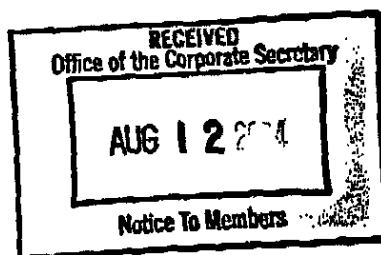


2015 Forest Ave
Durango, CO 81301

06 August 2004



Barbara Z. Sweeney
NASD
1735 K St, NW
Washington DC 20006-1500

Dear Ms Sweeney,

I am a licensed insurance professional and variable product salesperson. I am alarmed at the redundancy of the disclosure and suitability standards contained in NASD's proposal to impose specific suitability and disclosure requirements on the sales of variable annuities. It is an unnecessary action. They will provide no meaningful protection to my clients and will complicate my business. I urge you to withdraw the proposal.

I strongly believe that those who engage in misleading sales practices should be aggressively prosecuted and subject to sanctions. Your proposal would duplicate requirements already in place. A better way would be to appropriately enforce existing suitability rules rather than adopting new rules that impact everyone. Likewise, variable annuity prospectuses, already reviewed by the SEC, currently discuss fees, risks and expenses associated with those annuities. Requiring another document would duplicate information already available and force busy consumers to read the same information twice. Instead, NASD should focus efforts on getting our consumers to carefully read and understand the prospectus they receive.

This proposal is a solution in search of a problem. The available data does not support the level of supposed sales problems that call for a new rule. Please withdraw the proposed rule.

Thank you for your consideration of my views.


Lynne Schaefer