

Stephen A. Kohn

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

Re: Regulatory Notice 18-22 Discovery of Insurance Information in Arbitration

To whom it may concern:

For someone who is never at a loss for words, I am at a loss for words.

We live in an environment in which the cards are increasingly stacked against Registered Representatives who, for the most part, are working hard to do the right thing in recommending and caring for clients who, in an instant, right or wrong, can destroy a Rep's ability to make a living. This is my reality.

The concept of providing personal financial information in an arbitration proceeding is, in my mind, a gross violation of privacy among other things. Providing insurance information to a claimant is tantamount to handing a blank check to a stranger who is vindictively looking to assuage his own bad judgement in making an investment decision that may be totally beyond the control of the respondent.

First, the SEC, in its infinite wisdom, has given claimants the ability to empower a hearing panel absent an "industry" arbitrator. What illogical, convoluted brain-trust came up with that? How can "public" arbitrators, with no industry experience even pretend to sit in judgement without any knowledge or experience in this highly regulated industry?

And now, we're facing the possibility of providing claimants with the power to tailor their claim to the depth of what they may collect instead of honestly representing the actual amount of their loss? I understand that can be a double-edge sword; the actual loss may exceed the amount of insurance coverage thereby limiting the size of a possible judgement. Either way, putting a claimant into my pocket would, in my estimation, be gross over-reaching and should not even be considered.

As the owner of a Small Broker/Dealer, I find that "regulation" has become a moving target; every time I think I've got it in hand, there's a new rule. This environment is helping to drive the small, main-street-client accommodating Firms out of business at an alarming rate. Providing insurance information is just icing on the cake, benefitting claimants and attorneys and throwing us little guys under the bus.

When does it stop?

Sincerely troubled,

Stephen A. Kohn  
President and CEO