SECURITIES ARBITRATION ALERT 2023-11 (3/16/23)

George H. Friedman, Editor-in-Chief

SQUIBS:

- **Reminder: Oral Argument in *Coinbase* is March 21. What You Need to Know**
- **Virginia Court Rejects Brokerage Firm's Motion to Vacate FINRA Award**

SHORT BRIEFS:

- **SEC Seeks *Certiorari* in Fifth Circuit Case Invalidating In-House Panels**
- **SEC to Host Virtual Event on Law School Investor Rights Clinics**
- **Senate Dems to Feds: Protect Consumers from Zelle-Related Fraud**
- **U.S. Chamber Issues Whitepaper Critical of Mass Arbitrations**

QUICK TAKES:

- ***Hang v. RG Legacy I, LLC*, No. (Calif. Ct. App. 4 Mar. 7, 2023)**
- ***Strickland v. Foulke Management Corp*., No. A-0455-21 (N.J. App. Div. Mar. 3, 2023)**
- ***AFK Inc. v Hester*, 2023 NY Slip Op 30545(U) (Sup. Ct., N.Y. Cty. Feb. 22, 2023)**
- ***Wells Fargo v. Commerce Brokerage,* FINRA ID No. 17-00299 (St. Louis, MO, Jan. 30, 2023)**
- ***Aguirre v. TD Ameritrade*, FINRA ID No. 22-00590 (Houston, TX, Feb. 9, 2023)**

ARTICLES OF INTEREST:

- **Souza-McMurtrie, Leonardo F., *Arbitration Tech Toolbox: Will ChatGPT Change International Arbitration as We Know It?* Kluwer Arbitration Blog (Feb. 26, 2023)**
- ***GT's The Performance Review Episode 19: Is the Fight Over AB 51 Finally Over? An Update on Chamber of Commerce v. Bonta and Mandatory Arbitration*, GreenbergTraurig Blog (Mar. 1, 2023)**
- ***Current Developments in Sec and Finra Examinations & Enforcement 2022–2023 - A Special Report for Investment Advisers and Broker-Dealers*, JDSupra (Mar. 2, 2022)**
- ***FINRA Disciplinary Actions, Fines Dropped in 2022*, Wealth Management (Mar. 8, 2023)**
- ***Margin Debt Up 5.7% in January*, Advisor Perspectives (Mar. 8, 2023)**

DID YOU KNOW?

- **In Two Months this Year, AAA Has Passed the 100,000 Cases Filed Mark**

FULL IMPACT OF BANK COLLAPSES REMAINS TO BE SEEN, BUT MARKET VOLATILITY GENERALLY LEADS TO MORE ARBITRATIONS.

The sudden failure of the Silicon Valley Bank ("SVB"), Signature Bank, and others has rattled financial markets and is triggering bad memories of 2008-9. Where things land remains to be seen, but this much we know: market volatility generally leads to more arbitrations. For a refresher on the general topic, we recommend a March 2020 Alert *blog post, jointly-authored by your publisher and Rick Ryder, Esq.*: What's Past is Prologue – All Over Again. What's Ahead for Arbitration Filings in the Wake of Recent Volatility. *While we didn't get every prediction right, the discussion of cause and effect was spot on. See, for example: "Besides general market conditions impacting arbitration filings, discrete product failures will surely augment filings. It has happened in the past*

(think: auction rate securities and subprime collateralized debt obligations), it's still happening now (Puerto Rico bond funds), and it will surely happen in the future (we just don't know the product yet)." The Alert *repeats here our final thought from the 2020 blog post. Referring to the COVID-19 pandemic, we said: "We hope and pray the virus is contained, the markets recover, and that our major concern in the near future is arbitration processing times. As that great baseball philosopher Yogi Berra said, 'It's tough to make predictions, especially about the future.'" For a nice summary of the SVB matter, see the March 12 Foley Hoag Alert,* Silicon Valley Bank: Preparing for Monday.

