October 2, 2008

RE: Proposal 151A

To whom it may concern:

I am writing you to whole-heartedly and unconditionally OPPOSE and formally request that you withdraw Proposal 151A.

- Equity Indexed Annuities are very good products and offer many benefits to consumers, including protection against market risk and tax deferral.
- The recent downturn in the market has not affected those holding EIAs. It highlights their value.
- I do not believe it makes sense to consider EIAs a security, because it is not a product that is subject to downside market risk.
- Proposed Rule 151A would create an unnecessary layer of regulations causing confusion among consumers.
- This rule is being rushed to adoption with just a short comment period being allowed. The comment period should be extended.
- Criticism of EIAs have been exaggerated. State regulators have worked hard to put in place logical controls.
- Market abuses have been largely and will continue to be corrected by the State Insurance Departments.
- Requiring Insurance Agents to become Registered Representatives is unfair, very expensive and a time-consuming process.

For too long now, there has been a constant battle between the "fixed" side and the "variable" side of the coin. All too often, when the markets are down, the "brokers" are looking for ways to increase their profitability and for the majority of the time it is at the client's expense.

This proposal comes down to only the fact that greed and control once again plays a part in the decision making ability of the government and the ruling class.

Insurance companies have a long standing history of protecting the clients and their interests by offering them products and services that PROTECT their clients assets, it has been the action of the few greedy agents in the marketplace that has caused concern in the insurance industry, and those culprits have been dealt with. If they do not, they (the insurance company) runs the risk of losing premium and investment dollars and in essence, hinders their ability to cover losses incurred to the payment of claims due to the untimely death of a policy holder.

While this proposal mainly covers how EIA's are sold and marketed to the general public, it is understandable how the Variable side would want this proposal to become a rule, they offer NO PROTECTION AGAINST THE LOSS OF PRINCIPAL.
If the market takes a dive because of corporate and wall street greed, the shareholder loses and loses in a big way. Brokers are notorious for churning, and moving monies within their clients portfolios creating commissions EVERY TIME MONEY MOVES. You have this information on the bad brokers and their punishment posted on your website.

Why is the SEC not regulating this practice? I have read the many different comments from "Registered Advisors" and they all say the same thing... we don't like the fact that it offers clients the protection, we want control over our clients portfolios' please don't give it to the insurance companies or their advisors because we want the commissions and the power to control our clients financial destiny. We can do a better job than the insurance companies and their agents, we don't want our clients to be protected from our greed and deception when the markets fail (Or correct themselves) We don't want to be accountable for the losses incurred because we have NO way of protecting them from the downturn.

Because of the fact that the Majority of insurance and annuity brokers choose not to be registered because of the unnecessary regulatory actions of our government (like 151a), does not warrant this proposal to take place. It is totally ludicrous to even think that the SEC truly has the general public's best interest at heart. If it did, your organization would realize that it is the insurance companies that not only has to protect the interest of their clients, they have to protect the interest of their clients FAMILIES as well by paying out DEATH Benefits to those beneficiaries of their policy holders... Where else will the necessary funds come from.

You should be aware of the fact that when a client dies:
<u>Insecurities:</u>
Market Risk
Difficult to understand market concepts
Constantly changing regulations confusing the consumer even more
Prospectus' with fine print on bible thin paper that they not only do not read it, they don't understand, (90% of the brokers are right there with their clients)
Their beneficiaries only receive what is in the deceased's insecurities portfolio and it is TAXED!!! (At ordinary income tax rates) There is no benefit, there is no tax favorable scenario, NOTHING!!!

<u>Life Insurance and Annuities:</u>
Premiums' are paid into the policy,
Premiums' are invested "safely" except for AIG
Monies generated from investments are stored in reserves that state regulators mandate to PROTECT the clients beneficiaries
Guaranteed income stream
Guaranteed Death Benefits to families beneficiaries
Guaranteed payment of Estate and other unnecessary taxes imposed on families who saved and invested wisely (you'll get your money one way or another)
Protection against market risk

Who benefits from both scenarios?
Oh that's right the Federal government benefits from the taxes generated not only from the "insecurities" but when a client accessed their annuity or even dies and the life policy pays out, they pay taxes over a longer period of time. Why pay tax when you have the money, instead, fill our pork barrels so we have money to spend later. If you die, so what, there are millions of other portfolio holders

waiting in line to pay their fair share to fill our governmental pockets! Typical big government.

Unless the SEC forces the securities brokers AND their advisors to pay 10-100 times the value of a clients portfolio to their beneficiaries, EIA's should be left to the insurance companies and the EDUCATED brokers that sell them to the families wanting PROTECTION FROM THE DOWNSIDE of the markets that the brokers and Wall Street cause!!!

EIA's and EIL (Equity Indexed Life) contracts are the only way to protect our clients from the downside of the market, giving them safety and security in an insecure environment where corporate CEO's and CFO's are walking away with MILLIONS of dollars after they bankrupt the system and the government bails them out.
IE: Goldman Sach's, Washington Mutual, Morgan Stanley, Countrywide, the list goes on and on and on... When is it going to stop???

THIS NEEDS TO STOP! And STOP NOW!!! The SEC needs to stay out the insurance business and focus on the corruption and greed in your own back yard.

DO THE RIGHT THING FOR ONCE. Please do not go through with this proposal, it will seriously effect not only the clients and their well being, but the ability of the advisor to provide for their families.

I promise you, whomever you are that I will fight for the rights of my clients and their financial future, I will do everything in my power through Radio, Television, newsletters and local papers to expose the continuous greed of our government and it's unwarranted attack on the general population.

P.S.
What happened to all of the documents regarding ENRON and WorldCom after WTC building 7 fell on 9/11? Why has there been no mention of these corporate scandals and the loss those families

incurred since the building fell? After all, isn't it true that those documents were held in your offices in WTC 7? Just wondering...

Sincerely,

DONALD R. AMAN JR. CWPP™ CAPP™

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