SECURITIES ARBITRATION ALERT 2022-30 (8/4/22)

George H. Friedman, Editor-in-Chief

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DID YOU KNOW?

- **Go Online to Have FINRA DRS Set Up A Mediation**

SQUIBS: IN-DEPTH ANALYSIS

FINRA ISSUES REG NOTICE ON RULE CHANGES NEEDED TO CONFORM INDUSTRY CODE TO *ENDING FORCED ARBITRATION OF SEXUAL ASSAULT AND SEXUAL HARASSMENT ACT*. *FINRA has issued a Regulatory Notice on the recently-approved rule changes conforming the Industry Code with the*

Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act. As we have reported many times, **President Biden** on **March 3** signed the *Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act of 2021* ("the Act"), which expressly amended the Federal Arbitration Act ("FAA") to make predispute arbitration agreements ("PDAAs") voidable at the option of the victim. The law was effective immediately for: "any dispute or claim that arises or accrues on or after the date of enactment of this Act." Thereafter, as reported in SAA 2022-21 (Jun. 2), FINRA on **May 13** filed with the SEC SR-FINRA-2022-012, *Proposed Rule Change to Amend the Code of Arbitration Procedure for Industry Disputes ("Code") to Align the Code with the Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act of 2021*. The changes, which were approved by FINRA's Board of Governors last **March**, were effective immediately, as provided in the *Notice of Filing and Immediate Effectiveness* published in the *Federal Register* on **May 24** (Vol. 87, No. 100, P. 31592).

The Rule Filing Details: Opting Out and Intertwining
We analyzed the changes in detail in a **June 1** Blog post, *FINRA Files for Immediate Effectiveness Rule Changes Needed to Conform Industry Code to Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act.* To review (*ed: repeated essentially* verbatim *from the rule filing*):

Amendments to FINRA Rule 13100:
FINRA is proposing to amend FINRA Rule 13100 to add definitions of "sexual assault claim" and "sexual harassment claim" that are consistent with the definitions of "sexual assault dispute" and "sexual harassment dispute" in the Act. Specifically, proposed FINRA Rule 13100(aa) would provide that "[t]he term 'sexual assault claim' means a claim involving a nonconsensual sexual act or sexual contact, as such terms are defined in section 2246 of title 18 of the United States Code.

Amendments to FINRA Rule 13201: FINRA is proposing to amend FINRA Rule 13201 to align it with the Act by adding new paragraph (c) to provide that a party alleging a sexual assault or sexual harassment claim that has agreed to arbitrate before the dispute arose may elect post-dispute not to arbitrate the claim under the Code. Proposed paragraph (c) would also provide that the claim may be arbitrated if the parties agreed to arbitrate it after the dispute arose. Further, paragraph (c) "would provide that sexual assault and sexual harassment claims would be administered in the forum under FINRA Rule 13802, which establishes the procedural requirements for administering SD [statutory employment discrimination] claims in DRS's arbitration forum today."

Amendments to FINRA Rule 13803: FINRA is proposing amendments to FINRA Rule 13803 ["Coordination of Statutory Employment Discrimination Claims Filed in Court and in Arbitration"] to ensure that sexual assault and sexual harassment claims are administered consistently with how SD claims are currently administered in DRS's arbitration forum. Under the current framework, sexual harassment and sexual assault claims would be administered under FINRA Rule 13803 to the extent such claims constitute SD claims. The proposed rule change would add the terms "sexual assault

claim" and "sexual harassment claim" to the title of FINRA Rule 13803 and throughout the rule would make explicit that it applies to the coordination of sexual assault and sexual harassment claims filed in court and other related claims that may be filed at DRS's arbitration forum.

Amendments to FINRA Rule 2263: FINRA is proposing a conforming amendment to FINRA Rule 2263 to incorporate the language in proposed FINRA Rule 13201(c) into the written statement a member firm must provide to an associated person regarding the predispute arbitration clause in Form U4. Thus, firms would be required to disclose to the associated person that a party alleging a sexual assault or sexual harassment claim that has agreed to arbitrate before the dispute arose may elect post-dispute not to arbitrate such a claim under the Code, and that such a claim may be arbitrated if the parties have agreed to arbitrate it after the dispute arose.