SQUIBS: IN-DEPTH ANALYSIS

REMINDER: ORAL ARGUMENT IN *COINBASE* IS MARCH 21. WHAT YOU NEED TO KNOW. ***Reminder: as reported in SAA 2023-07 (Feb. 16), the Supreme Court has set for Tuesday, March 21 the oral argument in Coinbase, Inc. v. Bielski, No. 22-105. Here's what you need to know***. It will be the second case heard that morning. Oral arguments are audio livestreamed via the SCOTUS Website. The Court's Website posts audio recordings and transcripts the same day as arguments. The docket reflects several *Amicus* briefs. The Court's March 6 Order List on page 2 denied Respondents' unopposed motion for divided argument.

***Certiorari* Petition**

As reported in SAA 2023-47 (Dec. 15), the Court's **December 9, 2022** Order List granted *Certiorari* in the case. The issue in this matter is a technical one, as described in the **July 2022** Petition: "Under § 16(a) of the Federal Arbitration Act, when a district court denies a motion to compel arbitration, the party seeking arbitration may file an immediate interlocutory appeal. This Court has held that an appeal 'divests the district court of its control over those aspects of the case involved in the appeal.' *Griggs v. Provident Consumer Disc. Co*., 459 U.S. 56, 58 (1982) (per curiam).[] The question presented is: 'Does a non-frivolous appeal of the denial of a motion to compel arbitration oust a district court's jurisdiction to proceed with litigation pending appeal, as the Third, Fourth, Seventh, Tenth, Eleventh and D.C. Circuits have held, or does the district court retain discretion to proceed with litigation while the appeal is pending, as the Second, Fifth, and Ninth Circuits have held?'" (links added by the *Alert*).

Case Below

We covered in SAA 2022-17 (May 5) the trial court decision below, *Bielski v. Coinbase, Inc.*, No. C21-07478, 2022 WL 1062049 (N.D. Cal. Apr. 8, 2022). There, the District Court, applying California contract law, held that the predispute arbitration agreement covering the case before it was both substantively and procedurally unconscionable. The subsequent District Court and Ninth Circuit decisions declining to stay the case pending the appeal are unreported. We borrow heavily below from our past coverage.

Origin of the Dispute

Defendant Coinbase Inc. operated a currency exchange that also allows its users to trade in cryptocurrency. One of these users, Plaintiff Abraham Bielski, was the victim of a scammer who transferred more than $31,000 out of his digital wallet. When Bielski

turned to Coinbase for help, he was unable to reach a human representative or to receive a satisfactory response. He then filed a class action on behalf of similarly situated Coinbase users, alleging that the currency platform violated the Electronic Funds Transfer Act and Regulation E. Coinbase petitioned to compel arbitration under an arbitration agreement in the user agreement Bielski signed. Bielski objected on the ground that the agreement was unconscionable.

Standards of Unconscionability

The arbitration agreement provided that: "the enforceability … of the Arbitration Agreement … shall be decided by an arbitrator and not by a judge." The first issue, therefore, was whether this delegation clause is unconscionable. The Court explained the relevant standard: "Under California law, substantive unconscionability relates to the fairness of an agreement's actual terms and assesses whether they are overly harsh or one-sided. Substantively unconscionable contract terms will shock the conscience…. A delegation clause lacking mutuality imposes an unfair burden that qualifies as unconscionable…. In other words, to be enforceable, a delegation provision, as well as an arbitration agreement generally, must have a 'modicum' of bilaterality."

A Nested and One-Sided Agreement

Turning to the case before it, the Court declared: "whether the delegation clause imposes an unconscionable burden that differs from a generic delegation clause requires backtracking through the nested provisions of Coinbase's "Arbitration Agreement" and the tripartite dispute resolution procedure it sets out…. The arbitration provision as a whole addresses only those disputes that have previously gone through the pre-arbitration complaint procedure. Because only Coinbase users can raise a complaint though the pre-arbitration complaint procedure, the arbitration provision imposes no obligation on Coinbase itself to submit its disputes with users to binding arbitration."

