

SECURITIES ARBITRATION COMMENTATOR

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YEAR IN REVIEW II

Completing a Survey of Awards begun last Spring, we compare, in this Part II of the Survey, Award results regarding 2000-2004 to the results for 2005 Awards published in 2006 SAC, No. 2. Among the areas we cover are win rates, recovery rates, amounts awarded, and results by type of dispute and by amounts claimed..... **1**

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Year(s) In Review (Part II)

A SAC Award Survey Comparing Results in 2005 to 2000-2004

Review of Survey (Part I)

Completing what we began, in the first half of 2006, has proved the more complicated half of our first "Annual Survey" of Arbitration Awards. In Part I of this Survey, we focused on 3,296 securities arbitration Awards issued during 2005 and dissected those Awards statistically, to examine their origins and outcomes. This was the first time we had sliced a single year's stratum of Awards from SAC's Award Database and conducted a full analysis.

SAC had in past Surveys used longer periods of time for our statistical articles on the premise that more Awards allowed greater flexibility in what we reviewed. Plenty of securities arbitration Awards issue from the SROs in a given year to allow examination of outcomes by the top five states, for example, but if one tries to slice that state breakdown by top broker-dealers, claim ranges or types of dispute, a representative sample will not exist. Larger samples spanning many years permit such multi-factor breakdowns.

Looking at a recent year's Awards feeds a more pragmatic appetite, however, as it canvasses the newly issued cases for tips as to what is happening now. The questions we examine ask not, for example, "How has the customer fared in SRO arbitration?" Rather, they ask, "What is the most recent 'win' rate for customers?" "How much can I expect to recover if I win?" The focus is on FAQs, not facts. Recent Awards supply fresh clues for tactical decision-making.

In our 2005 Award Survey, which we published in April 2006, we tested

the latest crop of SRO Awards to harvest information about outcomes and the distribution of cases between industry-related categories (Member-Employee, Employee-Member and Member-Member) and customer-related categories (Customer-Member, Small Claims, Customer-Employee, and Member-Customer). We extrapolated from this analysis that small claims disputes settle less frequently than their larger-dollar brethren. We also noted that brokerage firms are not using arbitration regularly to pursue customer deficits.

We also reviewed 2005 Awards by forum (NASD vs. NYSE), an exercise that may no longer bear relevance, now that the two major forums are combining, but which did at the time. Charts testing recovery rates, the prevalence of representation by counsel in both large and small cases today, whether that representation affects case results, and the impact of choosing a hearing or electing an "on the papers" decision catalog some of the remaining ways in which we sliced and diced the 2005 Awards.

From each statistical "cut," we were able to produce potential verities – statistical guidance that foretold possible trends or exhibited likely directions. For instance, we observed in Part I that representation by counsel was more the rule in Small Claims cases than the exception. Indeed, small-claim customers were represented in the research analyst fraud cases 95% of the time. This was certainly a phenomenon of a particular episode in arbitration, but did it also reveal a trend toward more frequent

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representation, even in the smaller-dollar disputes? Answering this is where the results in Part II of our Survey may be brought to bear.

Part II – Reviewing 2000-2005 Awards

In our current extension of the 2005 Award Survey, we examine results in the earlier years of the Millennium. By looking at the question of customer representation in Small Claims cases for the years 2000-2004, in addition to 2005's results, we are now able to address the question of a trend more completely. Chart 2 in this article shows, among other things, that small-claims customers represented themselves 83% of the time in 2000 and, certainly, the majority of the time until 2004. In 2004 and 2005, the frequency of self-representation — *pro se* representation — almost inverted, so that customers appeared without counsel in only 29% and 28% of the Small Claims Awards, respectively.

If this trend continues into 2006, it may well signal a need for SICA and SRO review, especially if the cause is an overly legalistic framework or undue procedural complexity in trying one's case. There are other reasons that have arisen from this exercise to take a renewed look at the Small Claims procedures, as we discuss later in this article. For now, we refer to our explanations in the "Caveats & Methodologies" section of Part I of the Survey (2006 SAC, No. 2, p. 1-2) and move to an examination of the statistical showings in Chart 1.

