

Public Investors Arbitration Bar Association

August 9, 2005

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DIVISION OF MARKET REGULATION

Jonathan G. Katz, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-9303

RE: SEC #34-52045
Proposed Rule Change at NASD Relating
to Representation in Arbitration and Mediation

Dear Secretary Katz:

The Public Investors Arbitration Bar Association ("PIABA") supports the proposed rule relating to representation in arbitration and mediation.

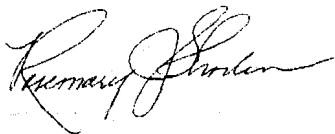
PIABA is an association of attorneys committed to elevating the quality of representation of investors in securities arbitration. PIABA has for a long time advocated that non-attorneys should not be permitted to represent investors for a fee in securities arbitration. Simply put, the lack of legal training makes non-attorneys incompetent to deal fully with the laws and issues which arise in the context of investor protection. The NASD, to its credit, will now eliminate non-attorney representatives from the forum.

PIABA also favors the proposed rule because it makes clear that a defense lawyer cannot way-lay an arbitration by making a claim in the arbitration that the investor's attorney is not licensed to practice in the state which the NASD

Jonathan G. Katz, Secretary
August 9, 2005
Page 2

assigned for the hearing. NASD arbitrators should not be deciding attorney-licensure issues. As the proposed rule makes clear, licensure issues beyond the simple test spelled out in the proposed rule are inappropriate questions for arbitrators.

Respectfully,



Rosemary Shockman
President

cc: Linda D. Fienberg
George H. Friedman
Catherine McGuire

