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CHAIRMAN'S  
CORRESPONDENCE UNIT

September 2, 2008

Honorable Christopher Cox  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090



Subject: File Number S7-14-08 (Indexed Annuity Rule Adoption)

Dear Chairman Cox,

I am writing to express my concern for Proposed Rule 151A and the implications it presents to the financial services and insurance industry. From my own research I have concluded PR 151A to be detrimental to not only the industry, but for the consumers of the nation. Its verbiage and statements differ greatly from fact and essentially have a clouded view of the purpose and structure of Equity Indexed Annuities (EIA).

I have been in the financial services industry for only a year and I am a registered representative with a series 7 and 66 license as well as licenses for life and health insurance here in Ohio. I realize that I am fairly new to the profession, however, I don't believe it takes much experience to understand the difference between an EIA and a security product. These two products are vastly different on nearly every level of attribute and should not be confused as being anything except dissimilar.

A few of my observations are as follows:

- Mutual funds and securities are purchased primarily for the purpose of taking a calculated risk for an expected return. EIAs on the other hand are purchased so the consumer does NOT have to take market risk and can receive a guaranteed return.
- With mutual funds and securities the consumer bears the market risk. With EIAs, the insurance company bears the risk and passes the gains of the index to the consumer, NOT the losses.

- There are no negative market fluctuations with an EIA
- By every logical definition, EIAs are fixed insurance products which should be regulated by state insurance departments. The states in most cases have much more consumer friendly methods of dealing with complaint resolution than the SEC.
- Case law precedent; according to Malone v. Addison Insurance Marketing an EIA is NOT a security
- As with variable annuities, should brokers become gate keepers, competition will decrease and consumers will suffer with less appealing product choices.
- PR 151A will negatively impact in excess of \$100 million the economies of small agencies within the insurance industry which is a violation of the Small Business Regulatory Enforcement Fairness Act of 1966.

It is clear to me that EIA adoption is not being sought out by the SEC for the protection of consumers because consumer protections are already in place and effective. EIAs are being sought out for SEC regulation because of lobbying efforts by the securities industry that only looks to benefit themselves at the cost of the consumer. EIAs are unfairly being singled out because of high sales volume and potential profit from broker dealers and FINRA backers who seek to "cash in" on the success of EIAs.

Furthermore it is my position that not only does this rule not become adopted, but that the commenting period be extended to allow the public voice to be heard and for due diligence to be performed. I urge you to consider at least a 90 day extension of the commenting period. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Dustin R. Montgomery". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dustin R. Montgomery