Chart 1 – Types of Disputes

Industry disputes comprised about 19% of the decided cases in 2005 and about 15% in 2000. The volume of decided cases has gone up on both sides, as NASD and NYSE stepped up their efforts post-2000 to keep up with the flood of new filings flowing out of the Tech-Crash. The distribution of cases among the four most important dispute categories, as displayed in Chart 1, did not change much, with the exception that, in 2004, Small Claims Awards volume almost doubled (319 in 2003 vs. 622 in 2004). We suspect that statistical blip stemmed more from an administrative push to resolve these matters expeditiously than from a real change in the distribution of incoming matters.

The category that displays the greatest proportionate increase in volume from 2000 to 2005 is, somewhat unexpectedly, Member-Employee Awards. Here, volume more than doubled from 117 Awards to 273 Awards. It seems unlikely that, in the administrative crunch to process cases, NASD would have placed special emphasis on these collection matters. Rather, we would guess, the increase may be a reflection of truly increased filings related to heightened broker migration during this time and the prevalence of advance compensation agreements.

Win rates, which reflect the frequency with which Claimants obtain monetary awards, stay

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Chart 1 Award Volume, Distribution & Win Rates By Type of Dispute & Year (2000-2005)					
Year	CustomerMember Wins/All (#) Win Rate (%)	SmallClaims Wins/All (#) Win Rate (%)	All Cust. Wins	MemberEmployee Wins/All (#) Win Rate (%)	EmployeeMember Wins/All (#) Win Rate (%)
2000	527/956 (55%)	148/332 (46%)	52%	103/117 (88%)	81/151 (54%)
2001	561/1026 (55%)	126/274 (46%)	53%	105/128 (82%)	96/147 (65%)
2002	690/1304 (53%)	108/283 (38%)	50%	192/220 (87%)	99/172 (58%)
2003	704/1422 (50%)	148/319 (46%)	49%	186/220 (85%)	106/188 (56%)
2004	793/1600 (50%)	213/622 (34%)	45%	209/238 (89%)	107/206 (52%)
2005	616/1356 (45%)	169/472 (36%)	43%	242/273 (89%)	101/193 (52%)

Notes to Chart:

1. Stipulated Awards are excluded from the numbers.
2. "CustomerMember" Awards describe disputes by complaining customers that involve \$25,001 or more, while "SmallClaims" Awards identify disputes by complaining customers that involve \$25,000 or less.
2. The term "Wins" signifies a "win" for the Claimant. Any monetary award in favor of the Claimant is counted as a "win."
3. The "win rate" is determined by dividing the number of Awards that are "wins" into the total number of Awards that issued in that category of dispute and year.
4. The four types of dispute reflected in this Chart represent the great majority, but not all, of the Awards that issued during each of the given years. Other dispute categories include CustomerEmployee, MemberMember and NonMember Member.
5. The "All Cust. Wins" column combines the results in the "CustomerMember" and "Small Claims" columns to arrive at a "win rate" for all customer Claimants. The "win rate" for all years, 2000-2005, combined is 48%.

remarkably stable for Member-Employee Awards and persist in a high and narrow range throughout the six-year Survey period. Moreover, Chart 5 reveals that the dollar amounts recovered in these cases have grown dramatically as well – from \$8.3 million in 2000 to \$52.2 million in 2005. Customer-Claimants must look with envy at these results, but the explanation for this success lies, we are sure, with the contractual nature of the disputes.

On the customer side, Chart 1 discloses a downward trend that has been evident for some time in SAC's surveys and in the Award statistics that NASD publishes – a big decline in the "win" rate. We already know that this trend continues into 2006 Awards (likely, beyond the impact of Market 2000) and that it affects both Customer-Member and Small Claims Awards. What can be the cause – is it structural or something transitory?

In the early 1990s, Small Claims Awards shared a comparable win rate

with Customer-Member Awards. We noted the commencement of a change in that balance in a 1993 Survey of Awards (SAC, Vol. 5, No. 12, p.4), but the difference then was about 4 points. As Chart 1 demonstrates, that difference has grown to nine points and more, depending upon the year. Customer-Member win rates decline from 55% to 45% during the six-year Survey period and Small Claims wins also drop 10 points during that time, from 46% to 36%.

