



Securities Arbitration Clinic
St. Vincent DePaul Legal Program,
Inc.

8000 Utopia Parkway
Queens, NY 11439
Tel (718) 990-6930
Fax (718) 990-6931
www.stjohns.edu

December 18, 2017

Via email to pubcom@finra.org
Ms. Marcia E. Asquith
Officer of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 2006-1506

Re: **FINRA Regulatory Notice 17-34**
Non-Attorney Representatives in Arbitration

Dear Ms. Asquith:

Thank you for the opportunity to comment on the issue of non-attorney representatives (NARs) in arbitration. I am writing this comment on behalf of the Securities Arbitration Clinic of St. John's University School of Law. The Securities Arbitration Clinic is part of the St. Vincent De Paul Legal Program, Inc., a not-for-profit legal services organization. The Securities Arbitration Clinic represents small aggrieved investors and is committed to investor education and protection. Accordingly, the Clinic has a strong interest in the rules governing the rights of customers pursuing claims in arbitration.

The Clinic itself has not had any direct contact with any NARs. Anecdotally, we believe several of our clients may have been approached by NARs before retaining the Clinic to represent them. One client conveyed that someone had "guaranteed" he would win his case, but would charge a 50% contingency fee.

The Clinic is concerned about the conduct outlined by FINRA in its regulatory notice, e.g. firms requiring a non-refundable retainer of \$25,000, firms pursuing frivolous or stale claims in order to elicit settlement, and engaging in the unauthorized

practice of law. To the extent this conduct is occurring, it should not be permitted to continue. NARs are not governed by the same constraints governing attorneys. Most notably, there are no ethical rules limiting the conduct of the NARs. Individuals who fail to receive competent representation from an NAR may have no recourse.

The Clinic represents individuals, at no cost to the client, who cannot otherwise obtain representation. Usually, this is due to the size of the claim or concerns regarding collectability. Generally, the individuals with the small claims are especially vulnerable, because the losses may represent a substantial portion of their savings. It is essential, not just that these individuals have representation, but that they have competent representation. It does not appear that investors are receiving competent representation from NARs.

Given the reported problems associated with NARs who appear to operate regularly within the FINRA forum, the Clinic supports limiting the ability of such NARs to represent investors unless FINRA is able to meaningfully regulate them. The Clinic does not object to the ability of NARs who are not compensated, or NARs who are operating as part of a law school clinic, to represent investors.

Thank you for your consideration of this matter.

Very truly yours,



Christine Lazaro
Director