

**Phlx Memo No. 288-08**

**RC No: FINRA- 2007-42**

MEMORANDUM

To: Members and Member Organizations  
From: Legal Department  
Date: February 7, 2008  
Re: FINRA Code of Arbitration

SR-FINRA-2007-42-Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to the Codes of Arbitration Procedure To Remove the Page Limit on Statements of Claim Filed Through the Online Arbitration Claim Filing System

---

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.

On December 27, 2007, Financial Industry Regulatory Authority, Inc. ("FINRA") (f/k/a National Association of Securities Dealers, Inc. ("NASD")) filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described below.

This proposed rule change has received approval from the SEC on January 29, 2008.

FINRA is proposing to amend Rule 12302 of the Code of Arbitration Procedure for Customer Disputes ("Customer Code") and Rule 13302 of the Code of Arbitration Procedure for Industry Disputes ("Industry Code") to remove the 50-page limit on Statements of Claim filed through the Online Arbitration Claim Filing System ("the System"), to allow parties to submit exhibits to Statements of Claim through the System, and to reflect the new FINRA name.

The proposed rule change is intended to encourage more claimants to use online filing. The System will not have any limitation on the number of pages submitted so long as they are submitted as a single document.

The text of the amended rule is set forth below. Proposed new language is in italics; proposed deletions are in brackets.

### **12302. Filing an Initial Statement of Claim**

#### (a) Filing Claim with the Director

(1) To initiate an arbitration, a claimant must file the following with the Director:

- . Signed and dated Uniform Submission Agreement; and
- . A statement of claim specifying the relevant facts and remedies requested.

The claimant may include any additional documents supporting the statement of claim.

(2) A claimant may use the online claim notification and filing procedure to complete part of the arbitration claim filing process through the Internet. To commence this process, a claimant may complete a Claim Information Form that can be accessed through [<http://www.nasd.com>] [<http://www.finra.org>]. In completing the Claim Information Form, the claimant may attach an electronic version of the statement of claim, *and any additional documents supporting the statement of claim*, to the form[, provided it does not exceed 50 pages]. Once this online form has been completed, [an NASD] *a FINRA* Dispute Resolution Tracking Form will be generated and displayed for the claimant to reproduce as necessary. The claimant shall then file with the Director the rest of the materials required in subparagraph (1) of the rule, along with a hard copy of the [NASD] *FINRA* Dispute Resolution Tracking Form.

(b)-(d) No change.

### **13302. Filing an Initial Statement of Claim**

#### (a) Filing Claim with the Director

(1) To initiate an arbitration, a claimant must file the following with the Director:

- . Signed and dated Uniform Submission Agreement; and
- . A statement of claim specifying the relevant facts and remedies requested.

The claimant may include any additional documents supporting the statement of claim.

(2) A claimant may use the online claim notification and filing procedure to complete part of the arbitration claim filing process through the Internet. To commence this process, a claimant may complete a Claim Information Form that can be accessed through [<http://www.nasd.com> ] <http://www.finra.org>. In completing the Claim Information Form, the claimant may attach an electronic version of the statement of claim, *and any additional documents supporting the statement of claim*, to the form[, provided it does not exceed 50 pages]. Once this online form has been completed, [an NASD] *a FINRA* Dispute Resolution Tracking Form will be generated and displayed for the claimant to reproduce as necessary. The claimant shall then file with the Director the rest of the materials required in subparagraph (1) of the rule, along with a hard copy of the [NASD] *FINRA* Dispute Resolution Tracking Form.

(b)-(d) No change.

\* \* \* \* \*

If you have any questions regarding this approved 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](http://www.finra.org). If you need additional help, please contact Scott Donnini at (215) 496-5358.