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Chart 2 – “Win Rate” Issues

Chart 2 looks for some causative factors that might explain this trend, at least in Small Claims matters. Aware from Part I of the Survey that customers have been choosing “on the papers” dispositions some 90% of the time, we theorized that this might be a change in course for Small Claimers. Maybe Claimants demanded a merits hearing more in the past and, perhaps, they won more frequently when meeting the opposition face-to-face. Our 2005 Survey revealed a small win

rate difference between Small-Claims customers who requested a merits hearing and those who chose non-hearing “paper” dispositions – 39% vs. 36%, respectively.

Chart 2 reveals a difference of about six points on average between the win rate for merits-hearing Claimants and the win rate for “on the papers” Claimants, but the preference for “on the papers” dispositions, while changeable from year to year, began at 87% in 2000 and has remained on

average at 87% over the course of the six-year Survey period. So, the disparity may be significant, in terms of which choice makes sense for the Small Claims customer, but it would have had little effect on the win rate decline in our six-year timeframe.

We also reviewed the impact of representation by counsel on the outcomes. We found that, in most years, use of counsel led to a heightened win rate for customers, but

cont'd on page 5

Chart 2 Small Claims Awards (SCA) “Win” Rates By Presentation & Representation (2000-2005)						
Year	Merits Hearing <u>Wins/All (#)</u> Win Rate (%)	On the Papers <u>Wins/All (#)</u> Win Rate (%)	MH v. All SCA ⁴	Cs Pro Se <u>Wins/All (#)</u> Win Rate (%)	Cs w/ Counsel <u>Wins/All (#)</u> Win Rate (%)	Pro Se v. All SCA ⁵
2000	20/43 (47%)	128/289 (44%)	13%	122/277 (44%)	26/55 (47%)	83%
2001	22/47 (47%)	104/227 (46%)	17%	79/188 (42%)	47/86 (55%)	68%
2002	11/30 (37%)	97/253 (38%)	11%	64/162 (40%)	44/121 (36%)	57%
2003	38/63 (60%)	110/256 (43%)	20%	88/193 (46%)	60/126 (48%)	61%
2004	30/62 (48%)	183/560 (33%)	10%	67/182 (37%)	146/440 (33%)	29%
2005	17/44 (39%)	152/428 (36%)	9%	47/134 (35%)	122/338 (36%)	28%
All Years	127/289 (44%)	774/2013 (38%)	13%	467/1136 (41%)	445/1166 (38%)	49%

Notes to Chart:

1. Stipulated Awards are excluded from the numbers.
2. The term “Wins” signifies a “win” for the Claimant. Any monetary award in favor of the Claimant is counted as a “win.”
3. The “win rate” is determined by dividing the number of Awards that are “wins” into the total number of Awards that issued in that category of dispute and year.
4. The “MH v. All SCA” column presents percentages for each year that represent the ratio between those Small Claims Awards (SCA) in which an oral hearing was conducted and the total number of SCAs.
5. The “Pro Se v. All SCA” column presents percentages for each year that represent the ratio between those Small Claims Awards (SCA) that are handled by customers without counsel (pro se) and the total number of SCAs.

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that, on average over the Survey period, customers actually achieved a higher win rate going *pro se*. We think there are a number of factors that contribute to that seemingly anomalous result, including, somewhat paradoxically, that *pro ses* tend to choose merits hearings more frequently than those with counsel do. In other words, *pro ses* often intuitively make the “correct” decision to push for a hearing.

As it turns out, then, both the manner of hearing and the existence of

representation contribute somewhat to the decline of ten points in the Small Claims win rate from 2000 to 2005, but not dramatically. Moreover, these factors were not operative in the Customer-Member Awards, since: (1) counsel has long been a predominant presence in these larger-dollar cases (and, there, they do have a concerted positive impact on winning); and, (2) outside Small Claims cases, customers do not have the unilateral choice to forego a merits hearing and proceed “on the papers.”

Chart 3 – Bigger Cases??

