

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2024 - * 008

Amendment No. (req. for Amendments *) 1

Filing by Financial Industry Regulatory Authority

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Carissa Last Name * Laughlin

Title * Principal Counsel

E-mail * Carissa.laughlin@finra.org

Telephone * (212) 858-4115 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Financial Industry Regulatory Authority has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 08/07/2024

(Title *)

By Victoria Crane

Vice President and Associate General Counsel

(Name *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Victoria Crane

Digitally signed by Victoria Crane
Date: 2024.08.07 15:23:50 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

FINRA-2024-008 Partial A-1.docx
FINRA-2024-008 Partial A-1 Exhibit 4.c
FINRA-2024-008 Partial A-1 Exhibit 5.c

On May 13, 2024, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change, SR-FINRA-2024-008, to amend the FINRA Code of Arbitration Procedure for Customer Disputes to clarify and, in some instances, amend the applicability of the Document Production Lists to simplified customer arbitrations administered under FINRA Rule 12800 (“Proposal”).¹

The Commission published the Proposal for public comment in the Federal Register on May 28, 2024, and received seven comments in response.² All commenters expressed general support for the Proposal. Three commenters also suggested modifications.³

FINRA is submitting by separate letter its response to comments on the Proposal contemporaneously with this Partial Amendment No. 1. As discussed in FINRA’s response to comments, FINRA has determined to make the following amendment on the Proposal.

The Proposal would codify that the Document Production Lists apply to simplified customer arbitrations in which the customer requests a regular hearing. Specifically, proposed Rule 12800(g)(1)(A) would provide that “The Document Production Lists, described in Rule 12506, apply to arbitrations in which the customer requests an Option One hearing.”

¹ See Securities Exchange Act Release No. 100204 (May 21, 2024), 89 FR 46210 (May 28, 2024) (Notice of Filing of File No. SR-FINRA-2024-008).

² See Letter from Steven B. Caruso, dated May 24, 2024 (“Caruso”); letter from Nikki Junda, Student Intern, Elissa Germaine & Christine Lazaro, Supervising Attorneys, St. John’s University School of Law, to Vanessa Countryman, Secretary, SEC, dated June 17, 2024 (“St. John’s”); letter from Jill I. Gross, Vice Dean for Academic Affairs and Professor of Law, Elisabeth Haub School of Law, Pace University, to Secretary, SEC, dated June 18, 2024 (“Gross”); letter from Nicole G. Iannarone, Associate Professor of Law, Thomas R. Kline School of Law, Drexel University, to Vanessa Countryman, Secretary, SEC, dated June 18, 2024 (“Iannarone”); letter from Clare M. Farrelly, Student Intern & Janene Marasciullo, Director, Fairbridge Investor Rights Clinic, Elisabeth Haub School of Law, Pace University, to Vanessa Countryman, Secretary, SEC, dated June 18, 2024 (“Pace”); letter from Joseph C. Peiffer, President, Public Investors Advocate Bar Association, to Vanessa Countryman, Secretary, SEC, dated June 18, 2024 (“PIABA”); and letter from Scott Eichhorn, Director & Melanie S. Cherdack, Associate Director, University of Miami Investor Rights Clinic, to Vanessa Countryman, Secretary, SEC, dated June 18, 2024 (“Miami”).

³ Miami, Pace and St. John’s.

In addition, the Proposal would amend FINRA Rule 12800(g)(1) to give customers in the two remaining types of simplified customer arbitrations—paper cases⁴ and special proceedings⁵—the option to request whether they want the Document Production Lists to apply to all parties. Specifically, proposed Rule 12800(g)(1)(B) would provide that “Rule 12506 does not apply to arbitrations in which the customer requests no hearing, pursuant to paragraph (c)(2) of this Rule, or to arbitrations in which the customer requests an Option Two special proceeding, pursuant to paragraph (c)(3)(B) of this Rule, unless the customer requests that the Document Production Lists apply to all parties when initiating an arbitration pursuant to Rule 12302 or, if the customer is a respondent, no later than the answer due date pursuant to Rule 12303, regardless of the parties’ agreement to extend any answer due date.”