Reg Notice Issued
Although the changes were immediately effective on **May 13**, the Authority on **July 15** issued *Regulatory Notice 22-15*, which provides: "Following the enactment of the Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act of 2021 (Act), FINRA amended the Code of Arbitration Procedure for Industry Disputes (Code) to align the Code with the Act. Among other things, the amendments permit persons with sexual assault claims and sexual harassment claims to elect not to enforce predispute arbitration agreements in cases that relate to those disputes. The amendments also make a conforming change to FINRA Rule 2263 (Arbitration Disclosure to Associated Persons Signing or Acknowledging Form U4)" (footnote omitted). The rule change language is contained in Attachment A.
(ed: As we noted in # 21, not in keeping with the new normal – where a Reg Notice seeking comments would be the next step following Board approval – this proposal went straight to the SEC.)
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FINRA FILES WITH SEC BOARD-APPROVED CHANGES TO EXPUNGEMENT RULES. ***FINRA staff this week followed up on recent Board approval to file a new expungement rule.*** As reported in SAAs 2022-20 (May 26), -18 (May 12) & -17 (May 5), FINRA's Board of Governors met in person **May 11 – 12** and as described in a **May 20** Press Release: "The Board approved proposed amendments to a proposal that was previously filed with the SEC establishing specialized arbitration panels for expungement requests." The Release provided no other details, and the Board update memo and video contained therein were similarly cryptic (*ed: Board member* ***Jim Crowley*** *refers to it briefly from 1:49 – 2:05*).

Recent History
Recall that, as reported in SAA 2021-22 (Jun. 3), FINRA in **May 2021** temporarily withdrew a proposal for improving the expungement process -- SR-FINRA-2020-030 -- which had its origins in the Dispute Resolution Task Force and its *Final Report and Recommendations*. A Press Release, *FINRA Statement on Temporary Withdrawal of*

Specialized Arbitrator Roster Rule Filing, announced: "Following consultations with the SEC staff, we temporarily withdrew from SEC consideration our rule filing establishing specialized arbitration panels for expungement requests so that we can further consider whether modifications to the filing are appropriate." The two-page regulatory filing provided no further insights. As later reported in SAA 2022-17 (May 5), the Authority on **April 28** issued a 26-page *Discussion Paper – Expungement of Customer Dispute Information*. The *Discussion Paper* recommended a dual-track approach of adopting expungement reforms contained in the withdrawn rule, while at the same time considering new ideas. We later reported in SAA 2022-18 (May 12) that, just days after FINRA issued the *Discussion Paper*, SIFMA on **May 6** submitted to the SEC a comment letter accusing FINRA of overreaching.

New Rule Filing

FINRA on **August 1** filed with the SEC SR-FINRA-2022-024, *Proposed Rule Change to Amend the Codes of Arbitration Procedure to Modify the Current Process relating to the Expungement of Customer Dispute Information.* The introduction to the 298-page rule filing would amend the *Codes*: "to impose requirements on expungement requests (a) filed by an associated person during an investment-related, customer-initiated arbitration ('customer arbitration'), or filed by a party to the customer arbitration on behalf of an associated person ('on-behalf-of request'), or (b) filed by an associated person separate from a customer arbitration ('straight-in request')."

With an emphasis on "straight-in" cases, the proposed rule change would: "(1) require that a straight-in request be decided by a three-person panel that is randomly selected from a roster of experienced public arbitrators with enhanced expungement training; (2) prohibit parties to a straight-in request from agreeing to fewer than three arbitrators to consider their expungement requests, striking any of the selected arbitrators, stipulating to an arbitrator's removal, or stipulating to the use of pre-selected arbitrators; (3) provide notification to state securities regulators of all expungement requests and a mechanism for state securities regulators to attend and participate in expungement hearings in straight-in requests; (4) impose strict time limits on the filing of straight-in requests; (5) codify and update the best practices in the Notice to Arbitrators and Parties on Expanded Expungement Guidance ('Guidance') applicable to all expungement hearings, including amendments to establish additional requirements for expungement hearings, to facilitate customer attendance and participation in expungement hearings and to codify the panel's ability to request any evidence relevant to the expungement request; (6) require the unanimous agreement of the panel to issue an award containing expungement relief; and (7) establish procedural requirements for filing expungement requests, including for on-behalf-of requests" (footnotes omitted). The proposed rule change would also amend the *Customer Code*: "to specify procedures for requesting expungement of customer dispute information during simplified arbitrations."