From Lack of Mutuality to Substantive Unconscionability

The Court recognized that mere one-sidedness does not necessarily equate with unconscionability, so its analysis continued: "Pretextual or unduly onerous preconditions to arbitration, however, remain substantively unconscionable." Here: "Coinbase's tripartite complaint process requires users to jump through multiple, antecedent hoops before initiating arbitration…. Because the delegation clause imposes an onerous, unfair burden beyond that of a typical delegation clause, this order finds it substantively unconscionable."

Procedural Unconscionability

The final step is to determine whether the arbitration agreement is procedurally unconscionable: "Procedural unconscionability addresses the circumstances of contract negotiation and formation and concentrates on two factors: oppression and surprise…. 'Oppression occurs where a contract involves lack of negotiation and meaningful choice, surprise where the allegedly unconscionable provision is hidden within a prolix printed form.'" Here, the Court found that the arbitration agreement was a contract of adhesion and its "broad prohibition on access to formal resolution procedures would surprise the

average consumer for this type of service.[] This order concludes that, given the level of substantive unconscionability inherent in the delegation clause previously discussed, the level of procedural unconscionability merits the finding that the delegation clause is unconscionable and, thus, unenforceable." The Court further found that the delegation clause was not severable from the arbitration agreement, and therefore unenforceable. For these reasons, the Court denied the petition to compel arbitration.
*(ed: *We will do our usual writeup on the oral argument.* ***To allow time to do that, we will be publishing on Friday next week.*** ***Much of this Squib was prepared by Harry A. Jacobowitz, President of HAJ Research and Writing LLC. Mr. Jacobowitz, a member of the Pennsylvania bar, and his firm perform legal research and writing for attorneys and handle substantive searches of SAC's Award database. He can be contacted at harryjacobowitz@optimum.net.)*
return to top

VIRGINIA COURT REJECTS BROKERAGE FIRM'S MOTION TO VACATE FINRA AWARD. ***A broker-dealer lost its motion to vacate an award on the grounds that it waived its objection and that an arbitration panel's alleged failure to follow FINRA rules does not constitute exceeding their powers.*** The award in question, *Williams Trading LLC v. Manaster*, FINRA No. 18-02393 (Richmond, VA, May 28, 2021), denied both a claim for breach of a confidentiality agreement and a counterclaim and third-party claim for breach of a compensation agreement, violation of wage statutes and unfair trade practices. On the fifth day of the hearings, one of the arbitrators, John Williams, disclosed for the first time that he had a prior professional and personal relationship with Defendant, although Plaintiffs, when the Chair asked them, agreed to proceed with Arbitrator Williams on the panel.

The Motion to Vacate
Plaintiffs Williams Trading LLC and David B. Williams, who were, respectively, a claimant and the third-party in the arbitration, filed a Motion to Vacate Arbitration Award in Virginia state court against Defendant Michael Manaster, the respondent in the arbitration. The Motion alleged that the arbitrators "exceeded their powers" within the meaning of the Virginia Uniform Arbitration Act ("VUAA") and Federal Arbitration Act ("FAA") in the following respects: "First, Arbitrator Williams did not properly investigate his potential conflicts. Second, Arbitrator Williams failed to timely disclose his prior relationship with Defendant. Third, once Arbitrator Williams disclosed his relationship with and knowledge of Defendant, the Arbitration's Chair, Richard Igou, mishandled that disclosure, minimizing it and failing to send the issue to the FINRA Director of Arbitration. Fourth, neither before nor after his disclosure did Arbitrator Williams update his FINRA Disclosure Report or make a formal filing to FINRA regarding the full extent of his conflict."

