

## **Self-Study of Arbitration Suffers Same Fate as Customers**

The Securities Industry Conference on Arbitration (SICA) released a Report entitled Perceptions of Fairness of Securities Arbitration: An Empirical Study, based on a survey of arbitration participants before the self-regulatory organizations (SROs). The survey was sent to individual parties and counsel in investor-initiated arbitration cases at the NYSE and NASD arbitration forums that were concluded between 2005 and 2006. Conclusions include the following:

- 63% of responding customers thought the process was unfair;
- Almost 50% of customers thought the arbitration was biased, compared with 19% who agreed there was no bias;
- 76% of customers responding found arbitration to be unfair in comparison with recent court experience;
- Most didn't even find arbitration "simple" for all parties.

Activist attorney, Les Greenberg has published an annotated copy of the ["study"](#) and concludes it would have shown securities arbitration to be perceived by customers as "much more unfair had SICA and the SROs not been allowed to participate in important aspects of the data gathering process and/or impose limitations upon the vendors." In other words, an unbiased study not including people who derive their income from the arbitration study, would have probably showed even worse results. You would think that an investigation into alleged unfair treatment would take extra care to ensure the study itself is unbiased.