*(ed: *Federal Register publication will trigger the comment period, which we are sure will be robust. **Expungement is a never-ending source of* Alert *content.)*

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SHORT BRIEFS: CONCISE NEWS YOU NEED TO KNOW

*****THIS JUST IN: UNANIMOUS GEORGIA COURT OF APPEALS TOSSES TRIAL COURT'S AWARD VACATUR IN "RIGGED PANELS" CASE.** As we were compiling this week's *Alert* we learned that the Georgia Court of Appeals had "unvacated" the Award in the "rigged panels" case. The *Alert*'s readers are very familiar with this saga, which we've covered extensively and blogged about on February 2, 9, 25, and 29. To review, Fulton County Superior Court Judge **Belinda E. Edwards** in *Leggett v. Wells Fargo Clearing Services, LLC*, No. 2019CV328949 (Ga. Super Jan. 25, 2022), found that the potential FINRA arbitrator list preparation process had been compromised. Wells appealed on **April 4**, and in a unanimous decision the Georgia Court of Appeals reinstates the Award in *Wells Fargo Clearing Services, LLC v. Leggett*, No. A22A1149 (Ga. Ct. App. Aug. 2, 2022). The crux of the ruling: "Nothing indicates that Wells Fargo 'manipulated' the arbitrator pool. It simply asked that Pinckney be removed under FINRA Rule 12407. We fail to see how the Director's decision to grant that request — which was made after all parties had a chance to address the issue — constituted manipulation by Wells Fargo.[] Although the investors claim that a 'secret agreement' existed between FINRA and Weiss to automatically exclude the *Postell* arbitrators from any arbitrator list generated on a case involving Weiss, there is no evidence that such agreement was at play here, given Pinckney's inclusion on the initial list. Even if an agreement exists, the investors have not shown that it impacted this arbitration." We will provide full analysis in the next *Alert.*
(ed: We can't say we are surprised.)
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ARKANSAS SUPREME COURT: CLASS ACTION WAIVERS ARE PERMISSIBLE IRRESPECTIVE OF WHETHER A PDAA IS PRESENT. The Merchant Agreement between the parties, among other things, contained a class action waiver ("CAW") but no predispute arbitration agreement. After a dispute arose, Letha's sought class certification, asserting that Funding had promoted and sold securities in violation of Arkansas law. The Trial Court, finding that the Federal Arbitration Act ("FAA") was not involved due to the lack of an arbitration agreement, held that the CAW was unenforceable under Arkansas law. In other words: No PDAA = no FAA = no preemption = State law applies. On appeal, a unanimous Arkansas Supreme Court reverses in *Funding Metrics, LLC v. Letha's Pies, LLC*, 2022 Ark. 73 (Apr. 7, 2022). Says the Opinion: "Here, Letha's Pies contends that the absence of an arbitration agreement and the inapplicability of the Federal Arbitration Act determines the viability of the class-action waiver. However, in *Jorja Trading*, we specifically addressed Arkansas contract law and held that the class waiver there did not turn on application of the Federal Arbitration Act. We therefore conclude that the class-action waiver is enforceable pursuant to Arkansas contract law." The Court also rejected Letha's argument that the CAW violated Arkansas' securities law: "[W]e reject the argument that the waiver is invalid pursuant to Arkansas securities law. Letha's Pies relies on language in the Arkansas Securities Act that states that parties cannot waive compliance with the Act: 'Any condition, stipulation, or provision binding any person acquiring any security

to waive compliance with any provision of this chapter or any rule or order under this chapter is void.' Ark. Code Ann. § 23-42-109 (Repl. 2012). The parties here, however, contracted to waive their right to pursue a class action, and there is no provision in the Arkansas Securities Act regarding class actions. Although Leitha's Pies waived its right to bring a class-action, it did not 'waive compliance with any provision . . . rule . . . or order' set forth in the Arkansas Securities Act" (ellipse in original).
(ed: Seems right to us.)
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CALIFORNIA SUPREME COURT TO REVIEW PAGA-RELATED CASE. The California Supreme Court on **July 20** agreed to review the appellate court holding in *Adolph v. Uber Technologies, Inc.*, No. G059860 (Calif. Ct. App. 4 Apr. 11, 2022), a case we covered in the "Quick Takes" section of SAA 2022-15 (Apr. 21). The *Adolph* Court had held: "Uber contends on appeal that the initial question of whether Adolph is an employee—who may bring a representative PAGA [California's Private Attorney General Act] claim—or an independent contractor—who may not—must be determined in arbitration. We disagree. California case law is clear that the threshold issue of whether a plaintiff is an aggrieved employee in a PAGA case is not subject to arbitration." As our readers know, the United States Supreme Court on **June 15** held 8-1 in *Viking River Cruises, Inc. v. Moriana*, No. 20-1573, that PAGA was in part preempted by the Federal Arbitration Act, insofar as PAGA allowed employees to evade bilateral predispute arbitration agreements.
(*ed: *The case is docket No. S274671. **The impact of* Viking River *remains to be seen.)*
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CALIFORNIA STATUTE ON NON-PAYMENT OF ARBITRATION FEES IS NOT PREEMPTED BY THE FAA, CALIFORNIA COURT HOLDS. California Governor **Gavin Newsom** in **2020** signed a law impacting arbitration fees. SB-707 aimed to address the: "procedural limbo and delay workers and consumers face when they submit to arbitration, pursuant to a mandatory arbitration agreement, but the employer fails or refuses to pay their share of the arbitration fees." A staff analysis states that SB 707 (*ed: presented essentially* verbatim):

