

PIABA SUPPORTS ARBITRATION FAIRNESS ACT OF 2007

Wednesday, October 31, 2007. Norman, Oklahoma. Laurence S. Schultz, an attorney with the Troy, Michigan, firm of Driggers, Schultz & Herbst, was elected President of the Public Investors Arbitration Bar Association at PIABA's recent conference in Amelia Island, Florida. PIABA has approximately 500 attorney members who represent investors in arbitration claims against the brokerage industry.

Schultz said a top priority of PIABA in the coming year is to support the consumer protest against mandatory arbitration.

Congress is currently considering the Arbitration Fairness Act of 2007 which would ban mandatory pre-dispute arbitration agreements in consumer and employment contracts. Last week, the House Judiciary Committee heard testimony of consumer abuses resulting from the mandatory arbitration process.

Schultz called on investor and consumer groups to join together in opposition to mandatory arbitration: "PIABA firmly backs the proposed Arbitration Fairness Act of 2007 to ban mandatory arbitration."

Like many consumer groups, investors are subject to agreements requiring that they arbitrate their claims against brokerage firms instead of filing in court. Investor arbitrations are handled by a subsidiary of the Financial Industry Regulatory Authority (FINRA), the nationwide securities industry association comprised of over 5,000 brokerage firms.

Schultz pointed out: "There is a legitimate concern that major industries are unfairly forcing their customers to arbitrate as a condition of buying their products. The brokerage industry, as a prime example, has been forcing investors to arbitrate for years as a condition of investing. People should be able to buy goods and services without having to give up their constitutional right to go to court. And investors should be able to invest without giving up this basic right. This is particularly true where investors must arbitrate in a system run by an arm of the securities industry itself. The time has come to ban mandatory arbitration and assure the public a choice of going to court versus arbitration."

The Public Investors Arbitration Bar Association (PIABA), established in 1990, is an international bar association. The mission of PIABA is to promote the interests of the public investor in securities and commodities arbitration by protecting public investors from abuses in the arbitration process; making securities and commodities arbitration as just and fair as systematically possible; and creating a level playing field for the public investor in all securities and commodities arbitration forums.

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