

**INVESTOR ADVOCATES SUPPORT CONCEPT OF INVESTOR CHOICE  
IN REQUIRING ARBITRATORS TO EXPLAIN AWARDS TO CUSTOMERS  
AND CALL FOR ADDITIONAL CHANGES TO INDUSTRY MANDATED  
ARBITRATION SYSTEM**

Norman, Oklahoma - February 3, 2005

In response to the recent announcement by the National Association of Securities Dealers ("NASD") of a proposal to require arbitrators to issue explanations for their awards when requested to do so by brokerage firm customers, the Public Investors Arbitration Bar Association ("PIABA") today announced its support of the concept of providing investors the right to choose a reasoned award.

"We have not seen the actual rule proposal, but we support the concept of giving an investor the right to choose to know why arbitrators decided his case as they did. Abused investors often ask why the arbitrators decided as they did," said Rosemary Shockman, current President of PIABA.

PIABA stated it hopes that this most recent rule proposal is the first of many reforms, especially eliminating the so-called "industry arbitrator" mandated by the current rules. "Just as the public deserves openness, the public deserves truly public arbitration panels," Ms. Shockman said. "The securities industry should not have one representative on each arbitration panel." Currently, at both the NASD and the NYSE, where all investor grievances are heard, one arbitrator on every 3-person panel is a "securities industry" arbitrator, i.e., someone affiliated with the securities industry.

"Providing aggrieved investors with the choice of getting reasoned decisions does not by itself make arbitration better," Ms. Shockman said. "Lawyers will need to advise their clients about the risks and expenses of more appeals or motions to vacate when arbitrators give reasoned awards. In the wake of the financial scandals on Wall Street and the injuries to both the public and to public confidence, more has to be done to make this process fair. We hope the NASD and the NYSE will undertake a series of reforms - with the input and participation of the SEC and the Congress - to bring the system of arbitrating investor disputes more in line with traditional notions of fairness."

PIABA, formed in 1990, is a national, non-profit bar association of over 740 attorneys dedicated to the representation of investors in disputes with the securities industry.

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