

# Public Investors Arbitration Bar Association

August 2, 2005

## VIA FEDEX

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

Re: File No. SR-NASD-2003-158  
Proposed NASD Code of Arbitration  
Procedure for Customer Disputes

Dear Secretary Katz:

We have had an opportunity to review the SIA comment letter on the proposed NASD Code.

In commenting on the provision regarding the use of information requests, Section V of the Discovery Guide, the SIA comment states:

Proposed Rule 12507. Other Discovery Requests

In conjunction with the Proposed Customer Code, NASD Dispute Resolution intends to amend the Discovery Guide. The proposed amendments include the deletion of the current Section V regarding "Information Request." That section currently defines and limits information requests. Section V states:

Like requests for documents, parties may serve requests for information pursuant to Rule 10321(b). Requests for information are generally limited to identification of

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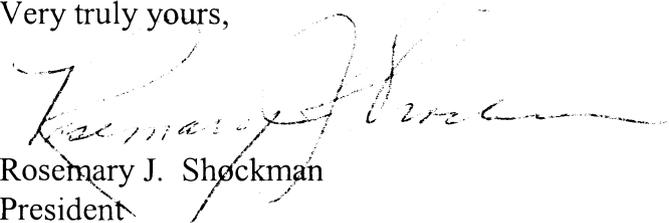
individuals, entities, and time periods related to the dispute; such requests should be reasonable in number and not require exhaustive answers or fact finding. Standard interrogatories, as utilized in state and federal courts, are generally not permitted in arbitration.

Section V strikes the correct balance between the parties' need for information and the objectives of an expeditious and cost-effective system for the resolution of customer disputes. The policy established by Section V should not be changed and Section V should not be eliminated from the Discovery Guide.

PIABA agrees with the SIA position on this issue. The use of extensive sets of "interrogatories" is inappropriate in alternative dispute resolution. Counsel, arbitrators and parties should be unequivocally apprised of this.

PIABA members continue to be confronted with the abusive use of extensive sets of "interrogatories." We ask that the broker-dealer members of the SIA advise their outside and in-house counsel that the industry does not sanction the use of these extensive, abusive sets of interrogatories. The broker-dealers should immediately advise their lawyers to cease the use of this tactic.

Very truly yours,



Rosemary J. Shockman  
President

RJS:dlr

cc: Linda D. Fienberg  
George H. Friedman  
Catherine McGuire  
Edward G. Turan