

September 7, 2018

VIA ELECTRONIC MAIL

Ms. Jennifer Piorko Mitchell
Office of the Corporate Secretary FINRA
1735 K Street, NW
Washington, DC 20006-1506
pubcom@finra.org

Re: FINRA Regulatory Notice 18-22

Dear Ms. Mitchell:

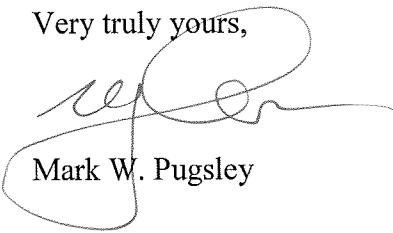
This letter is to express my support for the proposed amendment to FINRA's Discovery Guide which would require routine disclosure of liability insurance coverage by broker/dealers. I have been handling FINRA arbitrations in my law practice for over 25 years and have often been frustrated by the inability to obtain information about insurance coverage. This information is required to be produced in state and federal court cases here in Utah, and FINRA arbitrations should follow that same approach.

The existence and scope of liability insurance policies is critically important information for claimants in FINRA arbitrations involving small broker dealers who may not have the resources to pay an award. It informs litigation strategy, decisions on whether or not to settle a case, and helps us decide whether a settlement proposal from either side is fair and reasonable under the circumstances. This information facilitates effective settlement discussions and mediations, and would lead to fewer unpaid arbitration awards which are a black eye for FINRA.

At minimum, I believe FINRA should require its members to disclose the information about liability coverage, including whether it exists and how much coverage there is.

Thank you for your consideration of this proposed rule.

Very truly yours,



Mark W. Pugsley

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