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April 1, 2009

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: *Comment on File No. SR-FINRA-2008-024*
re Amendments to the Discovery Guide

Dear Ms. Murphy:

I am an attorney in Atlanta, Georgia who for many years has concentrated my practice in the representation of public customers in securities arbitration.

While I applaud the efforts of FINRA to improve the discovery process in FINRA arbitrations, there are three items in the proposed amendments which I find extremely troubling.

First, the requirement that customers provide five years of loan applications in every case is unduly intrusive and burdensome. In most cases, such documents have no relevance. Indeed, as my colleague Elizabeth Zeck says, "if those documents are relevant, why didn't the firm ask for them at the beginning of the relationship?" Brokerage firms are subject to the securities industry's "know your customer" rule. The pursuit of documents such as loan applications would be more appropriate if the rule was "know your arbitration opponent."

Similarly, the expansion of the look-back period during which customers must produce tax returns and other financial data from three years to five years is also intrusive and burdensome. Again, this information often has no relevance to the issues of the case. Accordingly, to require production in every case simply creates burden without benefit.

Finally, the requirement that customers—but not brokerage firms—produce recordings of conversations has no logical basis. The relevance of a tape recording is not determined by which party was operating the recorder. This requirement is clearly anti-investor and should not stand.

There are many positive changes in the amendment, and I join in the comments of Scott Shewan submitted on behalf of PIABA.

Thank you for the opportunity to submit this comment.

Sincerely,

J. Pat Sadler

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