Chart 3 looks at the other end of the customer-claim spectrum – the Customer-Member Awards – to check trends there. In Part I of this Survey, we saw a familiar statistical pattern (Part I - Chart 3), which holds that recovery rates, whether average or median, tend to fall as the amount of the claim rises. Our Award Survey in SAC, Vol. 8, No. 2, p. 4, established that proposition. That 1996 Survey also demonstrated that win rates tend to rise as claim size increases. *cont'd on page 6*

Chart 3					
Recovery Rates: CustomerMember Awards 2000-2005					
Range of Compensatory Claims: \$25,000 to \$1 million					
Year	Avg Recovery (%)	Median Recovery (%)			
	Avg Award/ Avg Clmd Comp (\$)	Median Award/Median Comp Clmd (\$)			
		All C/M Awards	Florida	New York	California
2000	\$155.8/\$211.3 74%	\$56.0/\$120.0 47%	\$73.5/\$142.0 52%	\$39.2/\$80.0 49%	\$58.0/\$129.7 45%
2001	\$133.1/\$228.0 58%	\$55.9/\$125.0 45%	\$50.0/\$126.4 40%	\$50.0/\$135.9 37%	\$77.0/\$144.7 53%
2002	\$120.7/\$244.4 49%	\$54.2/\$154.0 35%	\$68.4/\$180.0 38%	\$47.2/\$150.0 31%	\$55.4/\$117.5 47%
2003	\$135.5/\$290.7 47%	\$69.8/\$204.4 34%	\$85.0/\$200.0 43%	\$56.5/\$220.0 26%	\$110.4/\$216.0 51%
2004	\$129.0/\$307.4 42%	\$71.3/\$224.0 32%	\$54.6/\$220.0 25%	\$58.9/\$256.3 23%	\$99.3/\$288.0 34%
2005	\$129.9/\$299.6 43%	\$72.0/\$208.9 34%	\$81.9/\$191.0 43%	\$70.0/\$245.4 29%	\$55.0/\$200.0 28%

Notes to Chart:

1. Stipulated Awards are excluded from the numbers. Counterclaim awards are not considered in this Chart.
2. \$000s are omitted in expressing all dollar figures.
3. Average recoveries are determined by aggregating the amounts awarded in each case and dividing that, first, into the aggregate dollar amount of all compensatory claims and, second, by the number of Awards.
4. Median recoveries are determined by listing all Awards in dollar order, first, by total amount awarded and finding the middle value, and, second, by compensatory claim and finding the middle value. Those aggregate results are then divided by the number of Awards.
5. Awards reflecting more than \$1 million in compensatory claims were deliberately omitted from this Survey, to minimize the skewing effect of potentially grossly inflated claim amounts and to develop suitable recovery rates for year-to-year comparisons.

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sense that claim sizes were generally increasing, we wondered whether it could be the case that win rates for customers and recovery rates would be falling in tandem!

In constructing Chart 3, we limited the range of surveyed Customer-Member Awards to those with compensatory claims not exceeding \$1 million. Substantial compensatory claims can have a considerable skewing effect on recovery rates, particularly when one calculates the rate on an average basis, as opposed to a median basis. Moreover, the great majority of arbitrated customer cases involve claims of \$1 million or less. The common investor certainly does not have losses of a greater size and eliminating the over-\$1 million claims helps to mitigate the volatile effects of claim inflation.

Our past surveys of Customer Awards have established an average recovery rate of around 40% during the early and mid-90's. Chart 3 definitely displays a decline in the average recovery rate from 2000, when the rate was a surprising 74%, to 43% in 2005,

but historically the 43% in 2005 is not necessarily askew. Still, we note that the average compensatory claim rose about 50% during our Survey period, from \$211,300 to \$299,600, and the intervening years of 2001-2004 also indicate a decline in the recovery rate.

On the median side of Chart 3, a similar pattern is evident, with recoveries falling steadily from 47% in 2000 to 32% in 2004 and ending at 34% in 2005. We checked this trend for a possible geographic factor by testing the median recovery rates for the three most active states, Florida, New York and California, and found declining recovery rates in each state. Median compensatory claim figures for all Customer-Member Awards and for each of the three active states all show sizeable, albeit choppy, growth during the six initial years of the Millennium. There has been growth in the median amounts awarded, too, but not of a size to prevent a decline in recovery rates wherever we looked. Are arbitrators really deciding bigger cases, but awarding comparatively less, or are they, in fact, awarding bigger amounts that are being unfairly disguised by highly inflated claims?

Putting the decline in win rates for customers together with the decline in recovery rates, the customer Claimant who reaches hearing in SRO arbitration today has a tougher row to hoe. We might have a better chance of isolating more of the factors contributing to this development if the SRO Awards were more descriptive of the factual issues in dispute. Enlarging the factual allegations in the Award would permit better tracking, predictability and evaluation. With claim sizes, i.e., the losses being arbitrated, increasing at a time when customer win rates and recovery rates are both on a downward trend, the SRO forums should embrace all routes for better disclosure and understanding of the process.