- Provides that, where any drafting party fails to pay the fees necessary to commence or continue arbitration, within 30 days after such fees being due to be tendered to the arbitrator, the drafting party is held to have materially breached the arbitration obligation and is in default of the agreement.
- Gives consumers or employees several remedies in the event a drafting party breaches the arbitration agreement by failing to pay the arbitration costs and fees.
- Would permit, should the drafting party fail to pay the costs necessary to commence arbitration, the employee or consumer to remove the matter to court or move to compel the arbitration.
- Provides that, in the event that the drafting party fails to pay the fees or costs necessary to continue an arbitration currently in progress, the employee or consumer can move the matter to court, seek a court order compelling the payment of the fees, continue the arbitration and permit the arbitrator to seek

collection of their fees, or pay the costs and fees and seek those fees from the drafting party at the conclusion of the arbitration regardless of the ultimate outcome.

- To deter drafting parties from failing to pay arbitration costs and fees in a timely manner, this bill imposes mandatory monetary sanctions on any drafting party found to be in default of an arbitration agreement for failure to pay costs and fees, and permits the imposition of additional evidentiary, terminating, or contempt sanctions, as the court or arbitrator sees fit.

The Court in *Gallo v. Wood Ranch USA, Inc*., No. B311067 (Calif. Ct. App. Jul. 25, 2022), evaluates whether the law is preempted by the Federal Arbitration Act ("FAA") and concludes that it is not. Says the unanimous Court: "This appeal presents a question of first impression: Are these provisions preempted by the Federal Arbitration Act (FAA) (9 U.S.C. § 1 et seq.)? We hold that they are not because the procedures they prescribe *further*—rather than *frustrate*—the objectives of the FAA to honor the parties' intent to arbitrate and to preserve arbitration as a speedy and effective alternative forum for resolving disputes. We accordingly affirm the trial court's order vacating its earlier order compelling arbitration between the parties in this case" (footnote omitted; emphasis in original)."

*(ed: *We're not so sure. Time will tell. **An* Alert *h/t to Editorial Board member Peter R. Boutin, Esq., of Keesal, Young & Logan, for alerting us to this decision.)*

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QUICK TAKES: CASES AND AWARDS WORTH READING

***Generali España de Seguros Y Reaseguros, S.A. v. Speedier Shipping, Inc*., No. 21-CV-4080 (E.D.N.Y. May 17, 2022)**: "[T]he Court grants Generali España's Petition to confirm and enforce the two foreign Arbitration Awards issued in London, England. Generali España is awarded €545,000.00 in total damages, with 4.5 percent per annum interest, compounded with three monthly rests (intervals) from October 1, 2016 through the entry of judgment; £16,815.00 in arbitration costs as reflected in the Liability Award, with 4.5 percent per annum interest, compounded with three monthly rests from October 25, 2018 through the entry of judgment; and £83,904.58 in further costs (counsel fees and disbursements), as reflected in the Costs Award, with 4.5 percent per annum interest, compounded with three monthly rests from October 8, 2019 through the entry of judgment; plus post-judgment interest pursuant to 28 U.S.C. § 1961. The aforesaid foreign-currency sums are to be converted to U.S. dollars upon entry of judgment. The Clerk of the Court is respectfully requested to enter judgment in favor of Generali España and against Speedier, consistent with the Arbitration Awards, in the foregoing amounts."

