

April 10, 2008

**By EMAIL TO: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)**

Ms. Nancy M. Morris  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**Re: File No. SR-FINRA 2007-021  
Proposal amending Rules 12206 and 12504 of the Customer Cade and Rules  
13206 and 13504 of the Industry Code to address Motions to Dismiss**

Dear Ms. Morris:

RBC Correspondent Services, a division of RBC Capital Markets Corporation, (formerly known as RBC Dain Correspondent Services) (“RBC”) appreciates the opportunity to comment on the above-referenced rule proposals submitted to the Commission by the Financial Industry Regulatory Authority (“FINRA”). By reference, RBC adopts the comment letter submitted to you earlier this week by the Securities Industry and Financial Markets Association (“SIFMA”) sent from Edward G. Turan on behalf of the SIFMA Arbitration Committee, Martha E. Solinger on behalf of the SIFMA Litigation Advisory Committee and Lisa J. Rosenbaum on behalf of the SIFMA Clearing Firms Committee.

While RBC agrees that abusive motion practice must continue to be discouraged, the proposed rule as written will likely prove a disservice to all who engage in resolving their disputes with FINRA’s arbitration process. When properly used, dispositive motions efficiently resolve disputes and should be available to Claimants and Respondents alike. Further, parties to arbitration often include a clearing firm as a party to arbitration without having a good understanding of the SEC rules and regulations surrounding the duties of clearing firms. As written, the proposed rule may require clearing firms to defend against baseless claims in instances where they have no legal duty to the Claimant (claims for unauthorized trading, suitability, etc.). Since legal costs are often the subject of introducing firms’ indemnity agreements, the proposed rule may effectively double their exposure to such costs. Ultimately, higher costs to introducing firms and clearing firms will be born by the customers. Further, introducing firms may not have the financial ability to weather frivolous claims against them. To that end, the

result of the proposed rule may have a chilling effect on the ability of smaller independent firms to find clearing firms willing to clear their business.

RBC urges the Committee to reject the rule as proposed, or, at a minimum, include language to permit the filing of well-supported motions that can serve to make the arbitration process more efficient and effective. Thank you for your consideration of RBC's comments.

Sincerely,

A handwritten signature in cursive script that reads "Craig Gordon".

Craig Gordon  
President, RBC Correspondent Services, a division of  
RBC Capital Markets Corporation

cc: Linda D. Fienberg, President, FINRA Dispute Resolution  
George H. Friedman, Executive Vice President, FINRA Dispute Resolution