



Securities Arbitration Clinic  
St. Vincent DePaul Legal Program,  
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**VIA ONLINE SUBMISSION**

March 28, 2012

Ms. Elizabeth M. Murphy, Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Section 917 of the Dodd-Frank Wall Street Reform and Consumer Protection Act

Dear Ms. Murphy:

The Securities Arbitration Clinic at St. John's University School of Law is pleased that the Dodd-Frank Wall Street Reform and Consumer Protection Act has mandated a SEC review of financial literacy and investor disclosures in the financial industry. In light of the recent economic downturn, financial scandals and staggering economic losses, the need for investor literacy and financial understanding is increasingly important. Correspondingly, investment providers and financial intermediaries must make their expenses and interests more transparent to potential investors.

The Clinic is a not-for-profit organization in which second and third year law students provide free legal representation under attorney supervision to public investors in their securities disputes who are otherwise unable to obtain legal representation. In addition to representing investors in securities arbitrations, the Clinic also promotes investor education and protection. Accordingly, the Clinic has a strong interest in rules that protect public investors, particularly those that impact the scope of information available to public investors.

Perhaps the most valuable tools available to investors are the protections and services offered by FINRA. Unfortunately, many investors are unaware of FINRA's existence and the protections that FINRA provides. Most investors do not know that when they initiate a

relationship with an investment firm, they are waiving their right to seek redress via litigation and, instead are agreeing to FINRA arbitration. We suggest that brokers be required to verbally submit their disputes to communicate this binding arbitration provision to their clients each time a client opens a new account, even when the same client has opened accounts in the past. Additionally, the full arbitration provision should always be on the form the client signs, and not contained in a separate document.

Moreover, anytime an investor opens a new account (or an existing investor opens an additional account), the broker or investment advisor (or investment firm) should be required to provide, in writing, at least one supervisor's contact information (phone number and/or email address) along with a statement that if the investor has any questions, concerns, or problems that the investor's broker or investment advisor has not adequately addressed, the investor should contact his or her supervisor.

All financial services firm members should be required to provide their customers with SEC and/or FINRA literature and outline the protections and services that the SEC and FINRA provide, most notably the availability of ADV and CRD forms. A link to the broker's CRD form or investment advisor's ADV form should be easily accessible from the webpage where a customer may check their account. Additionally, this information should be available on the broker's online firm-profile, as well as provided in any email correspondence. Further including this information on brokers' business cards would ensure that the information is communicated to the largest number of customers possible.

In order to make conflicts of interest in investment transactions more transparent to investors, we recommend that the firm's conflict policy be readily accessible to customers. Customers should receive a copy when making any purchase, as well as be verbally advised of such a policy. This policy should be spelled out in layman's terms, and explain the commissions and other fees that brokers and their firms receive in connection the transactions. Like the arbitration provision, the explanation of conflicts and fees should be easily readable.

We also recommend that any measures enacted to increase investor protection and financial transparency be enacted immediately, and not as part of a gradual implementation. Regulations introduced gradually often give unscrupulous parties an opportunity to exploit the gaps in the rules.

We welcome any questions you may have regarding our position. Please do not hesitate to contact us should you have any questions or wish to further discuss this matter.

Respectfully submitted,

/s/

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