***Iraq Telecom Ltd. v. IBL Bank S.A.L*., No. 21cv10940 (S.D.N.Y. Apr. 8, 2022)**: "Iraq Telecom seeks to confirm the Award pursuant to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the 'New York Convention,' or the 'Convention'), as implemented by the Federal Arbitration Act ('FAA'), 9 U.S.C. § 201 et seq., and seeks a declaratory judgment as well under the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202. IBL principally requests a stay because a Lebanese court has the power to set aside the Award and may do so…. Article V of the Convention lists seven

grounds for refusal or deferral. Of relevance here is Article V(1)(e), which permits refusal to recognize or enforce an arbitral award if '[t]he award has not yet become binding on the parties, or has been set aside or suspended by a competent authority of the country in which, or under the law of which, that award was made.' Convention art. (1)(e)…. The Convention therefore does not require a party seeking enforcement of an award in a secondary jurisdiction -- here, the United States -- to await the conclusion of all challenges to the award that may be pursued in the primary jurisdiction -- here, Lebanon….The Tenth Circuit has observed that 'American judges hold -- virtually unanimously -- that under the New York Convention an arbitration award becomes binding when no further recourse may be had to another arbitral tribunal (that is, an appeals tribunal)' and that 'a court maintains the discretion to enforce an arbitral award even when nullification proceedings are occurring in the country where the award was rendered.'"

***Archer v. Grubhub, Inc*., No. SJC 13228 (Mass. Jul. 27, 2022)**: "In this case, we consider whether delivery drivers, who delivered takeout food and various prepackaged goods from local restaurants, delicatessens, and convenience stores to Grubhub, Inc. (Grubhub), customers within the Commonwealth, fall within a residual category of workers -- namely, 'any other class of workers engaged in foreign or interstate commerce' -– who, like 'seamen' and 'railroad employees,' are exempt from arbitration pursuant to § 1 of the Federal Arbitration Act (FAA). 9 U.S.C. § 1. We join the numerous courts that have addressed the same question in their respective jurisdictions and conclude that they are not. Further concluding that the arbitration agreements between the plaintiff drivers and Grubhub are binding, we reverse the Superior Court judge's denial of Grubhub's motion to compel arbitration and to dismiss the plaintiffs' complaint" (footnote omitted).

***Smith v. Elevation LLC*, FINRA ID No. 21-02941 (New York, NY, Jun. 22, 2022)**: A Panel grants Respondent broker-dealer's Prehearing Motion to Dismiss without prejudice, pursuant to FINRA Rule 13206 (Six-year Eligibility Rule for Industry Disputes). The broker's claims stem from his employment at Respondent broker-dealer. *Provided courtesy of SAC's ARBchek facility (www.arbchek.com).*

***Kafetzis v. Essex Securities*, FINRA ID No. 22-00229 (Boca Raton, FL, Jun. 30, 2022)**: A broker alleging breach of an independent registered representative agreement and commission reversals loses his case against Respondent broker-dealer and two registered reps. *Provided courtesy of SAC's ARBchek facility (www.arbchek.com).*
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ARTICLES OF INTEREST: RECENT NEWS FROM THE ADR FRONT

Lévesque, Céline, *Can a Legacy Investment Claim Be Made under the USMCA for Measures that Were Adopted after the Termination of NAFTA?*, Kluwer Arbitration Blog (Jul. 28, 2022): "This question of first impression under the United States-Mexico-Canada Agreement (USMCA) has been brought to the fore with the spring 2022 publication of the Request for Arbitration ('Request') submitted by TC Energy

Corporation and TransCanada PipeLines Limited against United States (dated November 22, 2021) and the Notice of Intent ('Notice') submitted by Alberta Petroleum Marketing Commission against the United States (dated February 9, 2022). These claims relate to the revocation, on January 20, 2021, of the presidential permit for the building of the Keystone XL pipeline, a measure adopted after the termination of the North American Free Trade Agreement (NAFTA) on June 30, 2020.[] Whether an investor-State arbitration tribunal has jurisdiction to hear a 'legacy investment claim' brought by investors under these circumstances has particular significance in relation to claims made by Canadian investors against the United States and claims made by U.S. investors against Canada. Indeed, after a transition period of three years such claims will no longer be permitted" (footnotes omitted).

