

I fully support the proposed amendment for the reasons set forth in Regulatory Notice 18-22 and in the July 26, 2018, letter from Robert Banks to Jennifer Piorko Mitchell. Our Colorado Rules of Civil Procedure also require disclosure of applicable insurance coverage. I also agree with Mr. Banks' comments in response to the questions posed in the notice.

The proposed amendment would allow claimants and their attorneys to assess the practical implications of proceeding to an arbitration or attempting to settle within insurance policy limits. Currently, brokers have the advantage of being able to tell investors who assert claims that they have no insurance and are judgment-proof or that they have low policy limits when it suits them to do so, but have no obligation to inform claimants that there is insurance coverage. The proposed amendment would level the playing field.

Although it's not in the proposed amendment, I believe that it would be in the investing public's interest to go further and require brokers to disclose insurance coverage or lack thereof to investors before opening accounts for them. That could be part of the BrokerCheck information. Lawyers in Colorado are required to do so in registering with the Colorado Supreme Court and the information is included in the Court's attorney search pages. The purpose is "to advise potential clients whether a lawyer a lawyer has malpractice insurance that might be available to pay for damages caused by malpractice."
http://www.coloradosupremecourt.com/Search/PLI_Notice.asp [coloradosupremecourt.com]
<https://urldefense.proofpoint.com/v2/url?u=http-3A_www.coloradosupremecourt.com_Search_PLI-5FNotice.asp&d=DwMF-g&c=XK1GVu0Y2HvWRiFNJ9Hesw&r=JeCl3px0-y1l-cjpE_4wig&m=Q0vUmu-9miBa6aXICoiPcJaY0GukdfaF3DqIXJ71PWY&s=VBfecoQwf_8KKrgCSa929O--A46wpLk0Nn3S07W_1W4&e=>> The same purpose should apply to brokers for protection of investors, but even an after-the-fact requirement to disclose the existence or non-existence of insurance coverage is better than no disclosure at all.

Thanks for your consideration.

Alan Friedberg

Alan C. Friedberg

Berg | Hill | Greenleaf | Ruscitti LLP

1712 Pearl Street

Boulder, COLORADO 80302

1525 17TH sTREET

DENVER, COLORADO 80202

TEL 303 402.1600 | FAX 303 402.1601