



November 3, 2015

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change To Merge FINRA Dispute Resolution, Inc. Into and With FINRA Regulation, Inc. (Docket No. SR-FINRA-2015-034)

Dear Mr. Fields:

The American Association for Justice (AAJ), formerly known as the Association of Trial Lawyers of America (ATLA), hereby submits comments in response to the Securities and Exchange Commission's (SEC) solicitation for input concerning the proposed rule change to merge FINRA Dispute Resolution, Inc. and FINRA Regulation, Inc.¹

AAJ, with members in United States, Canada and abroad, is the world's largest trial bar. It was established in 1946 to safeguard victims' rights, strengthen the civil justice system and protect access to the courts. As the operator of the largest securities dispute resolution forum in the United States, FINRA wields a substantial amount of influence over the rights of consumers seeking to resolve securities and business disputes. Accordingly, to ensure that FINRA is a fair and neutral forum for businesses and consumers alike, consumers' interests must be adequately and equally represented in FINRA's policy-making body. The proposed merger, however, potentially jeopardizes the necessary and critically important balance between corporate and consumer interests. Unfortunately, given the time constraints presented by a very short comment period,² and the lack of detail provided to support why these changes are being made, it remains unclear how this proposal will impact consumers.

¹ See 80 FR 57046.

² See *id.* The public comment period ended on November 3, 2015 but public notice of the change did not appear in the Federal Register Notices until October 13, 2015.

In this proposal, FINRA is seeking to make a number of different changes and amendments.³ While these proposed changes appear to be administrative, and would simply “align the corporate legal structure with current public perception and organizational practice,” more time is needed to adequately assess the true impact these could have on investors’ and victims’ rights as they are forced to arbitrate disputes in a forum regulated by the securities industry.⁴ Furthermore, FINRA does not give adequate background to explain the policy shift that merging its independent Dispute Resolution subsidiary presents.⁵ In fact, when it was first established by NASD (now FINRA), NASD explained it believed creating a dispute resolution entity, separate and distinct from other entities would help strengthen the independence and credibility of its arbitration and mediation functions.⁶ Proposing changes that shift away from a policy whose purpose was to improve neutrality should merit further analysis from FINRA or the public, and as such, more time and detail is needed.

In light of these concerns, AAJ urges that additional time be permitted for comment and additional information be provided on these proposed changes. If you have any questions or comments, please contact Zoë Oreck, AAJ’s Assistant Regulatory Counsel, at [REDACTED].

Sincerely,

A handwritten signature in black ink, appearing to read 'LAT', with a horizontal line extending to the right.

Larry A. Tawwater
President
American Association for Justice

³ See *id.* In addition to the merger, FINRA has proposed to amend the By-Laws of FINRA Regulation, including adding or modifying several definitions.

⁴ *Id.* at 61546.

⁵ See 64 FR 55794, explaining that the Office of Dispute Resolution has “established credibility as a neutral forum that is fair to all parties and has gained acceptance by investor groups.”

⁶ *Id.*