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August 6, 2007

Nancy M. Morris, Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-9303

VIA EMAIL: rule-comments@sec.gov

RE: SR-NASD-2007-021: Proposed Amendment to Rule 12100(u) of NASD (now FINRA) Arbitration Code

Dear Ms. Morris:

I have represented investors in SRO securities arbitration for nearly 20 years. In recent years, this system has grown ever more unfair to investors.

The main issue with the FINRA arbitration system is the ever increasing number of conflicted public arbitrators. This problem is especially acute since FINRA rules require that an industry arbitrator serve on every three person arbitration panel. The prospect of having two or even three arbitrators with a pro-industry bias effectively destroys the prospect of the public investor getting a fair hearing.

The FINRA proposed amendment to Rule 12100(u) is a step in the right direction, that proposal falls short of resolving the conflicted public arbitrator problem.

The FINRA proposal to amend Rule 12100(u) will disqualify as public arbitrators professionals who for the last two years receive industry fees in excess of $50,000 annually from matters involving investor accounts or transactions. The FINRA proposal must be revised in the interest of investor protection to apply the disqualification regardless of the nature of the industry engagement.

One who receives substantial fees from the securities industry should not serve as a public arbitrator regardless of the nature of the work performed. It is the receipt of fees from the securities industry that creates the conflict and the appearance of bias.

Thank you for your consideration of this comment.

Very truly yours,

/s/

James D. Keeney

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