The Demurrer
Defendant filed a Demurrer (essentially a motion to dismiss on the pleadings), which alleged, *inter alia*, that: "FINRA rule violations do not cause an arbitrator to 'exceed his power' within the meaning of the VUAA" and "Plaintiffs waived their right to seek

vacatur by failing to object during arbitration proceedings" and "consenting to Arbitrator Williams' continued service on the panel for several more days after the disclosure." Defendant also filed, and the Court granted, a Motion Craving *Oyer*, which incorporated a portion of the transcript into the record for purposes of the Demurrer.

Plaintiffs Waived Their Objection …
The Court grants the Demurrer in *Williams Trading LLC v. Manaster*, No. CL21-2706 (Richmond City Circuit Ct. Feb. 24, 2023). It explains: "[T]here is no dispute that Plaintiffs declined to object to Arbitrator Williams' participation in the proceedings, even after learning of his potential conflict of interest.[] Plaintiffs insist that their reason for declining to object during the Arbitration was to avoid turning Arbitrator Williams against them in the event he remained on the panel….[] While the decision not to protest Arbitrator Williams' continued involvement in the proceedings may have had tactical value, it does not excuse Plaintiffs' failure to preserve their objection…. Consequently, Plaintiffs' failure to object during the evidentiary hearing — not to mention their unequivocal affirmative agreement to proceed — precludes them from attacking the Arbitration award on those grounds now."

… And The Arbitrators Did Not Exceed Their Powers
Despite the waiver, the Court reaches the merits of the Motion: "In the few instances when courts have vacated awards based on claims that the arbitrators exceeded their authority, it is because the arbitrator decided an issue the parties did not put before the arbitrator, not because the arbitrators failed to observe the panel's internal procedures…. [T]he scope of an arbitrator's powers concerns the claims he may hear, rather than the procedures he must observe." Therefore: "Even accepting Plaintiffs' allegation that the arbitrators violated FINRA rules, these violations did not cause the arbitrators to 'exceed their powers' within the meaning of the VUAA or FAA."

However, Plaintiffs May Amend If They Can Make a Case for Evident Partiality
Although Plaintiffs did not assert evident partiality as a ground for vacatur in their Motion, they later asked for leave to amend it to raise that issue. Considering whether to grant that request, the Court states: "Viewed in the light most favorable to Plaintiffs, the allegations in Plaintiffs' motion and the materials incorporated into the record through *oyer* show only a potential faint connection between Arbitrator Williams and Defendant. There is no indication that the two had a close personal relationship. Rather, they merely may have worked at the same firm thirty-five years ago and have not spoken since then." Nevertheless: "in the event further investigation enables Plaintiffs to plead, in good faith, facts that they did not know during the Arbitration, and which reveal a considerably stronger connection between Arbitrator Williams and Defendant than the record presently suggests, the Court will grant Plaintiffs leave to amend their motion."
*(ed: *Makes sense to us. **The Order grants Plaintiffs 60 days to amend their motion and Defendant 21 days thereafter to file responsive pleadings. Whether Plaintiffs will be able to amend and survive another Demurrer remains to be seen. Virginia doesn't post filings in circuit court civil matters, so it also remains to be seen how well we can keep tabs on any further developments in this case. ***Richmond is an independent city with*

*its own circuit court, distinct from Richmond County, Virginia. ****Mr. Manaster's attorney -- Ethan A. Brecher, Esq., Law Office of Ethan A. Brecher, LLC -- provided the* Alert *with the decision and order. E-mail us at Help@secArbAlert.com for a copy. *****This Squib was prepared by Harry A. Jacobowitz, President of HAJ Research and Writing LLC. Mr. Jacobowitz, a member of the Pennsylvania bar, and his firm perform legal research and writing for attorneys and handle substantive searches of SAC's Award database. He can be contacted at harryjacobowitz@optimum.net.)*
return to top

