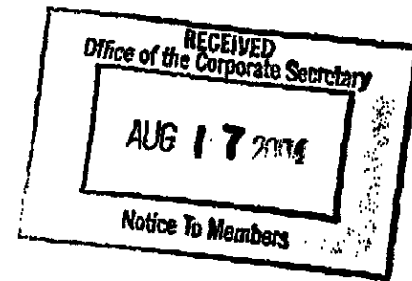


OTTO & YOUNG FINANCIAL

Financial Empowerment Specialists

August 13, 2004

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



Dear Ms. Sweeney,

I am a licensed insurance professional and variable product salesperson. I am writing to you in regards to the redundant disclosure and suitability standards contained in NASD's proposal to impose specific suitability and disclosure requirements on the sale of variable annuities. These requirements are nonessential, will provide no meaningful protection to consumers and will greatly impact my business. I urge you to withdraw the proposal.

I strongly believe that people who engage in misleading sales practices should be aggressively prosecuted and subject to significant sanctions. However, your proposal would duplicate requirements that are already in place. NASD rules already contain a general suitability rule that applies to all sales of securities, including variable annuities. If regulators really want to protect consumers, the answer would be to apply the appropriate enforcement of the existing suitability rule rather than adopting a new rule.

Likewise, variable annuity prospectuses, which are already reviewed by the SEC, already discuss the fees, risks, and expenses associated with variable annuities. Requiring a separate "risk disclosure document" would once again duplicate information already found in the prospectus and reduce the likelihood that consumers will read the most important source of information on the product – the prospectus. Instead, NASD should focus its efforts on getting consumers to thoroughly read the prospectus they receive.

Finally, I believe that the proposal is a "current solution in pursuit of a problem" – I don't think the available data supports NASD's claims that the level of sales problems in the variable annuity marketplace summons the adoption of the proposed rule. For these reasons, I urge NASD to withdraw the proposed rule.

Thank you for your consideration of my views on this matter

Sincerely,


Tallie O. Young

TOY/cll

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