

Anthony [REDACTED]

Mesa, AZ [REDACTED]

October 19, 2017

The Honorable Mark Brnovich
Arizona Attorney General
1275 West Washington Street
Phoenix, AZ 85007-2926

Dear Attorney General Brnovich,

I am writing to formally register a complaint about the sale of certain indexed annuities. In addition to your agency, I am also informing the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA) and other federal officials.

In 2015, I purchased an indexed annuity from Nationwide Insurance where we were shown illustrations of nearly nine percent returns for 10 consecutive years. The product was called the Nationwide New Heights Index Annuity. I had a basic understanding on how annuities worked and thought we needed more potential growth. Then, I was told there was no cap on the gains, a tremendous opportunity to enhance our retirement savings (which we needed to pay for anticipated health care expenses for both of us), and no risk. Now in hindsight, my wife and I realized this was simply untrue.

My wife is 71 and I am 74. I am a veteran and both of us have health issues and know we will have significant health care costs for the rest of our lives. We have saved for retirement, but because the costs of health care continue to rise, we always look for ways to maximize our retirement portfolio. The New Heights Index Annuity seemed like a great solution for us, so we invested just over \$150,000 of our retirement into this product and similar product, the Athene Balanced Allocation Choice Annuity. In past years, I would have consulted with my son Richard who was my go to person on investing because of his extensive financial experience. Unfortunately, we tragically lost Richard to an illness prior to making this investment.

Since making the purchases, I have read information from organizations, like the media and AARP, about some of these annuities and how many of the newspaper advertisements for them overstate the projected earnings and leave out the fine print. Unfortunately, I discovered we had purchased some of these very complex indexed annuities (named above) and that is when our story takes a turn for the worse. My wife and I do not want any other seniors to go through what we have experienced. There was so much emphasis put on the growth potential, that I feel I was misled by the company and advertising during the decision process.

The more research I did, the more I discovered how much had not been clearly disclosed to me prior to the purchase...or if it had, it was not clearly communicated. For example, I was not informed that our money would not receive any interest or gain for two years and I was not informed of the fees they could charge me on any future earned interest. The more I learned, the more I wanted to move our retirement money somewhere else. But to do so, I had to pay \$20,372 in penalties to get out of them.

Today, we must live with the fact we had a material loss due to penalties paid on products that acted much differently in real life than they were explained during the original meetings which lead me to pick this type of annuity. We hope you will make sure these companies fully disclose the realities of their products to consumers, especially seniors who might be moving retirement funds around when promised no risk and the potential to earn more to help pay for things like medical care. I can't help but wonder how many other people our age were misled and are now having to deal with the guilt and remorse of feeling like we were taken advantage of. It is one thing to make a poor investment when you have all the facts. We feel like the insurance companies and the agents representing them intentionally mislead us to feel like we would get stock market like returns but have no worries about stock market loss. In reality, we wish the people selling these indexed annuities would clearly disclose the fees, penalties and realistic returns on the front end rather than having consumers find out the realities after it is too late. I do not want anyone else to go through what we have gone through financially. I have done my part to bring it to your attention. I now ask humbly that you do yours and help prevent more stories like the one you just heard from happening.

If you have any questions or need any additional information from us, please let us know. Also, please let us know what you intend to do on behalf of consumers, especially those of us being targeted by these misleading newspaper ads.

Sincerely,



Anthony

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