SHORT BRIEFS: CONCISE NEWS YOU NEED TO KNOW

SEC SEEKS *CERTIORARI* IN FIFTH CIRCUIT CASE INVALIDATING IN-HOUSE PANELS. The SEC on **March 8** petitioned SCOTUS to review a Fifth Circuit case holding that the Commission's in-house disciplinary panels were unconstitutional. Specifically, the agency filed a *Certiorari* Petition in *Securities and Exchange Commission v. Jarkesy*, No. 22-859, seeking review of *Jarkesy v. SEC*, 34 F.4th 446 (5th Cir. 2022). The Court of Appeals' Order denying rehearing *en banc* is reported at 51 F.4th 644 (Oct. 21, 2022). The questions presented: "1. Whether statutory provisions that empower the Securities and Exchange Commission (SEC) to initiate and adjudicate administrative enforcement proceedings seeking civil penalties violate the Seventh Amendment. 2. Whether statutory provisions that authorize the SEC to choose to enforce the securities laws through an agency adjudication instead of filing a district court action violate the nondelegation doctrine. 3. Whether Congress violated Article II by granting for-cause removal protection to administrative law judges in agencies whose heads enjoy for-cause removal protection."
(ed: We see as inevitable a grant by the Court.)
return to top

SEC TO HOST VIRTUAL EVENT ON LAW SCHOOL INVESTOR RIGHTS CLINICS. The SEC's Office of the Ombudsman and the Division of Enforcement's Retail Strategy Task Force will: "host a virtual outreach event to highlight the important work of law school students who provide free legal representation and other resources to harmed investors engaged in disputes with their financial professionals." *2023 SEC Investor Advocacy Clinic (Virtual)* will take place Wednesday, **March 29** at 11:00 am Eastern. The event page gives no other info.
(ed: Very nice!)
return to top

SENATE DEMS TO FEDS: PROTECT CONSUMERS FROM ZELLE-RELATED FRAUD. A group of five Democratic Senators have written to several federal agency heads, urging that they take proactive steps to protect the public against fraud and scams involving Zelle. Specifically, Senators **Sherrod Brown** (OH), **Robert Menendez** (NJ), **Jack Reed** (RI), **Mark Warner** (VA), and **Elizabeth Warren** (MA), on **March 5** wrote to the heads of the Federal Reserve Board, Federal Deposit Insurance Corporation, National Credit Union Administration, and Office of the Comptroller of the Currency, asking them: "to closely review and examine the customer reimbursement and anti-

money laundering (AML) practices of depository institutions that participate in the Zelle network. We also urge the OCC and Federal Reserve Board to examine Early Warning Services, LLC (EWS) on an ongoing basis. EWS operates the Zelle network and is owned by seven of the Nation's largest banks. Finally, we urge the agencies to coordinate their supervisory approach with the Consumer Financial Protection Bureau." The Senators ask for a "prompt" reply.
(ed: Copied were: Secretary of the Treasury Janet L. Yellen and Consumer Financial Protection Bureau Director Rohit Chopra.)
return to top

U.S. CHAMBER ISSUES WHITEPAPER CRITICAL OF MASS ARBITRATIONS. We have reported in recent years about the growing trend toward mass arbitrations. For example, readers may recall that the AAA in **August 2021** created *Supplementary Procedures for Multiple Case Filings*, designed to: "streamline the administration of large volume filings involving the same party, parties, and party representative(s), or related party, parties and party representative(s) for disputes where the Employment/Workplace Fee Schedule or the Consumer Fee Schedule apply." The *Supplementary Procedures* have ten sections, and give the AAA discretion on whether to apply them. Joining the conversation is the U.S. Chamber of Commerce Institute of Legal Reform, which has released a 75-page Whitepaper, *Mass Arbitration Shakedown: Coercing Unjustified Settlements*. The report criticizes the trend toward mass arbitrations, and suggests alternatives, such as (*ed: excerpted* verbatim): 1) instead of abandoning arbitration, companies should consider adopting a bellwether process for mass arbitrations, under which batches of test arbitrations are interspersed with mediations that seek to produce a global settlement with the payment of filing fees on a batch-by-batch basis; 2) the largest arbitration providers—JAMS and the AAA—should adopt new fee schedules and rules applicable to mass arbitration; and 3) state bar authorities should consider investigating what appear to be the many violations of state rules of professional conduct that likely are occurring in mass arbitrations.
(ed: We're sure this is not the last word on the subject.)
return to top

