

Firm Defeats Challenge to FINRA Forum

Robbins Firm attorneys Josh Belinfante and Dan Monahan recently overcame a challenge to the use of the Financial Industry Regulatory Authority (“FINRA”) as an arbitration forum, in a dispute over M&A transaction fees. Under the agreement which gave rise to the client’s claim, it was agreed that all related disputes would be determined according to FINRA “procedures and rules.” After the client’s claim was filed with FINRA, the opposing party objected to the forum, insisting that the requirement to arbitrate according to FINRA procedures and rules did not dictate that the case be held before FINRA, and that no consent to arbitrate before FINRA had been given. In response, Josh and Dan applied traditional canons of statutory interpretation to show that a case governed by FINRA rules must in fact be initiated, and therefore tried, before FINRA. At the conclusion of briefing, FINRA denied the opposing party’s objection and ordered that the case proceed before it.

For more information, please contact Josh Belinfante and Dan Monahan.