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Brent Fields, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-0609

34-83062 Apr. 18, 2018 Regulation Best Interest (Conformed to Federal Registerversion)
File No.: S7-07-18
Comments Due: August 7, 2018

To whom it may concern,

With all of the controversy over the DOL's Fiduciary Rule, the proposed SEC Rule and what is Best Interest, I am surprised that the SEC and NAIC have not gotten together to create a uniform system that covers all investments. What is a security? What is not a security? What is and is not covered? Who regulates what? At this point, it can be a segment on Saturday Night Live.

I am an Operations Manager for a national broker dealer. I have been in the financial services industry for 25-years. I have seen a lot of things; both good and bad. From all of the investments that we see, I have to say that index annuities in general are the worse. Apparently because they are not considered securities, they have no approval process, no supervision review, no fiduciary standards, and sales practice guidelines.

We have clients that come to us because they do not understand what they have and the agents that sold these "safe" investments that they "cannot lose any money on" are not returning their calls or no longer with the same agency or no longer in business.

We have clients that come to us because they see no growth on their cash value after 15-years. Only for us to find out and explain to them that any growth earned was added to their annuitized value, and the only way to access that growth is to annuitize their contract.

We have clients that come to us because they needed money only to find out there was a large surrender charge taken out of their withdrawal. We have seen 10% surrender charges on various index annuity products. Surrender charges never explained to clients.

We have clients that come to us because they have 100% of their net worth invested in index annuities because they were "safe" and would "never lose any money". Only to find out now in retirement, when they need cash for an emergency, that they are stuck with surrender schedules that were never explained to them. In some cases, surrender schedules that go out 10-years. The MasterDex 10 index annuity which has a 12.5% indefinite surrender schedule that never goes away unless the client annuitizes the contract.

We have clients that come to us with 5, 6, 8 different index annuity contracts opened one right after the other, one after the other, year after year. Smaller amounts. Very odd. Only to find out that as soon as the 10% free annual withdrawal amount became available after one year, the agent would withdraw that amount to use it to buy a new index annuity. There was no reason to make the withdrawal except for the agent wanting to generate a new commission on the sale of a new index annuity product sold.

We have clients that come to us with 100% of their retirement (403b and 401k) plan assets invested in index or variable annuities. Only for them to find out when they retire, *that every deposit* they made over the course of their career has its own surrender schedule. So even though they retired today, they may have to wait another 7-10 years for all of their money to be considered free of surrender charges. Employers don't know any better much less understand the complexities of annuities. That is why they hire a sponsor company or TPA or Plan Admin to help them. TIAA CREF is the biggest criminal in this instance. Teachers are mostly the victim. So sad... And yet, politicians want to ease the rules to allow retirement plans to allow annuities and remove some of the liability from employers. How ridiculous is this? If anything, the rules should be stricter on retirement plans since that is typically an employee's only source of retirement.

In many of these instances, clients tell me that the agents had them surrender the index annuity, had the check sent to them for deposit, only for agent to ask for a new check from their checking account. That because of money laundering, the check had to come from their checking account to prove source of funds.

In helping these clients, we ask for all of their paperwork to review, since many of these index annuity contracts are no longer available for purchase. I see applications that agents have lied in saying that client does not own any annuities. I see applications that agents have lied in saying that this is not a replacement or surrender.

The stories that I share with you are all true.

All of these clients that bought these index annuities from the stories shared were sold by independent agents not within a national wire house or national broker dealer. Heck, anything that we sell that is annuity related of any kind, has to be either pre-approved or post-approved for suitability, liquidity, concentration, replacement, etc, etc, etc. Why is it that these independent agents working alone or directly under the insurance company umbrella of sorts can get away with such non-sense?

You want to protect the investor. Start with a uniform rulè that both the SEC and NAIC create together so no one can say you don't have jurisdiction. Create a rule that includes all investments, not just hand picking out what is a security and what is not a security. If it is sold by an agent, a broker, an advisor, a CPF, a Financial Planner, a Fee Planner, or whatever other titles are used in the industry, well then, it is a security. The only thing that you create when you exclude investments under these rules is rogue advisors selling a product they found in your loop hole.

Politicians are not financial advisors. I don't care if they are a Republican or a Democrat. They should not be the ones creating the rules. However, if the SEC and NAIC cannot get their act together to create a uniform rule, this is exactly what is going to happen. Politicians creating rules on investments that they know nothing about, never once stepping foot in a wire house, supervising a broker or agent, believing they know what is best for the investor.

I hope this letter does find its way to someone and is not just lost in the thousands of comment letters received.