QUICK TAKES: CASES AND AWARDS WORTH READING

***Hang v. RG Legacy I, LLC*, No. (Calif. Ct. App. 4 Mar. 7, 2023)**: "Citing *Roldan v. Callahan & Blaine* (2013) 219 Cal.App.4th 87 (Roldan), the trial court found Daniel was indigent at the time of his death and granted the petition to compel arbitration on the condition that, within 15 days, the RG Legacy parties agree to pay all arbitration fees and costs, else waive the right to arbitrate the matter. The RG Legacy parties did not agree to pay all arbitration fees and costs and instead filed this appeal.[] We affirm. Substantial evidence supports the trial court's findings of Daniel's indigence. The trial court properly applied the holdings of Roldan and its progeny in ordering the RG Legacy parties to either agree to pay all arbitration fees and costs or waive arbitration. The RG Legacy parties' refusal to so agree, within the time specified, effected the court's denial of their petition to compel arbitration." (*ed: An* Alert *h/t to Editorial Board member Peter R. Boutin, Esq., of Keesal, Young & Logan, for alerting us to this decision.*)

***Strickland v. Foulke Management Corp.*, No. A-0455-21 (N.J. App. Div. Mar. 3, 2023)**: "In this matter arising out of the purchase of a vehicle, we consider whether parties may expand the scope of judicial review of an arbitration agreement governed by the Federal Arbitration Act (FAA), 9 U.S.C. §§ 1 to 16. The agreement here contained a clause that permitted a court to review an arbitrator's award for errors of New Jersey law. Guided by the United States Supreme Court's holding in *Hall St. Assocs., LLC v. Mattel, Inc.*, 552 U.S. 576 (2008), we conclude that when the FAA controls an arbitration agreement, its vacatur terms are exclusive and cannot be modified by contract. Therefore, the pertinent clause in the arbitration agreement is unenforceable and severable from the remainder of the agreement."

***AFK Inc. v Hester*, 2023 NY Slip Op 30545(U) (Sup. Ct., N.Y. Cty. Feb. 22, 2023)**: "The court grants a preliminary injunction in aid of arbitration, pending the resolution of the arbitration between the parties and until further order of the court and the court restrains all funds in any accounts held by the Respondents Billy R. Hester d/b/a Hesters Truck Repair and Billy Roy Hester Jr. (collectively, 'Respondents') at Capital City Bank up to the amount of $94,751.90, which includes account ending in … titled Hesters Truck Repair."

***Wells Fargo v. Commerce Brokerage,* FINRA ID No. 17-00299 (St. Louis, MO, Jan. 30, 2023)**: In this Consolidated Award, Claimant broker-dealer and a registered rep seeking fees and costs relating to a petition filed in Kansas federal district court by Respondent broker-dealer -- to avoid jurisdiction -- as well as the filing of a temporary restraining order, are awarded compensatory damages. Respondent broker-dealer is awarded compensatory damages on its Counterclaim relating to alleged raiding and breach of contract claims in violation of the terms of Claimant broker's Confidentiality and Award Agreements. *Provided courtesy of SAC's ARBchek facility (www.arbchek.com).*

***Aguirre v. TD Ameritrade*, FINRA ID No. 22-00590 (Houston, TX, Feb. 9, 2023)**: In this small claims arbitration, an Arbitrator dismisses a customer's case with prejudice pursuant to FINRA Rules 12212(c), 12511(b), and 12603, based on: 1) the customer's failure to cooperate in the exchange of discovery as required by the Code; and 2) his failure to appear at the hearing despite being properly notified. *Provided courtesy of SAC's ARBchek facility (www.arbchek.com).*
return to top

