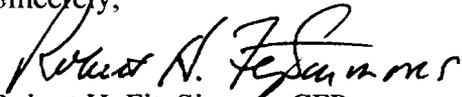
It should also be noted that some of the client concerns and objections after the fact to deferred variable annuities have to some extent been addressed recently with the availability of "living benefit" riders. For example, no loss of principle over specified time periods regardless of market performance and a guaranteed income stream for life without annuitizing the contract are riders that are gaining in acceptance among my professional colleagues.

In addition, in a recent Wall Street Journal article (dated August 4, 2005) noted that a number of State Department of Insurance regulators (i.e., California, New Jersey, Missouri, and Massachusetts) are addressing some of the allegedly abusive sales tactics areas. This could have a significant impact in addressing some of the concerns consumers have raised to the NASD about variable annuities.

In summary, I believe the proposed NASD Rule 2821 is unnecessary. And, more than likely Rule 2821 will simply not provide any additional protection to consumers than already exists coupled with the actions being discussed by several State Insurance Regulators to crack down on alleged abusive sales tactics. I therefore urge the SEC to disapprove the proposal for the reasons stated above.

Thank you for your consideration of my views proposed Rule 2821.

Sincerely,


Robert H. FitzSimons, CFP

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