Chart 4 – Employee Reviews

In no case category is the growth of compensatory claim figures more apparent than in Employee-Member Awards. We calculated win rates for this type of dispute in Chart 1, but our focus in Chart 4 rests on the dollars at stake and awarded. Reviewing column 2 of Chart 4, one sees a growth in the median compensatory claim that is

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more than four-fold – from \$166,500 in 2000 to \$725,000 in 2005. Why the claim amounts jumped so much in 2004 and again in 2005 is not known, but it caused a dwindling recovery rate – from 53% in 2000 to 16% in 2005.

Win rates for employee-Claimants remain quite stable throughout the Survey period, indicating perhaps that the kinds of disputes that cause conflict between employee and employer are not changing markedly, so why, then, do the compensatory amounts claimed? The answer is not apparent to us. Compensation disputes dealing with lost wages should be eminently definable and not susceptible to gross inflation. On the other hand, damage

calculations in discrimination and wrongful termination cases can be entirely different. Estimates of future earnings are quite susceptible to inflation and the amount of time one chooses to project forward such earnings can rapidly multiply claim amounts.

That damage estimations are a judgment call in employment cases has ever been the case, though. It does not explain why estimates suddenly erupted in 2004 and 2005. Arbitrators have responded with slightly increased award amounts in those two years, but they also seem to be saying that Claimants have seriously over-estimated their true damages. If the arbitrators have been unfair in doing

so, employees have a substantially greater beef with arbitration than do customers.

Chart 5 – Show Me the Money!

If arbitrators have been unfair to deserving employee-Claimants, it is not apparent in the gross amounts they have awarded aggrieved employees in the past few years. Chart 5 discloses that employees with successful claims won \$3 million in aggregate in 2000, while in the last three years shown (2003-2005), arbitrators have awarded \$47 million, \$39.4 million, and \$46 million, respectively. The \$47 million in 2003 was inflated by \$25.2 million in punitive damages, but the awards in 2004 and 2005 were largely compensatory in nature.

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Chart 4				
Employee Member Awards: 2000-2005 Win & Recovery Rates				
Year	E/M “Win” Ratios Wins/All (# of Awards)	Median Recovery Ratios Median Award/Median Comp Clmd (\$)	Win Rate (%) (from Col. 1)	Median Recovery Rate (%) (from Col. 2)
2000	81/151	\$88.1/\$166.5	54%	53%
2001	96/147	\$46.2/\$228.1	65%	20%
2002	99/172	\$43.5/\$100.0	58%	44%
2003	106/188	\$48.2/\$184.2	56%	26%
2004	107/206	\$87.5/\$500.0	52%	18%
2005	101/193	\$118.8/\$725.0	52%	16%
All Years	590/1057	\$432.3/\$1903.8	56%	23%

Notes to Chart:

1. Stipulated Awards are excluded from the numbers.
2. \$000s are omitted in expressing all dollar figures.
3. The term “Wins” signifies a “win” for the Claimant. Any monetary award in favor of the Claimant is counted as a “win.”
4. The “win rate” is determined by dividing the number of Awards that are “wins” into the total number of Awards that issued in that category of dispute and year.
5. Median recoveries are determined by listing all Awards in dollar order, first, by total amount awarded and finding the middle value, and, second, by compensatory claim and finding the middle value. Those aggregate results are then divided by the number of Awards.

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Chart 5 Total Amounts Awarded (\$) By Type of Dispute & Year (2000-2005)				
Year	CustomerMember <u>Total \$ Awarded (bold)</u> Punis (\$)/Atty Fees (\$)	Small Claims <u>Total \$ Awarded (bold)</u> Punis (\$)/Atty Fees (\$)	MemberEmployee <u>Total \$ Awarded (bold)</u> Punis (\$)/Atty Fees (\$)	EmployeeMember <u>Total \$ Awarded (bold)</u> Punis (\$)/Atty Fees (\$)
2000	\$94.4M \$24.4M/\$2.9M	\$822K \$24K/\$80K	\$8.3M \$46K/\$441K	\$3.0M \$1.2M/\$1.8M
2001	\$529.2M¹ \$223.3M/\$14.8M	\$632K \$25K/\$18K	\$10.2M \$0/\$528K	17.7M \$500K/\$625K
2002	\$153.0M \$24.4M/\$4.6M	\$532K \$5K/\$15K	\$19.9M \$0/\$899K	\$25.4M \$1.6M/\$1.5M
2003	\$190.8M \$28.6M/\$10.1M	\$1.7M \$14K/\$71K	\$27.2M \$350K/\$748K	\$47.0M \$25.2M/\$2.2M
2004	\$169.8M \$20.4M/\$9.8M	\$2.7M \$40K/\$166K	\$28.2M \$25K/\$1.1M	\$39.4M \$661K/\$1.8M
2005	\$162.0M \$9.6M/\$6.4M	\$1.9M \$115K/\$127K	\$52.2M \$135K/\$5.3M	\$46.0M \$350K/\$2.3M

