

PIABA ANNOUNCES STRONG SUPPORT FOR INVESTOR CHOICE ACT BARRING MANDATORY ARBITRATION

WASHINGTON, D.C. – February 27, 2015 – The following statement was issued today by Joseph C. Peiffer, president of the Public Investors Arbitration Bar Association (PIABA):

“Yesterday, Rep. Keith Ellison (D-MN) introduced H.R. 1098, The Investor Choice Act in Congress. This important legislation will finally restore an investor’s right to choose either arbitration or court to resolve disputes with brokerage firms. It will ensure that mandatory pre-dispute arbitration provisions, which are inserted in virtually every brokerage contract, are statutorily prohibited under U.S. securities laws.

For years, investors have been forced into arbitration by the brokerage firms. Claims are heard in a single forum, administered by FINRA, which is financially supported by the same firms against whom the claims are being filed. Yet, despite its flaws, arbitration does have certain benefits and it must remain an option for investors – an option that may be elected by the investor after the facts and circumstances of the dispute have been discovered.

Section 921 of Dodd-Frank gave the Securities and Exchange Commission (SEC) explicit rulemaking authority to prohibit, condition or limit the use of mandatory pre-dispute arbitration agreements if it finds that doing so is in the public interest and for the protection of investors. However, in the almost five years since Dodd-Frank became law, the SEC has chosen not to act. PIABA applauds Rep. Ellison’s recognition that it is necessary for Congress to step in to protect investors.

Although this legislation has received the support of consumer groups and investor advocates, it needs broad support throughout Congress. PIABA encourages all federal elected officials to support Rep. Ellison’s bill. This is an important and vital step to restoring investor choice and confidence in the fairness of the markets.”

In addition to serving as president of PIABA, Peiffer is an attorney at Peiffer Rosca Wolf Abdullah Carr & Kane, LLP in New Orleans, Louisiana.

ABOUT PIABA

The Public Investors Arbitration Bar Association is an international, not-for-profit, voluntary bar association of lawyers who represent claimants in securities and commodities arbitration proceedings and securities litigation. The mission of PIABA is to promote the interests of the public investor in securities and commodities arbitration, by seeking to protect such investors from abuses in the arbitration process, by seeking to make securities arbitration as just and fair as systemically possible and by educating investors concerning their rights. For more information, go to <http://www.piaba.org>.

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