

AIDIKOFF, UHL & BAKHTIARI

9454 WILSHIRE BOULEVARD
SUITE 303
BEVERLY HILLS, CALIFORNIA 90212
WWW.SECURITIESARBITRATION.COM

PHILIP M. AIDIKOFF
ROBERT A. UHL[§]
RYAN K. BAKHTIARI*†◊

PHONE (310) 274-0666
FAX (310) 859-0513

OF COUNSEL
DAVID HARRISON*

*ALSO ADMITTED NEW YORK
†ALSO ADMITTED DISTRICT OF COLUMBIA
◊ALSO ADMITTED TEXAS
§RETIRED FROM FIRM

December 11, 2017

Via Email Only
pubcom@finra.org

Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, D.C. 20006-1506

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

Dear Ms. Asquith:

I am a partner at Aidikoff, Uhl and Bakhtiari, a law firm devoted to the representation of individuals and institutions in disputes with Wall Street and the financial service industry. I am the immediate past Chairman of FINRA's National Arbitration and Mediation Committee (NAMC) and a former President of the Public Investors Arbitration Bar Association (PIABA).

The purpose of this letter is to provide FINRA with comments on the above referenced Regulatory Notice concerning compensated non-attorney representatives. My comments therefore do not reflect other types of non-attorneys that appear in the forum including law school students that are supervised by their clinics and well meaning non-compensated persons.

One of the most significant decisions that an aggrieved investor or other user in the forum will make – often outcome determinative – is the choice of selection of counsel. The FINRA securities arbitration forum is the primary place of resolution for disputes amongst customers, representatives and financial institutions. Though often perceived to be an informal arbitration process, securities arbitration has evolved into a highly specialized proceeding.

In instances where a party hires a for-compensation non-attorney representative they are often hiring a person that may be suspended or barred from the securities industry. Therefore, the client may be unknowingly or unwittingly putting the outcome of their matter in the hands of a representative that has troubling issues with honesty, integrity or are otherwise unable to manage their own financial affairs. This is to say nothing of the fact that a non-attorney representative often lack even the most basic legal training. Non-attorney representatives are not subject to oversight by a state bar association and the basic ethics rules that attorneys are expected to adhere to. Non-attorney representatives do not have client trust accounts and are not

Marcia E. Asquith
Re: *FINRA Regulatory Notice 17-34*
December 11, 2017
Page 2

subject to any oversight concerning their handling or disbursement of client funds. Nor are they compelled by ethical obligations to act or to refrain from acting in a manner that an attorney would. Compensated non-attorney representative may and do charge fees that licensed attorneys would find unethical or not permitted by law.

I have spoken to and reviewed information from investors who have in the past been represented by compensated non-attorney representatives. Permitting compensated non-attorney representatives to appear on behalf of parties in the FINRA forum represents is unacceptable.

It is my opinion that FINRA should immediately take all steps necessary to prevent compensated non-attorney representatives from appearing in the forum.

Very truly yours,

AIDIKOFF, UHL & BAKHTIARI



RYAN K. BAKHTIARI
rkb@aublaw.com