ARTICLES OF INTEREST: RECENT NEWS FROM THE ADR FRONT

Souza-McMurtrie, Leonardo F., *Arbitration Tech Toolbox: Will ChatGPT Change International Arbitration as We Know It*? Kluwer Arbitration Blog (Feb. 26, 2023): "International arbitration is a prime example of the power and complexity of combined human minds. It is a marvel of human cooperation and ingenuity that strangers forego barbarism in favour of peaceful resolution – even more so when they do it cross-borders, on the unlikely belief that their interests will be guarded by yet another group of strangers

acting as neutrals, the arbitrators, whose decision-making depends on entirely biological cognitive processes tainted by all sorts of biases, prejudices, blind spots, and limitations …. But it is high time that we ask ourselves: How will ChatGPT (also known as GPT 3.5) impact the future of international arbitration as we know it? Will it prove to be a powerful tool towards improving our navigation of legal systems, or could it lead to unintended consequences?"

***GT's The Performance Review Episode 19: Is the Fight Over AB 51 Finally Over? An Update on Chamber of Commerce v. Bonta and Mandatory Arbitration*, GreenbergTraurig Blog (Mar. 1, 2023)**: "In this episode, Philip Person and Ryan Bykerk review the Ninth Circuit's recent updated decision on AB 51 and its effort to ban arbitration agreements as a condition of employment, *Chamber of Commerce v. Bonta.*

***Current Developments in Sec and Finra Examinations & Enforcement 2022–2023 - A Special Report for Investment Advisers and Broker-Dealers*, JDSupra (Mar. 2, 2022)**: "Registered entities continued to be a significant focus of the US Securities and Exchange Commission's (SEC's or Commission's) enforcement and rulemaking programs in 2022, and we expect similar attention this year. The SEC's Division of Examinations recently issued its 2023 Examination Priorities Report, highlighting a number of areas that will draw increased scrutiny from the Examinations staff and are likely precursors to future enforcement sweeps and referrals. Similarly, the Financial Industry Regulatory Authority's (FINRA's) January 10, 2023 Report on Examination and Risk Monitoring Program identified many areas of focus for broker-dealers that will garner continued attention, including Regulation Best Interest, Consolidated Audit Trail, mobile apps, and cybersecurity."

***FINRA Disciplinary Actions, Fines Dropped in 2022*, Wealth Management (Mar. 8, 2023)**: "Disciplinary actions out of the Financial Industry Regulatory Authority fell for the third straight year in 2022, while the total number of fines and amount of restitution drastically dipped largely due to a record-breaking levy the year before, according to the law firm Eversheds Sutherland.[] The annual analysis of FINRA's disciplinary actions was released Wednesday by partners Brian Rubin and Adam C. Pollet…."

***Margin Debt Up 5.7% in January*, Advisor Perspectives (Mar. 8, 2023)**: "FINRA has released new data for margin debt, now available through January. The latest debt level is up 5.7% month-over-month."

return to top

DID YOU KNOW?

IN TWO MONTHS THIS YEAR, AAA HAS PASSED THE 100,000 CASES FILED MARK. According to a banner on the American Arbitration Association's landing page, this venerable institution has had 133,163 cases filed so far this year (through **March 13**). It has administered 7,535,151 cases since its founding in **1926**.

return to top

Send any messages or inquiries to: George@SecArbAlert.com

Editor's Note & Disclaimer: While we undertake considerable efforts to present information in this publication in a fair and accurate manner, we caution that readers should access referenced material themselves as the best source. Our analyses make liberal use of links, and we offer courtesy copies of materials not on the Internet. Similarly, readers should not rely solely upon our summaries in making legal decisions or consider our commentary to be rendering legal, accounting, or other professional advice or service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought. — *adapted from the Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers and Associations.*

Mail to: 194 Carlton Terrace, Teaneck, NJ 07666
T: 917-841-0521
Web: www.SecArbAlert.com
Blog: www.sacarbalert.com/blog/; Twitter: @SecArbAlert