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Dialing for Dollars: Wronged Investors Call for Help at UB Law’s Securities Law Clinic

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n UB Law School’s clinical program, a unique specializations in the high-stakes, high-emotion world of personal finance.

That is the Securities Law Clinic, established in 1998 as a partnership between the Law School and UB’s School of Management. At the time, it was only the second university-hosted securities law clinic in New York State, says Robert Spampata ’94, who directs the Law School component of the initiative.

Spampata, whose background is in public arbitration, says the clinic accepts cases involving churning and unlawful practices.

Most brokerage accounts, he says, have as part of the initial contract a stipulation that any dispute will be arbitrated.

Complaints are filed with the National Association of Securities Dealers, which will assign an arbitrator to the case. Students in the Securities Law Clinic will then represent the client in an arbitration hearing.

“The students handle and manage all client contact,” Spampata says. That includes an intake interview, financial analysis by School of Management students if needed, group meetings to analyze the cases, and compiling a complaint.

“All this stuff takes time,” he says. “It often spares more than one semester, or even into the next year.”

Complicating factors can include pre-hearing conferences on discovery (“the single biggest problem that investors face,” Spampata says) and evidence that is lost or otherwise unavailable.

But for a public service clinic that has to work within the client’s risk tolerance, complications are all to the good. “It is great for teaching,” the director says. “The more trouble the better.”

The clinic is limited to 10 second- and third-year students looking for real-world experience. “We do not have a caseload,” Spampata says. “We go directly to the primary sources, and we ask them to do as much research as they can.”

The clinical exercise is a productive and “time consuming,” says Melinda R. Saran ’96, vice dean for student affairs.

”One of my goals is to require students to constantly build their knowledge in the substantive law of the field. So the bar can be entered by the fact that you are giving students substantive knowledge. When students work together to make everybody smarter, it is an experience that really works.”

In the School of Management, Asso- ciate Professor Joseph Ogden says SOM students have been less involved in the past “because the clinic has not presented itself to the students.”

“Now people are being presented to the clinic with a higher percentage of cases that are unsuitable for a client’s life circumstances, or failure to fully inform the client on such matters as the different classes of mutual fund shares and their commission structures.

“Everyone cries fraud and wants punitive damages,” Spampata says. “There is a lot of emotion involved.”

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“We were one of the first to develop a public service effort,” Szczygiel said. “This was the better.”

“The bar exam is designed to measure the skills and abilities that they need for en-