

Open MIC

Our motto: “one and all will help any and all”

9:00: AM Pacific Thursday 800 504-8071 Code is 5556463

Questions?

Anthony Owen at Tony@annuity.com

The awesome power of a wife's love

A very old man lay dying in his bed, having only minutes to live. At death's doorway, he suddenly smelled the aroma of his favorite chocolate chip cookie wafting up the stairs.

He gathered his remaining strength and lifted himself from the bed. Leaning against the wall, he slowly made his way out of the bedroom, and with even greater effort forced himself down the stairs, gripping the railing with both hands.

With labored breath, he leaned against the door frame, gazing into the kitchen. Were it not for death's agony, he would have thought himself already in heaven.

There, spread out on newspapers on the kitchen table were literally hundreds of his favorite chocolate chip cookies.

Was it heaven? Or was it one final act of heroic love from his devoted wife, seeing to it that he left this world a happy man?

Mustering one great final effort, he threw himself toward the table. The aged and withered hand, shaking, made its way to a cookie at the edge of the table, when his hand was suddenly smacked with a spatula by his wife.

"Stay out of those," she said. **"They're for the funeral."**

Hot News

- **LA Times article about VA:**
<http://www.latimes.com/business/la-fi-0102-montalk-20110102,0,6561420.column>
- **Standard of Indiana Re-insurance Article:**
<http://www.insurancejournal.com/news/midwest/2010/12/31/116069.htm>
- **Sun Life Lawsuit Tennessee:**
http://www.nashvillepost.com/news/2010/12/20/nashville_at_law_implooding_annuities_lead_to_lawsuit
- **Life Partners under SEC investigation:**
<http://www.insurancenewsnet.com/article.aspx?id=243861&type=lifehealth>
- **Life Sales Flat:**
<http://www.insurancenewsnet.com/article.aspx?id=243651&type=breakingnews&inl=1>

This is significant because it will directly affect the US Bond market....BB

Pimco: Bond Losses are coming:

- **Pimco's El-Erian: European Bond Investors Must Accept Losses**

- Friday, 14 Jan 2011 11:04 AM

By Julie Crawshaw

- Investors in European bonds should **prepare for losses**, says Pimco co-CEO Mohammed El-Erian. Nonetheless, it's an exciting time to be an investor, especially for those who keep a sharp eye for well-placed

bond offerings.

"The main issue right now is the integrity of the eurozone is getting weaker and weaker as we delay the problem," El-Erian tells CNBC. "They are simply kicking the can down the road."

"Ultimately there will be a haircut to bonds issued by certain governments in the eurozone, and the longer we delay that recognition the bigger the problem and the more disorderly the process will be."

El-Erian believes **U.S. municipal bonds** are an especially interesting market now.

"We are in the midst of a massive adjustment in the state and local level that we're going to have to undertake," he says.

"The key issue when you invest in municipals is two things: It's not just in the rate risk, it's interest rate and credit risk, and therefore be highly differentiated. **You want to be very high up in the credit curve.**"

El-Erian also says unemployment has a big impact on markets, and that the Federal Reserve is the sole entity doing anything about it.

Banking analyst Meredith Whitney sharply disagrees with El-Erian, saying that municipal bonds are one of the worst investment buys now.

"February is a critical month for state data," Whitney tells CNBC. "The data is going to look really bad."

Here is the link: [Pimco's El-Erian: European Bond Investors Must Accept Losses](#)

Cold Call Lists....best to avoid, many Cold Call Lists have “secreted” names in them to set you up for violation of Federal Law...the same is also true when you buy lists for emailing...a list may not be as guaranteed....be sure or it is a federal violation.

www.elderlawanswers.com is a nice source for info, you can sign up for their free monthly e-letter....worth it. This article was in this month’s newsletter (I left the links in, I bet you run into prospects getting ready for Medicare, offering this information can be a great “value” move.....I would make copies and carry it....BB

Turning 65? What You Need to Know about Signing up for Medicare

Last Updated: 1/22/2011 11:11:01 AM

The first of the 78 million baby boomers turned 65 on January 1, 2011, and some 10,000 boomers a day will reportedly be turning 65 between now and 2030. If you are among those about to turn 65, then it is time to think about Medicare. You become eligible for Medicare as soon as you turn 65, and delaying your enrollment can result in penalties, so it is important to act right away.

There are a number of different options to consider when signing up for Medicare. Medicare consists of four major programs: Part A covers hospital stays, Part B covers physician fees, Part C permits Medicare beneficiaries to receive their medical care from among a number of delivery options, and Part D covers prescription medications. In addition, Medigap policies offer additional coverage to individuals enrolled in Parts A and B.

