

1995

Welcoming Remarks (November 21, 1994)

Follow this and additional works at: <https://ir.lawnet.fordham.edu/flr>



Part of the [Law Commons](#)

Recommended Citation

Welcoming Remarks (November 21, 1994), 63 Fordham L. Rev. 1505 (1995).

Available at: <https://ir.lawnet.fordham.edu/flr/vol63/iss5/2>

This Article is brought to you for free and open access by FLASH: The Fordham Law Archive of Scholarship and History. It has been accepted for inclusion in Fordham Law Review by an authorized editor of FLASH: The Fordham Law Archive of Scholarship and History. For more information, please contact tmelnick@law.fordham.edu.

WELCOMING REMARKS (NOVEMBER 21, 1994)

MR. DONALDSON: Good morning, everyone. I'm Bill Donaldson, Chairman of the New York Stock Exchange. On behalf of Dick Grasso, my partner, Executive Vice Chairman and President of the Exchange, and myself, we welcome you and thank you very much for taking the time to come here today.

In 1977, the Securities Industry Conference on Arbitration ("SICA") was formed to bring uniformity to the securities industry arbitration process. At first, SICA dealt with improving the methods used for the resolution of investors' small claims. It went on to develop the Uniform Code of Arbitration, which was subsequently adopted by the Exchange and the various self-regulatory organizations ("SROs"). But we now have a lot of issues not easily resolved.

We have sitting around this table today,¹ and on December 5th, the best talent in this country on many of these issues. Arbitrations obviously are in the public eye, more so all the time. Whether it be the bar, the securities bar, the Securities and Exchange Commission, the press, or Congress, it seems that now is the time to upgrade the professional discussion of some of these issues to see if we can come to some sort of a consensus or beginning consensus on approaches to some of the issues.

As this morning's paper reminded us, the *Mastrobuono*² case is pending before the Supreme Court. The SEC has filed an amicus brief that did not favor the position of the securities industry.³ The cases are big and getting bigger. Last summer you saw the result of a multimillion dollar case concerning Salomon Brothers.⁴ A related case is coming forward, a shareholder case, and the question is, should it be arbitrated?

What we hope to accomplish through this Symposium, through open and fair debate, is a dialogue that will be instructive to those who are here, to everyone involved, particularly here at the Exchange, to our own Public Policy Committee, as well as the Board.

1. The Symposium took place on two days, November 24, 1994 and December 5, 1994, and was held at the New York Stock Exchange, Inc.

2. On March 6, 1995 the United States Supreme Court, in an 8-1 decision, reversed the Court of Appeals and reinstated the arbitration panel's punitive damage award. *Mastrobuono v. Shearson Lehman Hutton, Inc.*, No. 94-18, 1995 U.S. LEXIS 1820, at *21 (U.S. March 6, 1995), *rev'g* 20 F.3d 713 (7th Cir. 1994).

3. Brief for the United States and the Securities and Exchange Commission as Amici Curiae in Support of Petitioners, 20 F.3d 713 (7th Cir.) (No. 94-18), *cert. granted*, 115 S. Ct. 305 (1994) [hereinafter SEC Brief].

4. See *Ex-Salomon Chief Stalled*, N.Y. Times, Jan. 12, 1995, at D7 (discussing an arbitration panel's decision denying John H. Gutfreund, former chief executive of Salomon, Inc., his \$56.3 million claim against the company); Floyd Norris, *Ex-Salomon Chief's Costly Battle*, N.Y. Times, Aug. 19, 1994, at D1 (same).

On my left is Professor Katsoris, who has agreed to be our co-moderator. He is the Wilkinson Professor of Law at Fordham Law School, one of the original public members of SICA and a prolific author on securities industry arbitration.

The other moderator is Professor John C. Coffee, Jr. Jack is the Berle Professor of Law at Columbia University and a member of our Legal Advisory Committee. Right now, he's in the air winging his way back from Japan. We hope he will arrive here at some point today.

Again, thank you all for coming.