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March 28, 2008

VIA EMAIL: SirriE@SEC.gov

Mr. Erik R. Sirri, Director  
Division of Trading and Markets  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Re: Petition for Rulemaking  
SEC File No. 4-502

Dear Mr. Sirri:

Receipt of your letter dated March 27, 2008 is hereby acknowledged.

You state, in pertinent part:

[T]he Commission has requested that FINRA, whose rules are at issue, examine the Petition, the recent report discussed above, and FINRA's securities arbitration rules as a whole with a view to considering what additional actions it could take to enhance the fairness of its forum as well as the perception of that fairness.

In substance, FINRA has already examined the Petition. From the "Commission's response to the Petition," you are aware that Professor Constantine Katsoris, Chair, Securities Industry Conference on Arbitration ("SICA") commented upon the Petition in response to a request from the SEC. (Though the SEC's response to me does not mention it, I responded to SICA's response. The SEC posted my letters on its website.) The NASD and NYSE constituted the major members of SICA and the SICA sub-committee that determined SICA's response to the Petition. FINRA consists of those same NASD and NYSE members of SICA.

Hopefully, the SEC recognizes that FINRA has a definite conflict of interest in examining the relevant securities arbitration issues. In order for FINRA to find merit in

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the issues set forth in the Petition, it must conclude that its longstanding practices have been unfair to the investing public. Thus, arbitration rulemaking proposals from FINRA based upon the Petition are highly unlikely.

Your further state, in pertinent part:

After FINRA has done this, should it propose changes to its arbitration rules, the Commission will then promptly review them as directed by the Exchange Act. Should FINRA choose not to amend its rules, the Commission would then have an opportunity to consider the reasons for that decision and to consider whether further Commission action is warranted.

Has the SEC established a definite timeframe within which it is to receive a response from FINRA? A recent response to one of my FOIA requests to the SEC indicates that the SEC has no tracking system with respect to rulemaking petitions related to securities arbitration. At what point will the SEC conclude that FINRA has chosen not to amend its rules? Should FINRA do nothing, the SEC will not be able to "consider the reasons for that decision."

Without establishing and enforcing a strict timeframe within which to proceed, it would be ingenuous to state, "[T]he SEC will continue to make the fairness of the arbitration system a priority...."

Please communicate with me in the event that further information is desired.

Very truly yours,

LES GREENBERG

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cc: Mr. Thomas J. Karr (KarrT@SEC.gov)