



SEC Announces Pilot Securities Arbitration Clinic To Help Small Investors

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Levitt Responds to Concerns Voiced at Town Meetings

Washington, D.C., November 12, 1997 – Securities and Exchange Commission Chairman Arthur Levitt announced today the start of pilot securities arbitration clinics at two New York law schools -- Pace University and Fordham University -- to help small investors who have difficulty obtaining legal representation.

The clinics were started in response to concerns expressed to Chairman Levitt by small investors at several SEC town meetings. Because their claims are often not large enough, it is difficult for small investors to obtain counsel to represent them in arbitration. To help solve this problem, the Commission is working with law schools in the New York City area to set up pilot arbitration clinics. Students in the pilot programs will, under supervision of a lawyer, assist small investors in the securities arbitration process.

In announcing this pilot program, Chairman Levitt stated, "These clinics will help small investors who have nowhere else to turn by providing them with high quality legal representation. It's a win-win proposition: small investors get much-needed legal assistance and students gain valuable learning experience."

The first pilot program began this fall at Pace University. Fordham University will start its arbitration clinic in the fall of 1998 and is actively searching for a director. Several other New York law schools are considering joining the pilot program, and the Commission seeks to expand the program to other schools across the country.

The Association of the Bar of the City of New York, which has a panel of highly experienced securities lawyers, supports this program and has agreed to screen and refer cases to the clinics. Under guidelines established by the Association of the Bar of the City of New York, it will refer cases directly to the clinics that are for claims of \$15,000 or less. For larger claims, the Association of the Bar of the City of New York will attempt to secure an attorney for the investor and, if unsuccessful, it will then refer appropriate matters to the clinic.

Also, the New York Stock Exchange and the National Association of Securities Dealers, Inc. will provide speakers to help educate participating law students on various arbitration topics.

Investors who believe that they may benefit from the clinics should contact the Legal Referral Service, a joint program of the Association of the Bar of the City of New York and the New York County Lawyers Association, at (212) 382-6775, or Professor Barbara Black at Pace University at (914) 422-4333, or toll free at (800) 836-PACE.

<http://www.sec.gov/news/seclinic.htm>

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