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April 3, 2009

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: Amendments to Discovery Guide in FINRA Arbitrations
SR-FINRA-2008-024

Dear Ms. Murphy:

I am commenting on the proposed changes to the FINRA discovery guide. I generally support the position taken by PIABA but have several comments in addition concerning what I perceive to be the extremely biased and oppressive slant that these proposed changes embody.

I am an attorney in Portland Oregon and for the past 31 years I have been involved in securities litigation and arbitration. I was formerly Assistant Commissioner of the Oregon Securities Division in charge of enforcement and serve as an arbitrator on AAA and local arbitration panels. I am a member of PIABA and actively represent investors in FINRA arbitrations.

I am very concerned about the proposed revisions. The effect of these revisions is to expand markedly the scope of documents deemed presumptively discoverable from investors in every securities arbitration. The list of documents is already far broader than justified.

Regardless of the nature of the case or claim, investors must produce in discovery years-and-years of every sort of financial record. Every account statement, every confirmation, every brochure, prospectus, letter, e-mail, tax return, bank record, check record, financial statement, (and more) is required. Now that list is to be expanded to include, inter alia, loan applications, and to expand even further the number of years of records to be produced.

The brokerage industry's defense lawyers claim to need these documents because they are "relevant", but that is generally not the case. In fact defense lawyers are fishing for whatever information they can find to try to assert that, a defrauded client is not deserving of the remedies provided by law.

Under the guise of discovery of relevant facts, the defense's customary tactic is to use discovery to assert irrelevant facts and turn an arbitration that is supposed to be about whether the broker lied into an attack on the aggrieved investor's character. And in the most abusive situations, aggressive defense attorneys have been known to try to turn an arbitration into the equivalent of a tax audit with broadly stated threats that the investor had best drop the claims or face tax audits and claims of fraud. The newly-proposed discovery lists are bound to encourage that tactic.

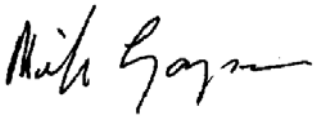
The result of the requirement that every Claimant submit his historical financial affairs under a microscope as a condition of seeking redress is that aggrieved individuals are discouraged (and in some cases prevented) from bringing arbitrations.

Further, the focus of the inquiry is what the broker knew before making recommendations, not what his defense lawyer can dig out later. This is suitability by hindsight when the rules clearly require the broker to have a reasonable basis to know that the recommendations are suitable before making the recommendation. It would be much more sensible to deny the brokerage any financial discovery other than what they already have in their files. They are required by law to have it, and there is no justifiable reason to require customers to produce anything that the broker didn't get before making the recommendation.

The proposed revisions make arbitration even more burdensome on the investors, provide more protection for the brokers by limiting discovery that could show a lack of supervision and a pattern of conduct, and expand and encourage opportunities for abuse.

These proposed changes should be rejected by the SEC.

Very truly yours,



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