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March 31, 2008

Nancy M. Morris, Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-0609

VIA ELECTRONIC MAIL

Re: Proposed Revisions to Rules 12206 and 12504
of the NASD Code of Arbitration Procedure --
relative to Motions to Dismiss – SR-FINRA-2007-021

Dear Ms. Morris:

As a long time representative of public customers in securities arbitration proceedings, I heartily support the above referenced rule proposal.

Securities arbitration faces real and serious opposition to an extent never seen before in the post-McMahon era. The North American Securities Administrator's Association has called for both the elimination of the mandatory industry arbitrator and the single SRO mandatory arbitration system. The Arbitration Fairness Act of 2007 is garnering growing support in Congress.

In large part, the growing tide against securities arbitration stems from abuses of the process by the securities industry. There is no better example of these abusive practices than the area of pre-hearing motions to dismiss ("MTD's"). While rare a decade ago, MTD's are now filed in seemingly every case. This practice by the industry does not comport with the principles upon which the process is based or the rules established by FINRA. Rule 12302 requires only that a statement of claim specify "the relevant facts and remedies requested." Executives of FINRA have stated publicly that the purpose of SRO arbitration is to yield equitable results and that claims do not have to be cognizable under state or federal law. Rather, these executives have stated, claims may be cognizable under NASD (now FINRA) rules.

The practice of allowing pre-hearing motions to dismiss–most of which are based upon technical legal grounds–cannot be squared with the fundamental principles underlying the securities arbitration process. This rule change will go a long way toward stopping this abusive practice, and is a step in the right direction to begin restoring public confidence in the SRO arbitration process.

Sincerely,

J. Pat Sadler

JPS/j