Medicare enrollment begins three months before your 65th birthday and continues for 7 months. If you are currently receiving Social Security benefits, you don't need to do anything. You will be automatically enrolled in Medicare Parts A and B effective the month you turn 65. If you do not receive Social Security benefits, then you will need to sign up for Medicare by calling the Social Security Administration at 800-

772-1213 or online at <http://www.socialsecurity.gov/medicareonly/>. It is best to do it as early as possible so your coverage begins as soon as you turn 65.

If you are still working and have an employer or union group health insurance plan, it is possible you do not need to sign up for Medicare Part B right away. You will need to find out from your employer whether the employer's plan is the *primary insurer*. If Medicare, rather than the employer's plan, is the primary insurer, then you will still need to sign up for Part B. Even if you aren't going to sign up for Part B, you should still enroll in Medicare Part A, which may help pay some of the costs not covered by your group health plan. For more information on Part A, [click here](#).

If you don't have an employer or union group health insurance plan, or that plan is secondary to Medicare, it is extremely important to sign up for Medicare Part B during your initial enrollment period. If you do not sign up for Part B right away, then you will be subject to a penalty. Your Medicare Part B premium may go up 10 percent for each 12-month period that you could have had Medicare Part B, but did not take it. In addition, you will have to wait for the general enrollment period to enroll. The general enrollment period usually runs between January 1 and March 31 of each year. For more information on Part B, [click here](#).

With all the deductibles, copayments and coverage exclusions, Medicare pays for only about half of your medical costs. Much of the balance not covered by Medicare can be covered by purchasing a so-called "Medigap" insurance policy from a private insurer. You can search online for a Medigap policy in your area at <http://www.medicare.gov/find-a-plan/questions/medigap-home.aspx>. For more information on Medigap, [click here](#).

Medicare also offers Medicare Part C (also called Medicare Advantage). You must be enrolled in Medicare Parts A and B to join a Medicare Advantage plan, the name for private health plans that operate under the Medicare program. If you join a Medicare Advantage Plan, the plan will provide all of your Part A and Part B coverage, and it may offer extra coverage, such as vision, hearing, dental, and/or health and wellness programs. Most such plans include Medicare prescription drug coverage. For more information on Medicare Advantage, [click here](#).

Finally, Medicare offers prescription drug coverage under Medicare Part D. If you are not going to sign up for a Medicare Advantage plan with prescription drug coverage, then you will want to enroll in a prescription drug plan at the same time you sign up for Parts A and B. For every month you delay enrollment past the initial enrollment period, your Medicare Part D premium will increase at least 1 percent. You are exempt from these penalties if you did not enroll because you had drug coverage from a private insurer, such as through a retirement plan, at least as good as Medicare's. This is called "creditable coverage." Your insurer should let you know if their coverage will be considered creditable. Visit the Medicare Web site at <https://www.medicare.gov/find-a-plan/questions/home.aspx> to find a drug plan in your area. For more information on Medicare's prescription drug coverage, [click here](#).

After you've signed up for Medicare Part B, you can schedule a free "[Welcome to Medicare](#)" exam with your doctor.



**Oversight....aren't you glad the SEC lost?...thank you
Senator Harken!....BB**

SEC offers 3 options for RIA oversight

Recommends that Congress authorize user fees or designate **Finra** or one or more other SROs

January 23, 2011 6:01 am ET

In the Dodd-Frank financial reform law, Congress asked the Securities and Exchange Commission to assess how it could strengthen regulation of financial advisers.

The answer the agency gave in a report delivered to Capitol Hill Wednesday night likely will stoke the debate over a self-regulatory organization, rather than end it. The agency offered three options — each of which is unpalatable to different industry groups. And no matter how that issue is resolved, it's likely that advisers eventually will have to pay higher fees for oversight.

