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August 5, 2016

**VIA ELECTRONIC SUBMISSION**

Brent Fields, Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, D.C. 20549-1090

Re: File No. SR-2016-22, Proposed Rule Change to Amend Rule 12403 (Cases with Three Arbitrators) of the Code of Arbitration Procedure for Customer Disputes Relating to the Panel Selection Process in Arbitration

Dear Mr. Fields:

The Investor Rights Clinic at the Elisabeth Haub School of Law at Pace University, operating through John Jay Legal Services, Inc. (“PIRC”),<sup>1</sup> welcomes the opportunity to submit this comment letter regarding FINRA’s proposed rule change to amend Rule 12403 concerning the panel selection process for cases involving three arbitrators. Specifically, the proposed rule change would increase the number of public arbitrators on the list that FINRA sends parties during the arbitration panel selection process from 10 to 15 and increase the number of strikes that the parties may make to the public list from four to six to keep the proportion of strikes the same under the amended rule as it is under the current rule.

PIRC supports the rule proposal, as it provides parties with greater choice in the panel selection process. We agree that the change is desirable because, under the current rule, a customer who wants an all-public panel and strikes all names on the non-public list ends up with less choice. Increasing the number of public arbitrators on the list while maintaining the strike ratio will provide parties with a greater variety of qualifications and backgrounds to choose from

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<sup>1</sup> PIRC opened in 1997 as the nation’s first law school clinic in which law students, for academic credit and under the close faculty supervision, provided pro bono representation to individual investors of modest means in securities disputes that would go through arbitration. See Barbara Black, *Establishing A Securities Arbitration Clinic: The Experience at Pace*, 50 J. LEGAL EDUC. 35 (2000); see also Press Release, Securities Exchange Commission, SEC Announces Pilot Securities Arbitration Clinic to Help Small Investors – Levitt Responds To Concerns Voiced at Town Meetings (Nov. 12, 1997), available at <http://www.sec.gov/news/press/pressarchive/1997/97-101.txt>.

in the selection process. This will improve parties' ability to select a panel that they feel is most fit to resolve their dispute, while increasing parties' perceptions that the arbitration process is fair, equitable, and party-oriented.

PIRC regularly represents unsophisticated investors of modest means in disputes with their brokers and broker-dealers. Our clients often feel at a disadvantage as one-time participants in an arbitration forum against repeat players with greater financial resources and familiarity with the forum, processes, and arbitrator pool. We believe that giving parties greater choice and control over the panel selection process benefits all parties, with a particularly positive impact on modest-means investors.

Respectfully yours,

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