St. John’s suggested revising proposed Rule 12800(g)(1)(B) to “mirror the language” in proposed Rule 12800(g)(1)(A) such that both provisions begin with “The Document Production Lists, described in Rule 12506...”. FINRA believes that this suggested change would provide additional clarity to the proposed rule text and, therefore, has determined to amend proposed Rule 12800(g)(1)(B) in Partial Amendment No. 1 to provide that “The Document Production Lists, described in Rule 12506, do not apply to arbitrations in which the customer requests no hearing, pursuant to paragraph (c)(2) of this Rule, or to arbitrations in which the customer requests an Option Two special proceeding, pursuant to paragraph (c)(3)(B) of this Rule, unless the customer requests that the Document Production Lists apply to all parties when initiating an arbitration pursuant to Rule 12302 or, if the customer is a respondent, no later than the answer due date pursuant to Rule 12303, regardless of the parties’ agreement to extend any answer due date.”

With this Partial Amendment No. 1, FINRA is including Exhibit 4, which reflects changes to the text of the proposed rule change pursuant to this Partial Amendment No. 1, marked to show the changes to the text as proposed in the Proposal, and Exhibit 5, which reflects all proposed changes to the current rule text, as amended by this Partial Amendment No. 1.

⁴ A “paper case” is when the customer does not request a hearing and the arbitrator will render an award based on the pleadings and other materials submitted by the parties. See FINRA Rule 12800(c)(2).

⁵ A “special proceeding” is an abbreviated hearing. See FINRA Rule 12800(c)(3).

EXHIBIT 4

Exhibit 4 shows the changes proposed in this Partial Amendment No. 1, with the proposed changes in the original filing shown as if adopted. Proposed new language in this Partial Amendment No. 1 is underlined; proposed deletions in this Partial Amendment No. 1 are in brackets.

* * * * *

12000. CODE OF ARBITRATION PROCEDURE FOR CUSTOMER DISPUTES

* * * * *

12800. Simplified Arbitration

(a) through (f) No Change.

(g) Discovery and Additional Evidence

(1) Applicability of Document Production Lists

(A) Option One Hearing. The Document Production Lists, described in Rule 12506, apply to arbitrations in which the customer requests an Option One hearing under paragraph (c)(3)(A) of this Rule.

(B) No Hearing or Option Two Special Proceeding. The Document Production Lists, described in Rule 12506, do[es] not apply to arbitrations in which the customer requests no hearing, pursuant to paragraph (c)(2) of this Rule, or to arbitrations in which the customer requests an Option Two special proceeding, pursuant to paragraph (c)(3)(B) of this Rule, unless the customer requests that the Document Production Lists apply to all parties when initiating an arbitration pursuant to Rule 12302 or, if the customer is a respondent, no later than the answer due date pursuant to Rule 12303, regardless of the parties' agreement to extend any answer due date. Even if the customer does not timely request

that the Document Production Lists apply to all parties, the arbitrator has the discretion to use relevant portions of the Document Production Lists in a manner consistent with the expedited nature of simplified proceedings.

(2) No Change.

(h) through (i) No Change.

* * * * *

EXHIBIT 5

Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

12000. CODE OF ARBITRATION PROCEDURE FOR CUSTOMER DISPUTES

* * * * *

12800. Simplified Arbitration

(a) through (f) No Change.

(g) Discovery and Additional Evidence

(1) Applicability of Document Production Lists

(A) Option One Hearing. The Document Production Lists, described in Rule 12506, [do not] apply to arbitrations [subject to this rule]in which the customer requests an Option One hearing under paragraph (c)(3)(A) of this Rule.

(B) No Hearing or Option Two Special Proceeding. The Document Production Lists, described in Rule 12506, do not apply to arbitrations in which the customer requests no hearing, pursuant to paragraph (c)(2) of this Rule, or to arbitrations in which the customer requests an Option Two special proceeding, pursuant to paragraph (c)(3)(B) of this Rule, unless the customer requests that the Document Production Lists apply to all parties when initiating an arbitration pursuant to Rule 12302 or, if the customer is a respondent, no later than the answer due date pursuant to Rule 12303, regardless of the parties' agreement to extend any answer due date. [However,]Even if the customer does not

timely request that the Document Production Lists apply to all parties, the arbitrator [may, in his or her]has the discretion[, choose] to use relevant portions of the Document Production Lists in a manner consistent with the expedited nature of simplified proceedings.

(2) Making Other Discovery Requests

The parties may also request documents and other information from each other. All requests for the production of documents and other information must be served on all other parties, and filed with the Director, within 30 days from the date that the last answer is due. Any response or objection to a discovery request must be served on all other parties and filed with the Director within 10 days of the receipt of the requests. The parties receiving the request must produce the requested documents or information to all other parties by serving the requested documents or information by first-class mail, overnight mail service, overnight delivery service, hand delivery, email or facsimile. Parties must not file the documents with the Director. The arbitrator will resolve any discovery disputes.

(h) through (i) No Change.

* * * * *