



PUBLIC INVESTORS ARBITRATION BAR ASSOCIATION

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May 25, 2016

Via Email Only to
assemblymember.Chiu@assembly.ca.gov

Honorable Assembly Member David Chiu
P.O. Box 942849
Sacramento, California 94249-0017

Re: AB 2178 (Chiu) –SUPPORT AS PROPOSED TO BE AMENDED
AND REMOVING OPPOSITION

Dear Assembly Member Chiu:

The Public Investors Arbitration Bar Association (PIABA) believes that the attached proposed amendments to AB 2178 provide meaningful protections to the investing public. In view of those protections, PIABA supports AB 2178 (Chiu) as proposed to be amended and removes its opposition to the bill.

Sincerely,

Hugh D. Berkson, PIABA President
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Honorable Assembly Member David Chiu

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cc: Luke Reidenbach
Assembly Committee on Appropriations
Via Email Only to Luke.Reidenbach@asm.ca.gov

Eric Guerra
Office of Assemblymember David Chiu
Via Email Only to Eric.Guerra@asm.ca.gov

Scot Bernstein
Via Email Only swampadero@sbernsteinlaw.com

AMENDMENTS TO ASSEMBLY BILL NO. 2178
AS AMENDED IN ASSEMBLY APRIL 18, 2016

Amendment 1

On page 24, between lines 18 and 19, insert:

(Q) The applicant shall not require or impose an obligation on any investor or potential investor (i) to arbitrate any claim or dispute under this section, (ii) to waive his or her right to file or participate in a class action involving any claim or dispute under this section, (iii) to waive his or her right to a jury trial, (iv) to be bound by or subject to any law other than California law, (v) to file or resolve any claim or dispute in any forum other than California, or (vi) to be subject to any other provisions designed to limit or eliminate investor rights or remedies.

Amendment 2

On page 24, in line 20, strike out “(Q)” and insert:

(R)

Amendment 3

On page 25, in line 13, strike out “security.” and insert:

security, and shall recover reasonable attorney’s fees determined by the court.

Amendment 4

On page 25, in line 17, strike out “security.” and insert:

security, and shall recover reasonable attorney’s fees determined by the court.

Amendment 5

On page 25, in line 20, after “purchase” insert:

plus reasonable attorney’s fees determined by the court,

Amendment 6

On page 25, in line 26, after “security” insert:

plus reasonable attorney’s fees as determined by the court,



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Amendment 7

On page 25, in line 29, after the period insert:

In any case in which damages are awarded under this section and a person is found to have willfully violated Section 25401, the court may, in its discretion, award three times the damages, excluding attorney's fees, determined as set forth above, and award punitive damages in addition to those treble damages.

Amendment 8

On page 25, in line 39, after the comma insert:

and reasonable attorney's fees determined by the court,

Amendment 9

On page 26, in line 5, after "purchase" insert:

plus reasonable attorney's fees determined by the court,

Amendment 10

On page 26, in line 12, strike out "tendered;" and insert:

tendered plus reasonable attorney's fees determined by the court;

Amendment 11

On page 26, in line 15, after "purchase" insert:

plus reasonable attorney's fees determined by the court,

Amendment 12

On page 26, in line 25, strike out "purchase." and insert:

purchase plus reasonable attorney's fees determined by the court.

Amendment 13

On page 27, in lines 3 and 4, strike out "shall award reasonable attorney's fees and costs, and," and insert:

may,

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Substantive

Amendment 14

On page 27, in line 4, strike out "may"

Amendment 15

On page 27, in line 4, strike out "treble and" and insert:

three times the damages, excluding attorney's fees, determined as set forth above, and award

Amendment 16

On page 27, in line 5, strike out "to a prevailing purchaser in an action brought"

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