

Dear Ms. Mitchell:

I write in support of the proposed amendment to the Discovery Guide to require routine disclosure of liability insurance coverage by broker/dealers.

I have been representing customers since the mid-1990s and many times the financial ability of the company to satisfy an award is a complete mystery.

In state and federal court litigation, it is a firmly established principle in law that a party may discover the facts regarding the existence and coverage available under an applicable policy of insurance. See Md. Rule 2-402(c); Fed. R. Civ. Pro. Rule 26(a)(1)(A)(iv). Insurance coverage is discoverable under both Maryland and Federal law because it facilitates settlement amongst the parties. "Disclosure of insurance coverage will enable counsel for both sides to make the same realistic appraisal of the case, so that settlement and litigation strategy are based on knowledge and not speculation." Advisory Committee's Notes on 1970 Amendment to Fed. Rule Civ. Proc. 26, 28 U.S.C. App., p. 7777. *Oppenheimer Fund, Inc. v. Sanders*, 437 U.S. 340, 352, n. 16 (1978); *Helms v. Richmond-Petersburg Turnpike Authority*, 52 F.R.D. 530 (E.D. Va. 1971).

Providing insurance information takes the guess work out of advising clients and is consistent with the principals of fairness and investor protection.

If you have any questions about any of the matters contained herein, please do not hesitate contact me.

Sincerely,

Thomas C. Costello

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