GIRARD BENGALI APC

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

RE: Regulatory Notice 18-22

Dear Ms. Mitchell,

I write in support of the proposed amendment to the FINRA Dispute Resolution Discovery Guide that would require the disclosure of liability insurance by broker-dealer firms in disputes brought in the FINRA Dispute Resolution forum.

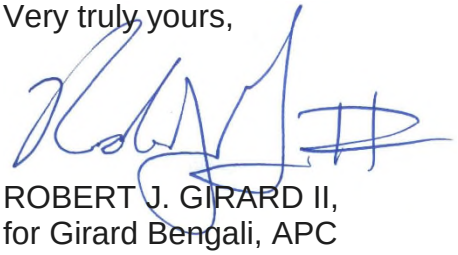
I am a Founding Partner at Girard Bengali, APC, a law firm devoted to the representation of individuals in disputes within the financial industry. I have been a litigator for more than 17 years, and my practice is devoted almost exclusively to securities-related disputes before Financial Industry Regulatory Authority Dispute Resolution. I also currently serve on the PIABA Membership and Expungement Sub-Committees.

For too long, broker-dealers, and especially the thinly-capitalized and smaller broker-dealers, have avoided disclosing the existence and scope of their liability insurance policies, notwithstanding the fact that disclosure is mandated under the Federal *Rules of Civil Procedure* and in the majority of states. The increasing fragmentation of the industry and prevalence of smaller broker-dealers portends significant issues for investors (and their counsel) who are kept in the dark about potential sources of recovery. Smaller broker-dealers' threats of bankruptcy as a litigation tactic unfairly prejudice investors bringing legitimate claims who are forced into the FINRA Dispute Resolution forum and thus, cannot rely upon federal or state statutes that would require the disclosure of insurance coverage.

Advocates arguing against this amendment claim there is a potential for prejudice should a panel learn of existing policies or, alternatively, that the disclosure would encourage illegitimate claims. Such arguments, frankly, underestimate the intelligence and abilities of FINRA panelists and the integrity of investors and their counsel. Not only has disclosure worked for decades in state and federal court with none of the "ills" claimed by the Respondents' bar coming to fruition, but the new rule has specific safeguards in place to limit the possibility of prejudice by FINRA panelists. Respondents' illogical "slippery slope" rationale should be roundly rejected and FINRA should ensure that its own mandate of "Investor Protection" is honored and supported by its *Code of Arbitration Procedure*, including the provisions of the Discovery Guide. The amendment serves only that purpose.

Should you require further information or have any questions, please do not hesitate to contact me.

Very truly yours,



ROBERT J. GIRARD II,
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RJG:OB