March 30, 2005

To: rule-comments@sec.gov attn: Jonathan G. Katz, Secretary Securities and Exchange Commission

re: File No. S7-06-04

From: Malka Naggar, LUTCF New York Life

Email: mznaggar@ft.newyorklife.com

Dear: Mr. Katz

I am a licensed insurance professional and variable products salesperson. I am writing to you because the new disclosure requirements contained in the SEC's proposal regarding the sale of mutual funds and variable products are unnecessary and will provide no meaningful additional protection to consumers.

Mutual fund and variable annuity prospectuses, which are reviewed by the SEC, already discuss the fees, risks and expenses associated with the purchase of these products. Very recently, in 2002, the SEC took steps to simplify the contents of the prospectus. If you feel there are additional issues regarding the contents of the prospectus, focus your efforts on further revisions to the prospectus requirements; if you still believe consumers should be given a "one-pager," the appropriate document would be the table of fees and expenses found in every prospectus. Requiring a new, separate disclosure document at the point of sale and at confirmation would duplicate information already found in the prospectus, create confusion as yet another document is thrown into the mix, and reduce the likelihood that consumers will read the most important source of information on the product – the prospectus. Instead, the SEC should focus its efforts on getting consumers to carefully read the prospectus they receive.

Another major concern in applying a new rule of this sort regards the government wanting individuals to save for their care and retirement. Where will we recommend that individuals save? The government is even recommending that Social Security benefits be under individual management as opposed to government responsibility. A major percent of those who will be responsible for their own funds have neither time, knowledge nor an interest in managing funds on their own. Who will have better acumen for assisting in savings and retirement fund management than fund managers or educated sales representatives for those funds?

Finally, a disclosure that only discusses an investment's fees and expenses will lead people to focus on the investment's costs rather than its overall returns. After all, which is the better investment -- one with low costs and a net annual return of 2 percent, or an investment with twice the expenses and a net annual return of 6 percent?

For these reasons, I urge the NASD withdraw the proposed rule.

Thank you for your consideration of my views on this matter.

Malka Naggar