

2010 SECURITIES SYMPOSIUM

Sponsored by The Bar Association of Metropolitan St. Louis and
Greensfelder, Hemker, and Gale, P.C.

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SELECTED 2010 FINRA RULE SUMMARIES

Regulatory Notice 10-11

The Codes of Arbitration Procedure for Customer and Industry Disputes are amended to clarify that if a claim deficiency is corrected within 30 days from the time a party receives notice of a deficiency, the claim will be considered filed on the date the initial statement of claim was filed.

Regulatory Notice 10-16

The Code of Arbitration Procedure for Customer Disputes and the Code of Arbitration Procedure for Industry Disputes clarify the applicability of the fee waiver provision of the postponement rule and codify the hearing session fee for an unspecified damages claim heard by one arbitrator.

Regulatory Notice 10-17

FINRA Rule 12213(a) was amended to expand the criteria for selecting a hearing location. FINRA Rule 12213(a) now states that the Director will continue to select the hearing location closest to the customer's or associated person's residence at the time of the events giving rise to the dispute. However, the Director will grant a customer's or an associated person's request for a hearing location in the customer's or associated person's state, if requested by the customer or the associated person before the arbitrators are selected.

Regulatory Notice 10-31

Firms and associated persons will be unable to rely on the inability-to-pay defense in expedited actions for failure to pay an arbitration award or related settlement involving a customer if the notice issued pursuant to FINRA Rule 9554 is sent on or after July 2, 2010.

Regulatory Notice 10-34

The SEC approved amendments to FINRA Rule 8312 govern the release of information through Broker Check and:

- (1) make publicly available in Broker Check all historic customer complaints that became non-reportable after the implementation of Web CRD;
- (2) permanently make publicly available in Broker Check information about former associated persons of a member firm, as reported to CRD on a uniform registration form if they were (a) convicted of or pled guilty or no contest to certain crimes; (b) subject to a civil injunction

involving investment-related activity or found in a civil court to have been involved in a violation of investment-related statutes or regulations; or (c) named as a respondent or defendant in an arbitration or civil litigation in which they were alleged to have committed a sales practice violation, and which resulted in an award or civil judgment against them;

(3) expand the Broker Check disclosure period for former associated persons of a member firm to 10 years from two years; and

(4) codify FINRA's current process for disputing the accuracy of (or updating) information disclosed through Broker Check.

The amendments involving the public availability of historic customer complaints and the process for disputing the accuracy of information disclosed through Broker Check became effective on August 23, 2010. The effective date for the amendments pertaining to the expansion of the disclosure period for former associated persons and the permanent public availability of certain information about former associated persons of a member firm is November 6, 2010.

Regulatory Notice 10-37

Effective September 27, 2010, FINRA increased the number of proposed arbitrators available for review (from eight to ten per list) when parties choose arbitration panels from lists generated randomly by the Neutral List Selection System. The amendments to the Customer and Industry Codes of Arbitration

Procedure will apply to lists generated on or after the effective date.

Regulatory Notice 10-40

A non-party witness' attorney may attend an arbitration hearing while the witness is testifying. Unless otherwise authorized by the arbitrators, the attorney's role will be limited to asserting recognized privileges, such as the attorney-client and work product privileges, and the privilege against self-incrimination.