

July 21, 2005

To:
Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street
Washington DC 20549-0609

Re: File No. SR-NASD 2003-158
Comment on Reorganization and Revisions to NASD Rules Relating to Customer
Disputes
SEC Release No. 34-51856

Dear Mr. Katz:

I appreciate this opportunity to briefly share with you my thoughts on the proposed revisions to the NASD Code of Arbitration Procedure. I have the privilege of representing investors that have been the victims of negligence, breaches of fiduciary duty and outright fraud by members of the securities industry. When the securities industry began to include pre dispute arbitration clauses in its agreements with its customers, it did so because, supposedly, arbitration would be a faster and more efficient manner in which to decide disputes. It was not intended to sacrifice fairness. Most customers have no idea that they give up the right to have their day in court before a judge and jury of their peers when they establish accounts with securities firms.

What has in fact evolved over the years, and what the proposed rules attempt to codify, is a system whereby the securities industry will be able to further sacrifice fairness by attempting to have customer claims dismissed before the customer has even had an opportunity to present any evidence. The proposed rules should allow dismissal of customer arbitration claims only in extreme or extraordinary circumstances, not as a matter of routine. Customers have already given up many rights that they might otherwise have if they were allowed to present their case in a court of law, and customers should not be subject to the dismissal of their case before, at a minimum, having an opportunity to present their case before a panel of fair and objective arbitrators.

Furthermore, mandating that a securities industry arbitrator sit on an arbitration panel should be abolished since it serves no purpose other than to tilt the process further in favor of the securities industry, a process that is already administered by an SRO.

In conclusion, I would like to express my full support of the position expressed by the Public Investors Arbitration Bar Association (PIABA) in its comment letter.

Very truly yours,
Jorge A. Lopez