In the study, the SEC recommended that Congress take one of these steps:

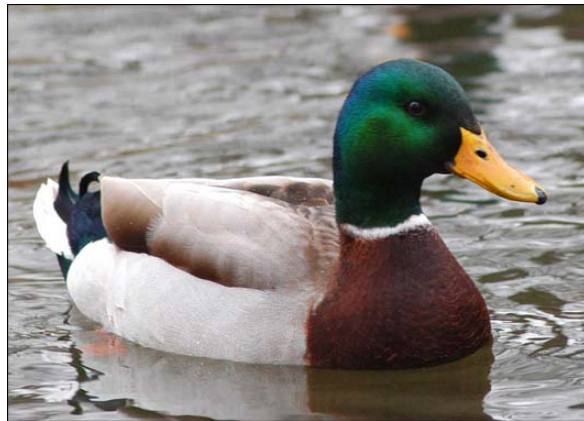
- **Authorize the commission to impose user fees on advisers to fund its examination and enforcement efforts.**
- **Allow the commission to designate one or more self-regulatory organizations to oversee advisers.**
- **Grant the Financial Industry Regulatory Authority Inc. the power to examine the registered investment adviser business, as well as the broker-dealer side, of dually registered firms.**

The report, put together by the agency staff, extolled imposing the user fees, arguing that such a move would provide funding for the SEC's Office of Compliance Inspections and Examinations free from the uncertainties of the congressional appropriations process.

According to the report, the money from adviser fees would give that office greater flexibility and effectiveness and would be a less costly option than establishing an SRO.

While noting that setting up an SRO would “augment government oversight programs through more-frequent examinations,” the report went on to point out an SRO's drawbacks, such the fact that an SRO still would consume SEC resources and that many questions surround an SRO's authority, membership and governance.

Fight Back



Is it a Duck?

What is an annuity?

Is it a security? Is it a bond? Is it a stock? Is it a bank CD? Is it an REIT? An IRA? A retirement account? A Pension?

What is an annuity?

Our clients and prospects are just as confused. With so much information coming at us from so many directions, we are often on overload.

An annuity is safety.

An annuity is security.

An annuity is guarantees.

An annuity is sleeping well at night.

An annuity is

What is not an annuity?

- Fixed-Indexed Annuities are **not** traded on stock market exchanges.
- Fixed-Indexed Annuities have **guarantees not available** in public traded stocks, mutual funds, bonds and committees.
- Fixed-Indexed Annuity **guarantees** include guaranteed cash surrender values, guaranteed income options, and protection from market losses.
- Fixed-Indexed Annuities have **no brokerage commission** to the annuitant/owner, no annual fees, and no cost for changing indexed-interest rate strategies.
- The Fixed-Indexed Annuity **doesn't look** like a stock market investment, it **doesn't walk** like a stock market investment, it **doesn't smell** like a stock market investment, it **doesn't cost** like a stock market investment, it **doesn't lose value** like a stock market investment.

- The Fixed-Indexed Annuity **looks** like a guaranteed insurance product - **payoffs** like an insurance product - **offers the safety** of an insurance product

If it is a Duck, then call it a duck....and stop the negative spin, shame on those who write inaccurate crap about annuities just to sell copies of their magazines.

I wish there was a “literary” way to “slap” them all....below in red is my “slap”

I for one am proud of these wonderful products and guess what...they are the only investment I own.

This was printed in Bloomberg News and headlined as Wharton Professor....you see ‘Wharton’ and you think WOW! It must be accurate. I have added my notes in their article in red....and Sherry Moore (Annuity Specs) has her remarks at the end...BB

PS....Remember when Wharton (2 years ago) issued a White Paper about the wonders of annuities....Looks to me like Bloomberg is trying to sell magazines....BB

Indexed annuities 'terrible idea' for seniors, says Wharton prof

High hidden fees, long surrender periods just some of the pitfalls, argues ex-Treasury official Smetters; insurers, agents beg to differ

January 24, 2011 3:55 pm ET

When Helen Siswein, a retired teacher, heard about an investment that might earn 8 percent a year and never lose money, she was sold.

“I thought, ‘Boy, if the market surges I could make a lot,’” **(making a “lot” without risk is silly)** said Siswein, 82. She put about \$1 million into four different annuities linked to stock-market indexes in July 2003 on the advice of an insurance agent who came to her former home in Bucks County, Pennsylvania, after her husband died.

Siswein said the agent didn't tell her she was locking up most of her money until her 87th birthday **(how about contractual withdrawals and options to annuitize?)** or that there were caps **(so no fees?)** on how much she could earn. It cost Siswein fees of as much as 15 percent **(nonsense, silly and absurd statement)** of her account balances to get out of the investments five years later, the contracts show. She says one annuity earned an average of about **3 percent**

(Wow...how much was lost in the amrket during this period?) a year after the penalty was subtracted, while the index it tracked, the Standard & Poor's 500 Index, returned 6.3 percent including dividends. **(how about downside periods?, silly statement)**

Investors such as Siswein are buying more equity-indexed annuities, contracts that earn money based on the performance of stock indexes and don't decline in value if held to maturity. While that protection may be attractive to investors who saw the S&P 500 **plunge 38 percent in 2008**, the contracts' complex terms and embedded fees make them unlikely to perform as well as expected, said Kent Smetters, a professor of insurance at the University of Pennsylvania's Wharton School.

