

I am writing to express my strong support for implementing FINRA Regulatory Notice 18-22, which would amend the FINRA Discovery Guide to require brokerage firms and their associated persons to produce insurance coverage information in customer FINRA arbitrations. I am an attorney in California who litigates customer claims in FINRA on behalf of investment customers. I believe that insurance information is crucial to ascertain whether brokerage firms who are not major wire houses and/or their associated persons have the ability to pay claims and awards through their insurance coverage. Many of those firms and personnel often claim poverty when they actually have substantial insurance coverage. In addition, many awards go uncollected because the firms or their personnel cease to be FINRA registered and the customers are not aware that they can collect from insurance. Insurance coverage information also allows customers to better assess whether their claims are worth pursuing. California law requires that defendants in all civil cases provide insurance information. However, brokerage firms and associated persons often argue in FINRA arbitrations that California law does not apply to them and will refuse to produce any insurance information. Including insurance coverage information in the discovery guide would eliminate this inconsistency with state law and ensure that insurance information is provided to customers in FINRA arbitrations. I appreciate FINRA proposing this rule and would again urge FINRA to do what state law already requires by implementing FINRA Regulatory Notice 18-22.

Thank you

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