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December 18, 2008

VIA E-MAIL

Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

**Re: Regulatory Notice 08-68: Circulation of Rumors: FINRA Requests
Comment on Proposed FINRA Rule Addressing the Circulation of
Rumors**

Dear Ms. Asquith:

We are submitting this letter on behalf of our client, the Committee of Annuity Insurers (the "Committee"),¹ in response to Regulatory Notice 08-68, "FINRA Requests Comment on Proposed FINRA Rule Addressing the Circulation of Rumors." The Proposal Notice proposes a new FINRA Rule, Rule 2030 (the "Proposed Rule").² The Proposed Rule would have two parts. First, the Proposed Rule would prohibit a member from originating or circulating a rumor concerning any security which the member knows or has reasonable ground for believing is false or misleading or would improperly influence the market price of such security. Second, members who reasonably believe such a rumor might have been originated or circulated would be required to report the rumor to FINRA. The Committee commends FINRA for undertaking to combat what the Committee agrees can be a dangerous form of market manipulation.

¹ The Committee of Annuity Insurers is a coalition of 33 life insurance companies that issue fixed and variable annuities. The Committee was formed in 1981 to participate in the development of federal securities law regulation and federal tax policy affecting annuities. The member companies of the Committee represent over two thirds of the annuity business in the United States. A list of the Committee's member companies is attached as Appendix A.

² The Proposed Rule would combine aspects of FINRA's current Rule 6140(e), Incorporated NYSE Rule 435(5), and the Interpretation to Incorporated NYSE Rule 435(5), and replace them with a new Rule 2030.

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The Proposed Rule's scope would be more expansive than existing Rules 6140(e) and 435(5). In particular, the Proposed Rule would, among other things, apply to all securities rather than just those reported to the Consolidated Tape, as is currently the case for Rule 6140.

The Proposed Rule seems to be written with a view to members and their registered representatives who engage in transactions in traded securities – *i.e.*, those securities with a “market price” – and therefore may have much to gain by originating or circulating rumors about issuers of traded securities. In contrast, the Proposed Rule would seem to have limited practical applicability to members not engaged in transactions in traded securities, such as those members engaged primarily in the sale and distribution of variable products and mutual funds, whose day-to-day broker-dealer activities would not involve transactions in traded securities. These members and their registered representatives stand to gain little if anything through the origination or circulation of rumors.

If FINRA decides to apply the Proposed Rule across-the-board to all members and all securities transactions, the Committee urges that FINRA specifically permit firms to utilize a risk-based approach in developing policies and procedures to comply with the rule. A risk-based approach would allow members to assess their exposure to rumor activity, in light of their particular broker-dealer activities, and would also limit the need for firms to implement supervisory policies and procedures where no real potential for origination or circulation exists.

The Committee appreciates the opportunity to comment on this proposal. We would be happy to answer any questions you may have about our comment letter.

Respectfully submitted,

SUTHERLAND ASBILL & BRENNAN LLP

BY: Clifford Kirsch (DGA)

BY: Susan Krawczyk (DGA)

FOR THE COMMITTEE OF ANNUITY INSURERS

APPENDIX A

THE COMMITTEE OF ANNUITY INSURERS

AEGON USA, Inc.
Allstate Financial
AIG Life Insurance Companies
AmerUs Annuity Group Co.
AXA Equitable Life Insurance Company
Commonwealth Annuity and Life Insurance Company
Conseco, Inc.
Fidelity Investments Life Insurance Company
Genworth Financial
Great American Life Insurance Co.
Guardian Insurance & Annuity Co., Inc.
Hartford Life Insurance Company
ING North America Insurance Corporation
Jackson National Life Insurance Company
John Hancock Life Insurance Company
Life Insurance Company of the Southwest
Lincoln Financial Group
Massachusetts Mutual Life Insurance Company
Merrill Lynch Life Insurance Company
Metropolitan Life Insurance Company
Nationwide Life Insurance Companies
New York Life Insurance Company
Northwestern Mutual Life Insurance Company
Ohio National Financial Services
OM Financial Life Insurance Company
Pacific Life Insurance Company
Protective Life Insurance Company
Prudential Insurance Company of America
RiverSource Life Insurance Company
(an Ameriprise Financial company)
Sun Life Financial
Symetra Financial
The Phoenix Life Insurance Company
USAA Life Insurance Company