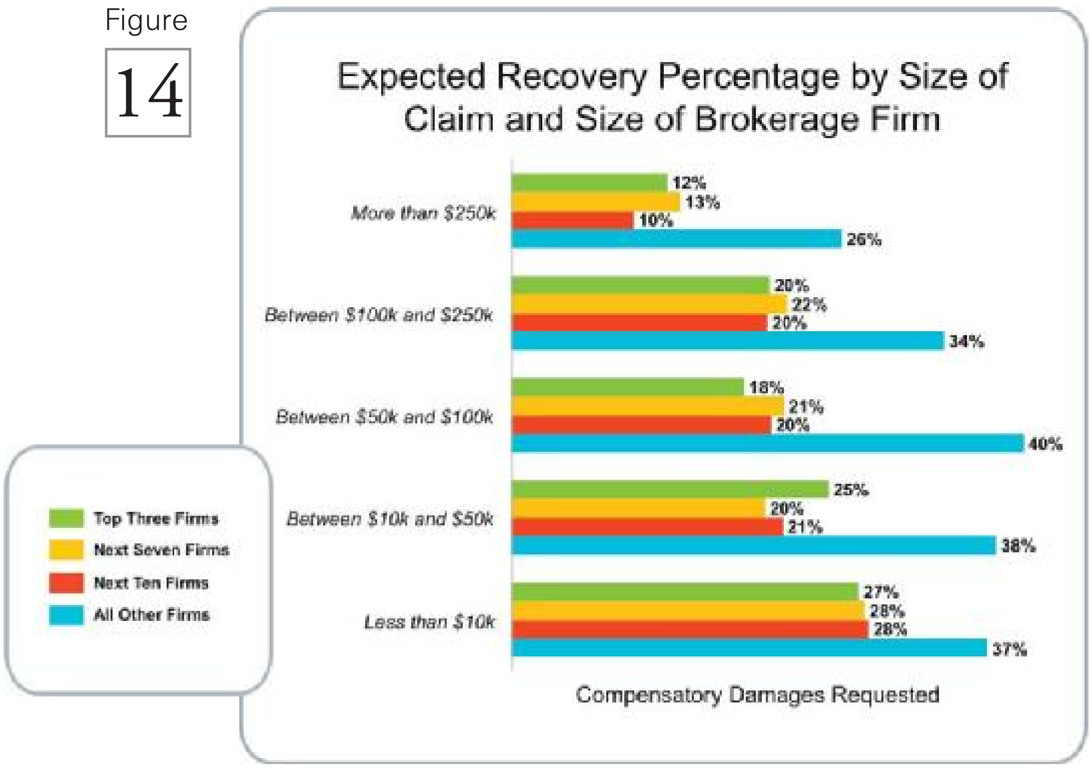
Recall from figure 4 that most of the claims in our ten-year sample period are against firms or entities that are outside of the top 20. Although previous studies do not categorize claims based on size of the brokerage firm, it is likely that those studies, drawing from the same sample period, are also dominated by small firms. Since cases against small firms appear to be decided more favorably for claimants, we must be careful to realize that numbers drawn from broad studies of the arbitration process are influenced significantly by such claims. Even more importantly, it is likely that a significant number of these claims against smaller firms are unpaid. The GAO found that approximately half of all arbitrated awards go unpaid. Further, they find that the larger the award, the lower the probability of being paid.[24]

Figure 14



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[23] Some might argue that there are many cases that are not appropriately handled or vetted by claimant attorneys and that the existence of such cases in our database depresses the average expected recovery rate. However, we analyzed cases over $250,000 against the top 20 brokerage firms where Claimant's were represented by members of the current Board of Directors of the Public Investors Arbitration Bar Association ("PIABA"), www.piaba.org. PIABA is a national bar association whose member attorneys are dedicated to the representation of investors in disputes with the securities industry. The Expected Recovery Percentage in these cases was 13.6%, which is not statistically different from 12%.

[24] See GAO/GGD-00-115 *Actions Needed to Address Problem of Unpaid Awards,* Chapter 4.