

IN ARBITRATION

Broker Charm School

by

Pete S. Michaels, Esq.

Toning down your appearance and polishing up your manners can get you through an arbitration more smoothly.

Let's face it—arbitrators and regulators often rule in favor of people they like. And being likeable sounds easy, but it really isn't.

Many reps treat arbitrators like prospects and turn on the salesmanship. I am not an advocate of that approach. Being smarmy will kill you. Generally speaking, you want to blend in. You must present yourself as the plainest vanilla person who ever lived. Do not be the richest, smartest or best-looking person in the room—even if you are.

To prepare my clients, I put them through what I call charm school. The “course” represents the do's and don'ts of dressing and behaving at an arbitration or in a regulatory hearing. Distilled from my experience at nearly 1,000 proceedings, here are nine charm school tips:

1) Smell bland. Don't use cologne. For all you know, a male arbitrator just lost his wife to someone wearing your favorite brand. Similarly, maybe a female SEC attorney's ex-husband smelled like you. Having no scent never hurt anyone in an arbitration or regulatory hearing.

2) Tie your shoes. I require all clients to wear lace-up shoes. Too many clients want to wear those black Gucci loafers with the little gold bar on top. Don't play into the stereotype of a slick broker. Rest assured that the client, arbitrators and regulators will be more plainly dressed than you. Emulate them.

3) Stuff the pocket square. That “splash of color” (as one of my clients once called it) makes you look like a jerk to an arbitrator. I have never seen one of them dressed that way.

4) Don't wear Italian suits. I have actually sent clients to Sears to buy a suit. If you must, go to Brooks Brothers, but make it a two-button sack suit in a solid color without stripes. Most importantly, wear a white oxford shirt. Do not, under any circumstances, wear what the public affectionately calls a “broker shirt”—one with a white collar and cuffs but a colored body.

5) Ditch the jewelry. Take off your pinky ring and wear the simplest watch you own. If you only have a Rolex or—heaven forbid—something more expensive, leave it at home. The only welcome form of jewelry is a wedding ring. Wear one! If you are a married man who lost his ring, buy a new one. It shows stability and the right amount of family.

6) Leave the cell phone in the car. Arbitrators make about \$200 a day for sitting through your arbitration. To many of them, that is a good day's wage. Do not show off your importance—real or imagined. They will only hate you for it. Instead, retreat to a pay phone discretely if necessary.

7) Don't make friends. I once had a client ask me during a break if he could “pitch some business” to the arbitrators. After I picked myself off the floor, I asked him why he even remotely thought that was a good idea. “Because,” he retorted, “they like me.” They wouldn't have if I had let him pull that stunt.



8) Be humble. Saying “yes, sir” and “no, sir” should be the rule. Pretend you are meeting the parents of your date for the first time.

9) Don't let the questioning get to you. Avoid being “fresh”, as my grandmother used to call it. If you have a good case, there is no reason to get angry or sarcastic. And if you have a real problem, you can't afford those reactions, either.

Keep your head on straight and your appearance conservative. In the end, the best way to charm a panel is to turn off over-attempts at charm.

Pete S. Michaels is a partner at Michaels, Ward & Rabinovitz, LLP with offices in West Palm Beach, New York City, Boston, and Boulder, Colorado. He can be reached at (561) 515-6083 or by e-mail at psm@michaelsward.com.