

MeyerWilson

December 18, 2017

VIA EMAIL SUBMISSION TO PUBCOM@FINRA.ORG

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

Re: FINRA Regulatory Notice 17-34

Dear Ms. Asquith:

My law practice focuses on representing investors in FINRA arbitration. FINRA's primary role is to protect investors. Prohibiting compensated non-attorney representatives' ("NAR") firms from representing clients in securities arbitration is a critically important step that must be taken to protect investors. Doing so will help ensure that investors get the representation they deserve when pursuing claims through FINRA's arbitration process.

With few exceptions, non-attorneys have no business representing investors in FINRA arbitration. Customers' claims against securities firms are governed by a complex interplay of state and federal law and regulatory rules. FINRA's conduct rules and guidance are voluminous, comprising thousands of rules, notices, interpretive materials, and other resources, many of which have undergone frequent amendments over the years. The FINRA Code of Arbitration Procedure for Customer Disputes is a complex set of over 80 rules and subparts. Customer cases routinely involve complex motion and discovery practice. Arbitration hearings require sophisticated advocacy skills, including raising objections to preserve the claimant's legal rights and cross-examining hostile witnesses and experts. Quite simply, non-lawyers are not up to the task in being able to handle these important responsibilities.

With regard to NAR firms in particular, not only do they and their employees lack the requisite legal training to effectively represent clients; they also lack oversight by any supervisory body to hold them accountable. Unlike licensed attorneys, who are subject to professional codes of conduct and ethical oversight by the bar, NAR firms operate on the periphery, free from any professional or ethical restraints. In fact, NAR firms are guided solely by one overarching concern: profit. It then should be little surprise when, as FINRA notes in Regulatory Notice 17-34, allegations arise about NAR firms charging excessive retainers and fees; violating state rules governing the unauthorized practice of law; pursuing frivolous claims; and breaching confidentiality provisions in settlement

December 18, 2017

Ms. Asquith

Page 2 of 2

agreements. These and other instances of egregious misconduct occurring in the FINRA arbitration system must be stopped.

For these reasons, I strongly urge FINRA to adopt a rule prohibiting NAR firms from representing investors in securities arbitration.

Sincerely,



Chad M. Kohler

CMK/tcb