“These contracts have really high hidden fees,” **(show us the fees....they are not there)** said Smetters, a former U.S. Treasury Department economic policy official. “That's why they're terrible ideas for older people even though they're peddled to them.” **(does not safety and security mean anything anymore?)**

Record Sales (and record sales for Microsoft, Ford and Oracle....so what?)

Insurers led by Allianz SE and Aviva Plc sold a record \$8.7 billion of indexed annuities in the third quarter, up **16 percent (folks are running to safety I would say)** from a year earlier, according to AnnuitySpecs.com, a market research company. The contracts generally earn nothing when stocks fall and include caps on returns that insurers can change at will. **Salespeople are paid commissions as high as 12 percent, (what is he smoking, I am a large producer and have never earned anything close to this and if I had....so what? How much did the Google CEO make last year? \$190 million).** and some are rewarded with free trips to Disney World. Unlike the fees on mutual funds, those costs aren't disclosed.

Indexed annuities are part of a boom in structured products, opaque investments pitched as a way for **conservative investors** to earn higher yields. **(conservative means to me, low risk....how about the bond market, who is failing?)** As insurance agents sell more complex annuities, stockbrokers across the country are pushing structured certificates of deposit and notes, which are similar derivatives-based investments created by Wall Street banks. Sales of structured notes rose to a record \$49.5 billion in 2010, according to data compiled by Bloomberg.

“The pure psychology of downside protection with upside potential sells really well,” said Smetters. “These products are all very complicated. The problem is, they're not transparent.” **(What is he talking about? How could a product get any simpler? Look at what Wall Street sells)**

Use of Derivatives

Salespeople typically downplay the complexity **(what is he talking about?)** of indexed annuities and their long lock-up periods, said Barbara Roper, director of investor protection for the Consumer Federation of America, a Washington-based lobbying group. The contracts are “one of the most abusively sold products on the market today,” **(I sort of remember mortgage backed securities, no one has even been cheated out of an annuity...can the mortgage market say that?)** said Roper.

Insurers create the annuities using derivatives **(not true, here is the definition of a derivative)**

In finance, derivatives is the collective name used for a broad class of financial instruments that derive their value from other financial instruments (known as the underlying), events or conditions.

(technically they are right but our basis is the movement of an outside source...the bell weather S/P 500 Stock Index or in other words, the movement of the American Economy...now that is a derivative I will bet on)

, financial contracts whose value is derived from stocks, bonds and commodities. While the policies guarantee principal if held to term, they have withdrawal penalties that may last for more than 10 years. The dividends paid by stocks in the index generally aren't counted toward the annuities' returns. Buyers can convert the contracts into a lifetime stream of income at maturity. Most don't, said Smetters.

Downside Protection

“You will never get all of the upside” **(excuse me, what is he talking about?)** of the stock market because returns are capped, said Eric Thomes, senior vice president of sales at Allianz Life Insurance Company of North America in Minneapolis, the largest seller in the U.S. “You also don't need to worry about the downside, and with what happened in 2008, this type of benefit will no doubt interest a lot of people.”

“It's really easy to see why they're so popular in today's environment,” said Waugaman. Investors also are buying because they're “afraid of market risk,” **(gosh isn't that what we say?)** said Waugaman. American Equity is the third-largest seller of indexed annuities, according to AnnuitySpecs, based in Des Moines, Iowa.

Disney World

The company is offering agents that sell at least \$2.5 million of its products in the 12 months ending June 30, 2011, a trip to the Walt Disney World resort in Orlando, Florida. Agents must sell an additional \$600,000 of annuities to bring a child. The trip is to the firm's annual convention, a standard industry practice, said Waugaman. **(so what...how is this anyone's business, do you think Microsoft or Bloomberg don't have company meetings for their best people, silly and stupid remark)**

Insurers who sell indexed annuities buy derivatives from banks **(actually they buy them from Wall Street and they are called Puts and Calls which have been sold by WS since 1913)** to cover the contracts' guarantees, making the business less risky than selling other investments with a guaranteed minimum return. In 2008, insurers lost money on variable annuities **(variable annuities are securities, we sell fixed annuities with the crediting rate tied to an outside source....duh....)** with similar guarantees when the stock market plummeted. Hartford Financial Services Group Inc. wrote down the value of a variable-annuity business by \$274 million and Prudential Financial Inc. also recorded a loss.

