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Stephen J. Paradise  
Vice President  
Congressional and Regulatory Relations



New York  
Stock Exchange, Inc.

March 3, 1988

Mr. Stuart Kaswell  
Minority Counsel  
Telecommunications Subcommittee  
564 House Annex Two  
Washington, D.C. 20515

Dear Stuart :

In view of your interest in the subject of securities industry arbitration, I am enclosing for your information a letter sent on December 28 by the New York Stock Exchange to the Securities and Exchange Commission outlining the changes in our arbitration procedures and how arbitrators are selected. These new guidelines would make individuals with close securities-industry ties such as attorneys, accountants or other professionals who routinely represent industry firms or individuals automatically reclassified as industry arbitrators. In addition, all past affiliations between proposed arbitrators and the securities industry will now have to be disclosed and challenges for cause based on past affiliations will be sustained.

The New York Stock Exchange has also begun to routinely provide arbitration parties with more detailed biographical information on its arbitrators which will enable parties to make more informed use of their preemptory challenges. The Exchange has also returned to its system of having a stenographic reporter present at all of its arbitration hearings.

If you have any additional questions concerning these matters, please do not hesitate to call upon me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephen J. Paradise'.

Stephen J. Paradise

Attachment  
SJP/tp  
doc1443E