

Phlx Memo No. 1391 -08

RC No: FINRA- 2008-31

MEMORANDUM

To: Members and Member Organizations

From: Legal Department

Date: July 18, 2008

Re: FINRA Code of Arbitration
SR-FINRA-2008-31 Notice of Filing of Proposed Rule Change Relating
to Amend the Arbitration Uniform Submission Agreement and Related
Rules

Pursuant to Phlx Rule 950, Section 44, the Exchange has outsourced its arbitration and mediation program to FINRA Dispute Resolution. The purpose of this memo is to update you as to proposed amendments to the FINRA Code of Arbitration Procedure.

Financial Industry Regulatory Authority, Inc. ("FINRA") (f/k/a National Association of Securities Dealers, Inc. ("NASD")) filed a proposed rule change with the Securities and Exchange Commission ("SEC" or "Commission") on June 19, 2008

FINRA Dispute Resolution is proposing to amend the Uniform Submission Agreement ("USA"), which parties must sign prior to entering into arbitration, and certain rules of the Code of Arbitration Procedure for Customer Disputes ("Customer Code") and the Code of Arbitration Procedure for Industry Disputes ("Industry Code") that contain references to the agreement. The proposed revisions to the USA would: (1) Clarify what the parties are attesting to when they execute the USA; (2) require parties to indicate in what capacity they are signing the agreement; (3) convert the USA to a FINRA-specific agreement; and (4) use plain English to make the agreement easier to read.

The text of the proposed rule change is available on FINRA's Web site (<http://www.finra.org>), at FINRA's principal office, and at the Commission's Public Reference Room. The text of the proposed Submission Agreement is available at FINRA, the Commission's Public Reference Room, and http://www.finra.org/web/groups/rules_regs/documents/rule_filing/p038817.pdf.

The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments

- . Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- . Send an e-mail to rule-comments@sec.gov. Please include File Number **SR-FINRA-2008-31** on the subject line.

Paper Comments

- . Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number **SR-FINRA-2008-31**. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number **SR-FINRA-2008-31** and should be submitted on or before **August 6, 2008**.

If you have any questions regarding this proposed rule change, or would like a complete copy of this proposed filing, or further questions regarding the FINRA Dispute Resolution Process, please click on the FINRA Dispute Resolution website at www.finra.org. If you need additional help, please contact Scott Donnini at (215) 496-5358.