Notes to Chart:

- 2001 Results for CustomerMember Awards are skewed by a huge award in *Sanchez v. Perusquia*, NYSE ID #2000-008556 (Houston, 11/15/01). A group of Claimants was awarded \$429.5M against a jailed broker. The awarded amounts included \$208.7M in punitive damages and \$11M in attorney fees. Without the *Sanchez* Award, the results for 2001 would have been quite the same as for 2000.
- M=Millions and K=Thousands when expressing all dollar figures.
- By referring to the number of "Win" Awards reflected in each dispute category of Chart 1 and dividing that number into the aggregate award amounts reflected above, one can determine the average amount awarded to a winning Claimant. For instance, dividing 527 CustomerMember "wins" in 2000, as noted on Chart 1, into the \$94.4M in aggregate amounts awarded, per Chart 5, yields an average award amount of \$179K for CustomerMember Awards issued in 2000. Similarly, there were 616 CustomerMember Awards issued in 2005, which, when divided into the \$162.0M awarded in that category in 2005, yield an average award amount of \$263K.

Customer awards in aggregate have also grown, both in the larger-dollar cases and in the Small Claims arena. Again, we cannot report what kinds of claims have drawn the largest monetary awards, because the Awards do not characteristically provide enough factual allegations to discern if the gravamen of the dispute deals with selling away, front-running, churning, simple suitability or some other class of bad sales practices. What is plain is that the industry (or its brokers) have been assessed well over a billion dollars by arbitrators in the past half

decade in order to reimburse customers for unwarranted losses. Moreover, because it is SRO arbitration, the probability of quick and full payment (*Sanchez* excepted – see Note 1 of Chart 5) is much enhanced.

Conclusion

In Part I of this Award Survey, we reviewed the results reflected in more than 3,000 securities arbitration Awards issued during 2005. In Part II, we extended that examination to include more than 10,000 additional

Awards issued during the prior five years. Having laid this groundwork, we should be more readily able to continue the process, in 2006 and the years beyond, of examining the latest year's Awards for information about changing trends and new phenomena.

Among the results disclosed in this Survey exercise was the disquieting information that both recovery rates and win rates are on the decline in customer cases, even as median compensatory claim amounts

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are increasing. Reformers and critics of securities arbitration will see this development as a reason to suspect unfairness, even though it could be attributable to neutral, even positive, forces (such as unprecedented settlement rates). That the trend includes Small Claims Awards and the expedited procedures for addressing small investors' grievances is troubling, particularly so, when these disputes are being decided by single Public Arbitrators and persistently reflect a 10-point negative disparity in win rates with their larger-dollar cousins.

In 2006, the volume of Awards declined substantially. There was a fall-off in new cases and Stipulated Awards have been on the wane, as the changes in the expungement rules have taken hold. Few research analyst and tech-wreck cases remain to blame for the evidently weaker claims that are being placed for decision before arbitrators, so it is time to see if the trends noted in 2005 will continue. Clearly, there are differences in the dynamics that affected the 2006 outcomes. We look forward to seeing what effects these differences will

have on outcomes and trends in our upcoming 2006 review.

Footnotes

1. We have to disclose an error in Chart 3 of the Part I Survey (p. 5) that we discovered as a result of the Part II exercise. Inserting the wrong median compensatory claim figure in the "All Forum Median Recovery Ratio" for 2005 Florida Awards inflated the "All Forum Median Recovery Rate" to 56%, when the correct median rate is 44%. The correction does not change any of our observations or comparisons. We re-checked the New York and California figures and they are correct. ■



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