Indexed annuities tend to underperform a lower-risk strategy of rolling over CDs, “because of the high cost embedded in these things,” said William Reichenstein, professor of investments at Baylor University in Waco, Texas.

CDs Are Better(now that really makes sense to me, hmmm...what are banks offering? And the guarantees are a gift from the American people via a gutless congress)

For example, an insurer may take \$100 from a customer and invest \$94.33 of that in bonds and keep \$2, said Reichenstein, who has analyzed several indexed-annuity contracts. With that remaining \$3.67, the company buys a portfolio of derivatives linked to the S&P 500 that will give investors some, though not all, of the index's returns. **(almost an insane statement)**

Even with interest rates near record lows, CDs may still do better than the annuities because insurers will have to reduce caps on returns to maintain profitability, Reichenstein said. **(how about interest rates at banks? Do they ever go down?)**

“They're not playing Santa Claus,” said Reichenstein. Insurers must earn enough over time to recoup what they pay upfront to agents or brokers who sell the annuities, cutting into returns to investors, he said. Commissions range from 1.5 percent to 12 percent, according to AnnuitySpecs. **(a wide range compared to the earlier statement...)**

The opacity of the products' fees and complexity of the return calculations makes it impossible for investors to figure out if they're getting a good deal, said Glenn Daily, a fee-only insurance consultant based in New York.

“You're paying the insurance company to set up and manage a portfolio of fixed-income securities and derivatives,” he said. “You don't have transparency.”

Surrenders, Withdrawals

Contracts prevent canceling, or surrendering, **(annuities are long term and contractually guaranteed)** for a refund of the account balance without a penalty for a set period that ranges from 3 years to 16 years, AnnuitySpecs data show. However, most contracts do permit 10 percent penalty-free withdrawals annually, according to AnnuitySpecs. Owners may incur a 10 percent charge from the Internal Revenue Service if distributions are made before age 59 1/2 because the earnings are tax-deferred.

Total Return

“Up until 2008 the market had gone up dramatically,” said Walder. “She should have made a lot more money during that time.” **(gee....that is why we have all the stockbrokers selling mortgage backed securities....remember them?)**

'Additional Spreads'

“Quite frankly, each and every quarter, we've started taking additional spreads,” which helped increase the company's profits, said Chief Financial Officer James Brannen, during an Aug. 6 conference call with analysts. Brannen referred questions to Kathleen Till Stange, vice president of investor relations, who declined to comment. **(come on Allianz, tell the truth...or do you discuss with a reporter your financial plans?)**

(we really need the SEC, where are they?, what we need is states rule and the federal government to stay away)

Not Strict Enough (ever hear of state's rights? No motre federal government in our busines!)

Unlike the stocks they track, fixed-indexed annuities generally aren't subject to U.S. securities laws and are regulated by state insurance

departments. An amendment introduced by Iowa Senator Tom Harkin to the Dodd-Frank financial overhaul law passed by Congress in July blocked the U.S. Securities and Exchange Commission from overseeing the market.

State insurance regulations **aren't strict enough (anyone try and sell an annuity in Washington State or Oregon or???????)** to prevent salespeople from taking advantage of the elderly with indexed annuities, said Roper of the Consumer Federation, who lobbied for the products to be regulated by the SEC.

In Iowa, companies and individuals licensed to sell annuities have to gather information from buyers such as their finances and age to ensure the contract is suitable, said Jim Mumford, first deputy commissioner and securities administrator for the state's insurance division. Agents who offer indexed- annuities must also take at least an additional four hours of training on the products, Mumford said. **(we believe in suitability)**

No FDIC Guarantee (how about the State Guarantee which we are not allowed to talk about....really a political move when you think about it)

Annuities aren't guaranteed by the Federal Deposit Insurance Corp.

--Bloomberg News--

Sheryl Moore is a real hero...fight almost by herself form Iowa....send her a note or call her and thank her for her hard work on your behalf....BB

SHERYL_MOORE wrote:

While I am displeased at the negative stance that "Bloomberg" took when they originally published this article, I am happy that I was able to negotiate that they use our statistical data on our terms (i.e. saying surrender charges range from 3 - 16 years, instead of saying "surrender charges as high as 16 years"). I appreciate that Peggy did her best to publish accurate data in this article.

