

## INVESTOR ADVOCATES URGE CAUTION IN HIRING COUNSEL FOR ANALYST SCANDAL ARBITRATIONS

### *Six Tips Provided for Investors Considering Filing a Claim*

**NORMAN, OK. – Monday, February 24, 2003** – The Public Investors Arbitration Bar Association (PIABA) today urged public investors to be cautious in choosing counsel for representation in arbitration cases involving investment losses arising from the Wall Street analyst scandal. The non-profit group warned investors that reliance upon inexperienced or inappropriate counsel might result in less than satisfactory outcomes for investors who have already suffered significant losses.

PIABA President J. Pat Sadler, an Atlanta attorney, said: **“The Wall Street analyst scandals have, due to the massive number of victims, attracted the attention of attorneys from other disciplines, many of whom are inexperienced in securities arbitration. Consumers would be wise to have a complete dialogue with any potential counsel as to the nature and scope of the representation before signing a retainer agreement. Just because an attorney has helped you out after an accident or in drafting a will does not make them the right person by any stretch of the imagination to handle your case.”**

PIABA is urging aggrieved investors to consider the following specific points before committing to representation:

1. **Experience.** What specific background does the law firm have in arbitrating securities claims? Experience includes not just the number of clients represented but the number of hearings conducted and the nature of the results obtained. A reputable and experienced firm will be happy to provide you with this information.
2. **Extent of evaluation.** Is the investor’s entire account being scrutinized or is the claim limited to certain specified stocks? In addition to claims for losses on specific stocks, an investor may have other claims such as churning, unsuitable recommendations, etc. Will the attorneys take the time to fully evaluate the case?
3. **Case handling.** Will the attorney you retain be the attorney who tries your case or might it be “farmed out” to another law firm? What kind of regular status reports will your attorney provide; who will be your contact in the firm?
4. **Individual v. group claim.** Will your case be filed individually or will it be bundled with other customers’ claims in one filing? It is important to understand the possible benefits and detriments of your claim being presented with those of other investors whose cases may involve unique facts.
5. **Decision-making.** Who has the authority to reject or accept settlement offers? Will

you be involved in the process or does the attorney expect to have total control?

6. **Costs.** Has your attorney discussed with you the expenses associated with arbitration such as filing fees, hearing session fees, mediation fees, possible travel to a hearing, etc.? If a restitution fund is created at a later time that you can access without hiring an attorney, is your lawyer entitled to any portion of money you receive from the fund?

Sadler pointed out that securities arbitration is a unique form of alternate dispute resolution, and it is critical that the client and counsel understand the process. Victimized investors can avoid additional disappointment by covering this ground and other issues of interest before committing to representation.

The PIABA web site offers consumers information about what to expect from your broker, go to the PIABA web site at [www.piaba.org](http://www.piaba.org) and click on "Investor Bill of Rights".

### **ABOUT PIABA**

The Public Investors Arbitration Bar Association (PIABA) is a national, non-profit bar association of over 500 attorneys established in 1990 and dedicated to the representation of public investors in disputes with the securities industry.

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