Gentlemen:

I have just finished reading the front page article of Barbara Black in the current issue of SAC with particular interest.

I have been an NASD arbitrator for over 7 years and have had numerous discussions with NASD Dispute Resolution staff in the Boca Raton office over the years regarding the topics so ably discussed by Ms. Black. I am in wholehearted agreement with her analysis regarding arbitrator qualifications and responsibilities upon which she bases her recommendation that the NASD move toward the appointment of professional arbitrators with both knowledge and experience of securites matters and who are attorneys. I believe that a recitation of several of my experiences as an arbitrator will lend further support to her proposal.

Briefly my background is as follows:

I practiced business and securities law in New York City for over 30 years as well as having become involved in several business enterprises. In 1990 I relocated to southeast Florida and in 1991 became one of the founders of a small broker-dealer in Boca Raton. In 1997 I was licensed as an NASD arbitrator and shortly thereafter as a certified NASD mediator. A more detailed description of my background can be found in my Arbitrator Disclosure Report
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Over the years I have been appointed to numerous panels as an industry arbitrator since my background requires that I be designated as such. Since I have been categorized as an industry arbitrator, and rightfully so, I have been prohibited from being appointed chair of the panel in customer proceedings unless all parties agree to the appointment. More often than not the parties fail to designate a chairperson thus leaving it to the discretion of staff who then must, under the Code, appoint a public arbitrator. I must admit, I do not understand this restriction. There have been any number of occasions upon which I have acted as *de facto* chair because the appointed chair had little or no experience in these matters as well as a lack of understanding of the legal requirements in a given situation (e.g. motions to dismiss, motions to add or remove parties, discovery issues and the like) which resulted in unnecessary and time consuming activities by all parties.

To further emphasize what I believe to be unduly and unnecessary restrictive requirements I submit the following illustration:

Currently, I am a panel member in ten pending arbitration proceedings. Of the ten 6 chairmen are lawyers. In two of the remaining four proceedings there are no lawyer-members at all (other than myself) and in the final two, again, I am the only lawyer and have not been appointed chair because both are customer cases. Thus, in 40% of my cases a non-lawyer is chair.

I find it most difficult to believe that the ends of justice can be properly served in these circumstances. Indeed, it is difficult enough to rule on critical issues, (evidence requirements and admissibility, pertinent testimony, objections by counsel, etc.) when one has the legal training needed to make such rulings. To require a lay person to do this is not only unfair to both the parties to the proceeding as well as the chair, it borders on the irresponsible.

I genuinely believe that Ms. Black has it exactly right.

Require all arbitrators to:

1. Have significant experience in securities matters;
2. Be a member in good standing of a state bar as a prerequisite for acting as chairman;
3. Take prescribed training courses;
3. Take written examinations and pass with a minimum passing grade.

Once this is accomplished an NASD certification can be issued to the applicant designating him/her as a "Professional Arbitrator".

The implemention of these changes, I believe, is not only important but critical to the successful continuation of the arbitral forum of the NASD Dispute Resolution process.

And the sooner the better.

Arnold Levine -