What is distressing, however, is that "Bloomberg," along with so many other financial services media outlets, chose to form a story around the thought that 'indexed annuities are bad,' while they are not. Just because an insurance agent uses an indexed annuity as an instrument in the course of their bad behavior, does not mean that indexed annuities are 'bad.'

To read my thoughts on Peggy Collin's article, please go to
<http://www.sheryljmoore.com/2011/01/response-indexed-annuities-cap-gains-obscure-fees-as-sellers-earn-trip-to-disney/>.

*Sheryl J. Moore
President and CEO
AnnuitySpecs.com
(515) 262-2623
1/24/2011 5:28 PM EST*

I am truly sick of the **negative media attention** our wonderful products have been receiving lately. How in the world can these things be written? They are written about issues taken out of context, out of the spirit of the word and out of facts. Mostly it is crap.

Our good friend Dan Barnard in Virginia agrees and is fighting back. I urge you to put together your own war chest and join in the fight.

Build your own “Safe Money Kit” and hand it out with pride and Fight Back!

Here is Dan's view, why don't we all stand with him and fight back.

Dan Barnard

This my Money Magazine Response kit, but my point is how bad can FIAs be if the SEC wanted to run it?

The case I wrote today (1-25-11) said there is nothing that comes close to FIAs. He visited his Wells Fargo broker last week and told him that he was considering an EIA before coming to see me today for the close apt.

The broker response was that annuities are complicated and then gave the prospect a booklet on stock investments to add to his 1 mill portfolio. That was his defense, more securities.

My new client said it was very disappointing and the broker helped make the case for me..

Talking Points:

Six months ago the SEC lost it's bid to regulate the FIAs (SEC Proposed Rule 151A), and that legislation was *defeated* by the US Congress...thanks to overwhelming public support for this fine product (see below).

The Securities folks are furious over this. This fight has been going on for years, and twice (1997, **2010**) the Securities Industry has been soundly defeated in attempt to regulate our industry.

They can't even manage their own house (witness Madoff) but they want to scream the "sky is falling" when it comes to the FIA business. It's only natural they turn to the media to vet their case.

The attachments are short, sweet, and to the point - posted on the SEC website (including mine!)

DB

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Dan included 3 articles but adding them to the notes was difficult in their on-line form. Here is a taste of them.....BB



U.S. Securities and Exchange Commission

The following Letter Type E, or variations thereof, was submitted by individuals or entities.

I oppose the adoption of proposed rule 151a by the SEC for several reasons which will be outlined below and generally find that the SEC is exceeding its authority in creating this rule.

1. The SEC suggests the Fixed Indexed Annuity (FIA) is purchased for many of the same reasons individuals purchase mutual funds, variable annuities and brokerage accounts. **FACT: The FIA is a fixed product and people purchase the product for many of the same reasons people purchase savings instruments such as CDs or Fixed Annuities.**
2. The SEC suggests that FIA purchasers bare the majority of investment risk for fluctuating market performance. **FACT: Unlike true security products, the purchaser is NOT directly impacted by market fluctuations.** Negative investment risk fluctuation to the purchaser is eliminated entirely.
3. The SEC suggests that FIA purchasers assume many of the risks and rewards that investors assume. **FACT: FIA purchasers assume the benefits and rewards of a Fixed Annuity.** Market fluctuations **do NOT** affect principal value or past interest credits.
4. The SEC suggests that federally mandated disclosure and sales practices are needed. **FACT: Suitability** regulations in most states and the sale practices required by insurance companies already meet or exceed the federal requirements. Complaint resolution through a department of insurance is much more effective that provided in securities law. Rather than hiring an attorney and going to court, a consumer working with their local department of insurance receives direct representation at no cost.
5. The SEC suggests that abusive sales practices are fueled by outsized commissions. **FACT: The complaint rate on FIAs is one complaint for every \$109 million in sales** according to the Advantage Compendium. Over the life of any annuity contract, the compensation is actually less than that of an investment advisor.
6. The SEC mentions case law regarding the evaluation of whether an FIA is a security but fails to mention the judges' findings. According to the judge, in *Malone v. Addison Ins. Marketing*, an **FIA is NOT A SECURITY.**
7. The SEC document states there will be increased competition by adopting this rule. This rule will reduce competition and harm consumers. If adopted, **only consumers who open brokerage accounts may access an FIA.**
8. Costs of creation and administration of the product will **increase dramatically** and

reduce the value for FIA purchasers.

