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Re: File No. SR-FINRA-2010-053

I am a lawyer who has represents customers in FINRA Dispute Resolution arbitration. Prior to attending law school I was a registered representative for 13 years and served as a director of a NASD member firm until 2006. I am listed as a non-public FINRA arbitrator.

The current proposal appears to be a no brainer. Absolutely no one except the most partisan industry hireling considers the "industry" arbitrator as anything but grossly unfair. The rule change should be adopted immediately. My personal experience, however, is that it is far down the list of unfair, prejudicial, and biased anti-customer practices at FINRA Dispute Resolution. Following are a few of the most egregious:

- Arbitrator selection and appointment. Few panels are without at least one arbitrator selected by FINRA staff outside the list-selection procedure. The process was never rotational as FINRA long claimed and is not now "random." Finra has its select few arbitrators who are appointed to case after case based on their record of being industry friendly. Until the complete record of arbitrator appointments to all cases is publicly available, nothing will change much.
- Discovery abuse remains rampant with FINRA collusion. Member firms refuse to produce "automatic" documents, demand draconian confidentiality agreements to install fire walls between cases and deny the existence of documents required by regulation. At the same time, customers are required to provide excessive financial disclosures without probative value and meant only to harass and discourage the filing of claims.
- FINRA staff has unilaterally preempted blue sky laws resulting in public customers being universally denied the protection of state law and receiving, on average, less than 30% of damages to which they are legally entitled in the minority of cases where they receive any award.
- The minority of customers who receive an award find it substantially reduced by the high cost of FINRA arbitration. There is no legal basis for charging a customer half of the cost of arbitration, contrary to state law, in a securities case even when they prove fraud. The exorbitant salary of Dispute Resolution's President provides a clue as to why the costs are so high.

Forced arbitration should be rejected by the commission and customer's Seventh Amendment right to a trial by jury preserved. If mandatory FINRA arbitration were actually fast, fair, and inexpensive investors would choose it. It's not. Even without the industry arbitrator few aggrieved investors would choose arbitration without substantial additional reforms. This reform alone is simply window dressing and should not be used as an excuse to retain this grossly biased system instead of allowing customer choice of forum.

Respectfully submitted,