Arbitrator Finds UBS's "Aggressive" Courting of $100M Client Preceded Settlement, Advisor Wins Expungement, **AdvisorHub (Jul. 25, 2022)**: "A Financial Industry Regulatory Authority arbitrator recommended wiping an ex-UBS Wealth Management USA advisor's record of a complaint that the firm had settled for more than $400,000, despite the objections of a high-dollar client, who filed the underlying claim and testified at a hearing.[] The July 22-issued award by the sole arbitrator deciding the case— John F. Markuns—threw into high relief the types of horsetrading that unfolds between wirehouses and some of their clients when their advisor bolts for another firm. In his ruling, Markuns cited UBS's 'aggressive' courting of the client who was 'equally aggressive' in his attempts to negotiate advisory fee discounts."

FINRA Facts and Trends: July 2022**, National Law Review (Jul. 25, 2022)**: "June 30th marked two years since the implementation of Regulation Best Interest ('Reg BI') and the client relationship summary or Form CRS. Firm compliance with these new regulations remains a priority for FINRA, having conducted more than 570 firm exams relating to Reg BI through the end of 2021. In a recent episode of the FINRA podcast 'FINRA Unscripted,' FINRA's Meredith Cordisco, Scott Gilbert and Nicole McCafferty offered candid remarks about what FINRA has learned during this initial two-year review period, including common problem areas and some of the best practices firms use to achieve compliance."

Do Amendments to Terms of Service Require Affirmative Consent? **IP & Media Blog (Jul. 26, 2022)**: "Many websites and Internet-based services rely on standard click-through terms and conditions, often referred to as 'browse-wrap agreements.' These agreements usually provide that the service provider may amend the browse-wrap agreement at any time, and a user's continued use of the website or service is considered consent to the amendment. The general industry practice is to provide notice to users of an amendment via email without requiring affirmative acknowledgement or consent to the amendment. However, in *Sifuentes v. Dropbox, Inc.*, a recent decision from the Northern District of California, the court found this standard practice to be insufficient to bind a user to the amendment. It's an important decision for media and entertainment companies. Here's what happened" (*link to case added by the* Alert).

***Finra Orders UBS to Pay $252K Over YES Program*, Financial Advisor IQ (Jul. 26, 2022)**: "UBS is on the hook for more than $250,000 in connection to its Yield Enhancement Strategy, the firm's in-house options trading strategy.[] Earlier this week, the arbitrators ordered UBS to pay approximately $147,200 in compensatory damages, around $60,700 in costs, roughly $44,160 in lawyers' fees and the $600 non-refundable portion of the filing fee, Finra says.[] The arbitrators didn't explain their reasoning for the award.

***California High Court to Decide Viability of PAGA: Will Arbitration Agreements Still Serve as a Protective Shield for Employers?*, JDSupra (Jul. 27, 2022)**: "There is a new, but not entirely unexpected, front in the continuing war over California Labor Code Private Attorneys General Act (PAGA) claims. On July 20, 2022, the California Supreme Court granted review in *Adolph v. Uber Technologies, Inc*., opening the door for a ruling that potentially may complicate the relief provided to employers by the recent decision from the Supreme Court of the United States in *Viking River Cruises, Inc. v. Moriana*." (*ed: See our coverage elsewhere in this* Alert).

***LPL to Pay Defrauded Couple's Second FINRA Arbitration Award*, Financial Planning (Jul. 27, 2022)**: "LPL Financial and one of its largest branches must pay a second and larger monetary award to clients who say the giant wealth manager failed to detect fraud and then tried to conceal its mistakes.[] [Investors] won their latest FINRA arbitration award in a July 14 ruling that held LPL and an affiliated network of independent practices named Financial Resources Group Investment Services liable for compensatory damages, attorney fees and costs of $2.6 million.[] That decision follows their November 2019 award for $1.5 million in a case against the wealth manager and a regional bank where they had another LPL brokerage account. The awards stemmed from separate but related cases involving a barred ex-LPL broker."
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DID YOU KNOW?

GO ONLINE TO HAVE FINRA DRS SET UP A MEDIATION. Parties interested in setting up a mediation at FINRA Dispute Resolution Services ("DRS") can do so via FINRA's Website by clicking here. What's next? Says the Webpage: "When we receive your Request, FINRA Dispute Resolution Services staff will contact the other party or parties to the dispute to explain the mediation process, and seek their agreement to mediate. We may provide the other parties to the dispute with a copy of your completed Request for Mediation Form. However, mediation is a voluntary process, and no party is required to mediate a dispute.[] To complete this form, please fill in the areas as indicated below, and press the submit button to get the information to us. Complete the form all at once as there is no ability to save a draft of your form and return to it at a later time.[] Please do not submit any fees at this time. FINRA will send you an invoice for the required fees only after all parties agree to mediate."
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