OSTER
FINANCIAL GROUP, LLC.

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Mary Schapiro, Chairman
Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

RE: Proposed Rule SR-FINRA-2010-12

Dear Chairman Schapiro:

The proposed modifications to FINRA Rule 8312 represent an expansion of the current public disclosure philosophy without fully appreciating its impact on the registered person community and investors alike. Therefore, I am writing to respectfully request that the Commission not approve this proposed rule change without modification.

As a registered individual with Series 3, 7, and 66 licenses, I have also recently completed the process to become a non-public FINRA arbitrator because I believe in core principles of providing sound investment recommendations while protecting the public and enforcing rules against registered individuals where appropriate.

Particularly concerning about the proposed rule is the provision in 8312(b)(2)(G) to disclose all Historic Complaints against a registered individual. First and foremost, due to FINRA's legacy CRD system, only Historic Complaints on or after August 16, 1999 are required to be disclosed. While this is apparently due to the complexities involved with integrating the legacy CRD system, it has the unintended consequence of presenting biased data to the public under the guise of full disclosure. In fact, as a rationale for the rule change, FINRA states:

> "FINRA is also concerned that the current [3 or more] standard, along with the current date limitation for Historical Complaints that are eligible for display, may limit the ability of investors to place Historical Complaints in the appropriate context..."

This change would require a registered person with three investor complaints all found to be without merit and settled without compensation to the investor to have all three complaints disclosed as Historical Complaints. However, another hypothetical registered person with two customer complaints prior to August 16, 1999, both having been settled for $9,000 would not have these Historical Complaints disclosed due to the legacy CRD system.

I would respectfully submit that this could cause the investing public to inappropriately conclude the second registered person is more trustworthy than the first when in fact the

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undisclosed complaints have resulted in adverse settlements. This second registered person becomes an arbitrary benefactor of a technological limitation rather than a substantive regulatory policy to limit the disclosure of the settlements.

Furthermore, this rule may cause broker-dealers to limit the types of products and services they offer to clients through their registered individuals. Alternatively, it could cause registered persons to choose not to provide otherwise approved products and services for fear of having even meritless complaints follow them for the duration of registration.

Having been the subject of a meritless complaint, Oster Financial Group, LLC is particularly sensitive to the implications of this policy. We sincerely support the full and fair disclosure of well merited complaints against registered persons. However, we also strongly believe registered persons should be entitled to a full and fair process to remove meritless complaints from the public disclosure system.

The complaint process is understandably an adversarial process. A complaining party has an incentive to make his or her claim appear as legitimate as possible while the recipient has a counterbalancing incentive to understate the claim. It would be irresponsible for FINRA to expand its disclosure policy without appreciating the potential biases that policy can create.

Therefore, I would respectfully submit that an addition to Rule 8312(b)(2)(G) should provide that in the case of a customer complaint that is otherwise required to be reported via U4 and that is found without merit and closed without compensation to the investor continue to be subject to the current two year rule.

This additional language would provide a modicum of due process without flooding FINRA's Dispute Resolution group with Rule 2080 Expungement Requests. As a FINRA arbitrator, our time is best spent adjudicating material issues between the industry and the investing public.

Respectfully,

Andrew E. Oster, MBA
Pres. & CEO