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## 1991 Case Statistics

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### NASD

The National Association of Securities Dealers, Inc. received a total of 4,150 new arbitration filings in 1991. Last year the Association reported a total of 3,617 new cases. The difference of 533 cases is remarkable in the absolute, but it also represents an almost 15% increase in new case filings. Turnaround time was also better, the staff tells us — approximately 11 months for the average case to move from filing to conclusion. This is a creditable feat, given the increased volume and the greater complexity of cases.

### NYSE

Case volume at the New York Stock Exchange has been relatively stable the past three years. In 1989, new case filings were 1,407; they totalled 1,378 in 1990; and in 1991, the tally appears to be 1,403 new matters. 1,496 cases were closed. The Exchange has managed for the last couple of years to close more cases than it has opened, which means two things: first, its average turnaround time has fallen to 9.7 months, down from 10.6 months in 1990; secondly, NYSE Arbitration entered 1992 with only 1,039 cases pending, the lowest number since 1987 year-end. It is, thus, poised to handle effectively new cases as they are filed.

Of the 1,496 cases concluded, 654 closed via Arbitrator Awards. 451 involved public customers as parties. Administrative terminations (cases withdrawn by parties or closed for inactivity and other reasons) accounted for 206 matters and the remainder (636) were settled. Thus, almost 50% of the active cases (43% of the total) were settled by agreement between or among parties.

### AAA

The American Arbitration Association had a banner year for new securities case filings. AAA's 1991 tally was the highest since it began offering specialized securities arbitration rules. At 586 new cases for the year, AAA surpassed 1990's total of 381 by 54%. The total value of claims and counter-claims amounted to \$329.4 million, yet only 17 of the cases claimed amounts exceeding \$1 million. Most of the claims (374 or 64%) sought amounts not exceeding \$100,000. The Florida offices received the largest number of filings by state (119), with New York State (91) and California (87) in close succession. There was some unusual activity in the Charlotte, NC regional office. Case filings went from 16 in November to 45 in December, making North Carolina the fourth most active state for AAA this year.

AAA was so pleased with the 1991 results that it just issued a news release on the subject. In the release, it attributes some of the volume rise to the "AmEx Window," some to its independent status as a non-subsidized forum, some to rule differences between AAA's Securities Arbitration Rules and the SRO's Uniform Code, and the rest to two Pilot Projects. Approximately 80 new cases arose from the Pilot Projects. The NYSE-sponsored trial program in which five major wire-houses are participating brought about 50 new cases to AAA on a stipulated basis. The second program, run in conjunction with NASD, deals with cases that are filed with NASD and then referred, with party approval, to AAA for mediation. This Pilot accounted for another 30 cases.

### CBOE

In 1991, the Chicago Board Options Exchange received 46 new option case filings, 16 of which represented Public Customer disputes. Comparable statistics for previous years were 67 (32 public) new filings in 1990, 71 (37 public) in 1989, 149 (101 public) in 1988, and 129 (87 public) in 1987. This steady decrease in caseload since the 1987 "Crash" is puzzling, given the fact that SAC's 1991 Public Award Survey, 4 SAC 5(4), identified options-related disputes as the second most prevalent among the top five products in dispute. Close to 15% of customer-initiated Awards include options as a product involved in the dispute, according to the SAC Award Database.

There is evidently a shift to some degree of option disputes to the larger arbitration forums. Why would this be so? CBOE's oldest case on the docket is eight months. The Arbitration Department carried only 24 cases into 1992; 62 cases were closed in 1991. CBOE also has available the same pool of Arbitrators, outside of Chicago, as the NASD and NYSE and will administer hearings in most major cities nationwide. Finally, CBOE Arbitrators decided 13 customer cases in 1991, 9 of which (69%) resulted in awards favoring the customer.

CBOE is now waiting to see if the new "market allocation" rules, allowing NASD, NYSE or other SRO's to transfer cases (See "In Brief," this issue), with Claimant consent, to the forum where the product in dispute is traded, will make any difference in 1992 filings.

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