Subject: File No. SR-NASD-2007-021
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For many years my law firm has focused its practice on the representation of individual investors in disputes with the securities industry. I am also the current chair of the National Arbitration and Mediation Committee of the NASD.

I write this comment in support of the Proposed Rule Change to Amend the Definition of Public Arbitrator. The current securities arbitration system needs significant changes and this proposal is a step in the right direction. Public customers are prevented from submitting their grievances to the civil courts and are forced into a forum that, at present, is not a level playing field. The three person panel is composed of an industry representative and two "public" members. The Securities Industry argues that the presence of an industry representative is necessary to provide expertise to the other panelists. This position is nonsense. The real purpose of this industry seat on every panel is to slant deliberations in favor of Broker/Dealer respondents, which is demonstrated by how hard the industry fights to preserve the status quo.

Imagine a civil trial against an insurance company for bad faith denial of benefits that required a jury composed one third of insurance executives or claims adjusters. Or a medical malpractice case against a hospital that required a jury composed one third of doctors or hospital administrators. This in the name of expertise.

As with any litigation, the parties can and do present expert testimony to educate the triers of fact. All we ask is that those triers of fact are impartial both in reality and in perception. Anything less makes a mockery of the concept of "fair hearing".

At present public customers who have been wronged by brokerage firms must not only face an industry representative on the panel, but the "public" status of the other two seats is in serious question. Under the existing rule, a defense attorney whose firm can derive millions of dollars representing brokerage firms in securities arbitration cases can still be classified as public. One would have to be incredibly naive to think that the presence of a defense lawyer who may be soliciting business from the respondent firm he is sitting in judgment on would be perceived to be unbiased.

While I would prefer to see a "zero" tolerance, that is, to exclude from the public pool anyone who derives any income from the securities industry, I am enough of a realist to support the Proposed Rule Change as a necessary modification to drain some of the bias from the existing system.

I appreciate the opportunity to comment and remain available to discuss this matter at any time.