PETER M. SPETT

ATTORNEY AT LAW
3020 WINDSOR CIRCLE
BOCA RATON, FL 33434
Telephone: (561) 463-2799
Facsimile: (646) 895-7585

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Via Electronic Mail to pubcom@finra.org

Ms. Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

Re: Regulatory Notice 18-22 Proposed Amendment to Discovery Guide to Require Production of Insurance Information

Dear Ms. Mitchell:

I write in support of the proposed amendment to the Discovery Guide to require the disclosure of insurance information by respondents. I have represented customers in FINRA arbitration for the past 15 years, and prior to that, had represented FINRA members and associated persons in securities industry arbitrations since October 2000.

During the entire period I have practiced in the various securities arbitration forums (NYSE, NASD, and FINRA), the lack of discovery concerning insurance policies has frustrated my clients in effectively negotiating and mediating disputes, and, in my opinion, has led on a number of occasions to disputes going to arbitration hearing when they could have been more effectively resolved through settlement. Worst of all, the failure to discover the existence and scope of insurance coverage has left me ill-equipped to properly advise my clients in situations where a respondent is not highly capitalized or self-insured. In several of those situations, my clients have been awarded substantial sums by FINRA arbitration panels only to subsequently discover such awards were uncollectable because the respondent was financially unable to satisfy them.

The proposed amendment to the discovery guide would rectify this situation, leading to much more effective representation of the investing public and more disputes being efficiently resolved through negotiation without taking up the limited resources of both litigating parties and FINRA Dispute Resolution.

Moreover, many states require the similar disclosure of insurance information as in the proposed amendment. For example, in State of Florida where I practice, under FL

Stat. § 627.4137, parties are required to disclose the name and coverage of each known insurer, and must provide for each such insurer:

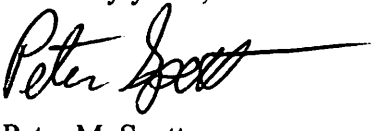
> "A statement, under oath, of a corporate officer or the insurer's claims manager or superintendent setting forth the following information with regard to each known policy of insurance, including excess or umbrella insurance:
> (a) The name of the insurer.
> (b) The name of each insured.
> (c) The limits of the liability coverage.
> (d) A statement of any policy or coverage defense which such insurer reasonably believes is available to such insurer at the time of filing such statement.
> (e) A copy of the policy."

FINRA has requested comments on what documents would satisfy the proposed amendment. Such documents should comprise of complete copies of any insurance policy or policies, including any amendments or riders, which ***may*** provide coverage for any claim asserted in the Statement of Claim.

The proposed amendment fully addresses any concerns about the potential for prejudice the disclosure of insurance coverage could have in FINRA arbitration by limiting its admissibility in the same manner that settlement negotiations are inadmissible. FINRA's proposal for sanctions for unauthorized disclosures of insurance information to the arbitrators would be a sufficient deterrent to prevent any abuses.

In conclusion, I urge the adoption of the proposed amendment to require the production of insurance information because it would lead to much more effective representation of the investing public and more disputes being efficiently resolved through negotiation without taking up the limited resources of both litigating parties and FINRA Dispute Resolution.

Sincerely yours,



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