9. This change will cause a negative economic impact well in excess of \$100 million to small agencies within insurance industry. **This violates the Small Business Regulatory Enforcement Fairness Act of 1996.**

10. **The SEC is focused only on declaring products a security if the sales volume is significant.** They fail to consider Indexed CDs or Indexed Universal Life in this rule. The SEC is being inappropriately influenced by securities dealers through their trade association (FINRA). These dealers are seeking to gain control of additional sales volume to increase their revenue. This is clearly not about protection consumers as those protections are already in place with each state department of insurance.

Please reject this proposed rule 151a for the benefit of millions of Americans desiring a safe and guaranteed option for their money, for the tens of thousands of small entity insurance professionals who will be impaired if it is adopted, and for the purchasers of Fixed Indexed Annuities who deserve a robust local regulatory authority to rapidly resolve their complaints.

More comments can be found here...

<http://www.sec.gov/comments/s7-14-08/s71408typepec.htm>

And now.....Mr. Joe Rych
and

www.retirevillage.com

Retire Village will make you money, we have been saying that for a long time and we can prove it...BB

From: Rick Taylor [mailto: [REDACTED]]
Sent: Tuesday, January 25, 2011 12:41 PM
To: Joe Rych
Subject: Drip program

Hey Joe,
A little feedback on your drip system....

In October of 08 this guy attended one of my seminars, even did a fact finder for him and gave him a recommendation for safety. He decided to wait to try and get back a little of his previous losses. I put him in the drip and sent him a newsletter every month. A few days ago he calls me out of the blue and he's ready to move. Today I sent an app with check to American Equity for \$84,000 and his Variable annuity for \$45,000 matures in February and we will do that one as well. By the way, he has saved every single newsletter!

Sorta pays for a few mailings, eh.

Thanks, Rick

From: Mikel O'Riordan [<mailto:mikelo@surewest.net>]
Sent: Friday, January 21, 2011 2:53 PM
To: joerych@comcast.net
Subject: RE: ERMS Information Request

Unreal!!!!

I've been trying for over a year to have this woman connect me. (It's Jill and her husband who I have emailed you about) ~ Jezzzzz My other FMO will be delighted with my new source of business not going to them.

Thanks Joe.

M

This is so exciting!

: Mikel O'Riordan [<mailto:mikelo@surewest.net>]
Sent: Friday, January 18, 2011 10:34 AM
To: 'Joe Rych'

Joe,

I've been in the business for over 30 years and I've always dreamed of a system that would be automated and keep me in front of my clients and prospects. This is magic. I know it will, despite my best attempts to mess it up, develop a lot of business in the future.

After only 2 weeks I'm already receiving responses. One is from the sister of a client I've been trying to connect with for over a year.

It's all as you know a matter of taking time to see tangible results. This should be an important part of my or any agents business. Any agent who is not in it must be stupid. Or Irish. Same thing.

Mikel

From: joerych@comcast.net [mailto:joerych@comcast.net]
Sent: Friday, January 21, 2011 2:47 PM
To:
Subject: ERMS Information Request

This is a message from ERMS at Annuity.com. The following user requested more information on your website regarding the topic of the linked page. A copy of the email request is below. Contact information has been added to your contacts.

First Name: Jill

Email: jill [REDACTED]

[Click To View Page More Info Requested](#)

Your request for more information has been received. We will be in contact with you soon to provide the information requested.

Mikel O'Riordan JD RFC

Phoenix
Financial

Annuity.com

From: RetireVillage.com [mailto:rvsend@retirevillage.com]
Sent: Saturday, January 22, 2011 1:30 AM
To: Mikel O'Riordan JD RFC
Subject: Retire Village Daily Lead Report for 2011-01-21

Dear Mikel,

Your daily website visitors and leads for yesterday:

Name	email	Page Viewed	Total Views
		http://phoenix.retirevillage.com/	8
Bill M [REDACTED]	wmontanary@hotmail.com	http://phoenix.retirevillage.com/aboutus	1
		http://phoenix.retirevillage.com/content?pagename=1	1
Steve S [REDACTED]	Ssyacht@aol.com	http://phoenix.retirevillage.com/content?pagename=1&sid=7190	1
Al & Judy Houx	houx@comcast.net	http://phoenix.retirevillage.com/content?pagename=9&sid=7171	9
Bill M [REDACTED]	wmontanary@hotmail.com	http://phoenix.retirevillage.com/content?pagename=9&sid=7194	4
Al & Judy [REDACTED]	houx@comcast.net	http://phoenix.retirevillage.com/frontpage	1
Bill M [REDACTED]	wmontanary@hotmail.com	http://phoenix.retirevillage.com/frontpage	2
Bill M [REDACTED]	wmontanary@hotmail.com	http://phoenix.retirevillage.com/newsletter	1
Bill M [REDACTED]	wmontanary@hotmail.com	http://phoenix.retirevillage.com/planning	1
Al & Judy H [REDACTED]	houx@comcast.net	http://phoenix.retirevillage.com/userrequest	2

