Comments of
Debra G. Speyer, Esq.
Law Offices of Debra G. Speyer
Two Penn Center Plaza, Suite 200
Philadelphia, PA 19102
On SR-NASD-2007-021

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

Re: SR-NASD-2007-021

Dear Ms. Morris:

I have been practicing securities law for more than twenty years and have worn many hats - respondent's attorney, in-house compliance/defense attorney, NASD enforcement attorney and claimant's attorney. I have sat for and passed almost every brokerage exam that the brokerage industry offers and also serve as an arbitrator for the NASD and previously for the NYSE. I am very familiar with arbitration and the brokerage industry. I have a national securities arbitration practice with my base in Philadelphia, Pennsylvania.

The proposed revisions to Rule 12100 (u) of the NASD Code of Arbitration Procedure sets a $50,000 limit to the amount of income a public arbitrator can earn relating to any customer disputes concerning an investment account or transaction. To the average American worker, $50,000 in a very substantial amount of money. To call a person who has received $50,000 in income derived from the industry that they are now judging a public arbitrator is a travesty of justice. And how shall this $50,000 be audited? Will these arbitrators now provide tax returns to show the NASD that they are earning less than $50,000 in the specific manner set forth in the rule? The proposed rule as written cannot logically be enforced and is not reasonable on its face. Public arbitrators should have no economic ties to the brokerage industry. Zero income of any type should be allowed to be earned by a public arbitrator from securities industry sources. Nor should a public arbitrator be someone deriving their income representing investors in any way and in any type of profession either.

As the proposed revisions to the rule is written, an attorney, accountant or other professional could derive very substantial income from regulatory work or financial work for the industry and still be a public arbitrator. Further, a person under this proposed rule could also have a job totally dependent and beholden to the securities industry but not be considered a "professional" as defined by the rule but still be allowed to sit as a public arbitrator. This is also a travesty of justice.

Claimants do not have the right to a jury trial. That has been eliminated with their execution of

arbitration agreements. The U. S. Supreme court allowed for mandatory SRO arbitration because claimants were to obtain as fair a hearing as they would receive before a jury. Currently, there is a non-public arbitrator on the panels. I am not aware of any other industry in which one of the sitting arbitrators is in the same industry as the industry that the claimant is bringing a claim. One does not need any additional arbitrators earning their livelihood from the brokerage industry.

Statistically, there are very few arbitrations brought in relation to the number of people that invest their money with brokerage firms. It is the best interest of Claimants, the SRO's and the brokerage industry to not have a biased system or one that even has the appearance of bias. If investors believe they cannot get a fair outcome in arbitration, they may be less inclined to invest with brokerage firms causing America's capital markets to not have the investor capital that makes the American economy strong.

Respectfully,

Debra G. Speyer, Esq.
Law Offices of Debra G. Speyer
Two Penn Center Plaza, Suite 200
Philadelphia, PA 19102
215 238-1980 phone
www.speyerlaw.com
debra@speyerlaw.com