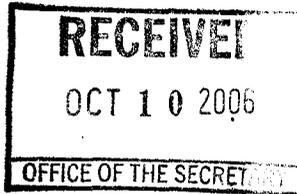


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October 4, 2006



Nancy M. Morris, Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: SR-NASD-2006-088

Proposed NASD Rule 12504-Dispositive Motions

Dear Ms. Morris:

I represent investors in NASD arbitrations, I have owned a small broker dealer, was a Registered Principal and owner of an NASD Member firm. I have nearly 40 years in securities related businesses.

The Commission should not forget, that Shearson v. McMahon, the case that upheld Arbitration Clauses in customer agreements, did so because the basic fairness of Arbitration was adequate consideration for customers surrendering their rights to avail themselves of the Courts.

Arbitration Clauses guarantee customers a hearing via Arbitration to settle disputes. They don't limit Arbitration solely to "Meritorious Disputes" and customers, who are surrendering their rights to full discovery, depositions, full motions practices, and a jury, must be permitted to have every one of their claims heard before a panel. For them the Hearing is Full Discovery.

Broker/dealers mandate in their customer agreements that all disputes must be handled through Arbitration. The NASD has an entire division responsible solely for Dispute Resolution. Now Member Firms come forward to their SROs on Motions to Dismiss, asking for authorization to deny a hearing to a claimant, using a Motion for which there is nothing comparable available to the Claimant Investor. It's a free and unfair shot at investors and should be considered a violation of the Rules of Fair Practice.

If this is a cost matter, then understand as well that Member Firms earn \$Billions and reap tremendous savings from not having to litigate in Court. The price they pay for that contractual provision pales in comparison to any puny savings in time and cost spent on non-meritorious claims in arbitration. Yes, customers relinquish their right to litigate before a court (a natural filtering process), but that Agreement comes with a comparable obligation on the Member Firm to Arbitrate all disputes, regardless of the size or even merit of the claim. It is their cost of doing business and it is a profitable model.

Thank you for your consideration.

Frederick Rosenberg

A large, stylized handwritten signature in black ink, appearing to read "Frederick Rosenberg". The signature is written over the typed name and extends across the width of the letterhead area.