Reading Your Daily Lead Report:

Multiple Names: Every time someone that is in your uploaded database clicks on "*click here for more information*" from the bi-monthly drip, their name shows as a separate site hit on your report. You may see the same name multiple times visiting multiple pages. Click on the page number next to their name to see what they viewed.

Blank Names: This occurs when you have a random hit from a Google or other internet search. When that individual from the random hit is not in your uploaded database it shows as a blank name. Seeing random hits is an indication that you are being picked up on local search engines. This is a good thing!

Someone Else is Logged Into Your Site: Anyone can register on your website and can create their own login. The purpose of allowing anyone to register is to give individuals who are not in your database one more way to be captured and added to your database. When someone other than you registers and logs in, they *cannot* see your control panel or your contacts and *cannot* make changes to your site. If they don't logout and you go to the site it will show they are still logged in. Simply log them out and re-login with your password.

3 Ways to Capture Random Hits: When an individual from a random hit *registers, signs up for the newsletter, or requests more information*, they will automatically be added to your database for future drips.

Your Annuity.com / Retirevillage.com Team

From: [REDACTED] RD
Sent: Tuesday, December 28, 2010 7:02 AM
To: Eagle Shadow Financial, LLC
Subject: RE: Security is Spelled A-N-N-U-I-T-Y

Chad

I am thinking about purchasing a smaller annuity to bridge me to 70. I have a defined benefit for about 48 K and really only need 40,000 per year for the period from Jan 2012 when I would be 60 years and a couple weeks old until Dec 2021. I would want the policy to have survivor benefits at 100% for this period. Please email me when we could talk on the phone about this request and also send the phone number.

Thanks
Rich

From: Eagle Shadow Financial, LLC [<mailto:info@eagleshadowfinancial.com>]
Sent: December 23, 2010 7:23 PM
To: Rein, Rich RD
Subject: Security is Spelled A-N-N-U-I-T-Y



Dear RICH,

Economic stability helps to restore confidence and remove stress. In unsettling times such as the economic upheavals of 1929, 1987, and 2001, the need for stability became very important. **Fixed Annuities** have the features that can provide economic stability. They have safety, guarantees, and security.

Many people have benefited from understanding how the security of annuities can bring economic stability enjoyed by individuals and families today. To learn more simply click on the enclosed link.

[Click Here For More Information](#)

Agent questions:

- I don't have any e-mails for my clients and prospects.
- How do I get my client e-mails?
- How much time will it take me each month to manage?

The Other Side of the Table

.....it's all based on your view.....



Sometimes it is how you look at things that can make the difference. The other side of the table is all about that....how you look at things.

Here is a very simple sales tip...

Funding retirement choices. This an actual case.

Female age 70, retired teacher, ready to roll out IRA, needs \$12,000 a year. What does she do? She needs guarantees and the money needs to last as long as she does.

1. Buy a Single-Premium Immediate Annuity

If a 70-year-old female spends **\$172,000** on a lifetime annuity, she'll receive \$1,000 a month--\$12,000 a year--for the rest of his life, whether he lives **20 years or 40 years**. If you need to also provide for a spouse or a partner, you'll want to buy a joint and survivor annuity and that takes more money.

2. Build a Ladder

The downside of an annuity is that the insurance company wins and keeps your money if you die young. (unless you price the annuity for an installment refund). If you're concerned about leaving money to your heirs, you can create a similar predictable income by buying a carefully selected collection of certificates of deposit (CDs). You'll need to invest \$600,000 at current interest rates--today's average CD is paying 1.59 percent, according to Bankrate.com--in order to earn an average of \$12,000 a year in interest and dividends.

The answer is it depended....or does it?

How about this addition.....I want the income and I want to leave it also to my kids (as the bank Cd shows).

- Use the \$600,000 for income (\$172,000) and the balance into a bonus EIA...\$428,000 plus 10% bonus, direct to beneficiaries.
- Place the \$428,000 into a SPWL and create a face value of \$695,000 and you still have the money.

The possibilities are endless, but if our prospect only has a limited amount of funds available, look at the power of our products!

Lifetime income without worry or concern.