

# FINRA SECURITIES ARBITRATION

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Lightfoot's FINRA Securities Arbitration practice draws on a wealth of trial experience.

Representing both broker-dealers and individuals, Lightfoot attorneys bring extensive FINRA securities arbitration experience to the table. Unlike many lawyers working in this area who focus solely on arbitration, we also draw on our deep trial and courtroom proficiencies. This allows us to maximize our effectiveness and approach each matter from a comprehensive perspective.

Lightfoot arbitrates matters involving a variety of claims before FINRA to final award and have also handled many other arbitrations that have reached an early resolution. Our group regularly represents clients in arbitrations involving customer allegations, product complaints, employment issues, wrongful termination claims, Form U-5 issues, Ponzi scheme allegations and the actions of rogue brokers.

We work with broker-dealers who are the subject of internal investigations or are confronted with situations where either a new hire or a departed representative is alleged to have switched firms in violation of their nonsolicitation covenants and obligations. In addition, we also defend broker-dealers against customer claims of improper activity or account mishandling.

## EXPERIENCE

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- Representing a broker-dealer accused of wrongful termination by a former registered representative. The former representative had been a big producer who had averaged well in excess of \$500,000 per year in personal income. The broker-dealer discovered a reason to suspect the representative may have altered documents in connection with the sale of a registered product and, following an investigation, terminated the representative and disclosed on the U-5 Notice of Termination that the representative was suspected of fraud and the wrongful taking of property. The former representative brought an arbitration demand, insisted upon his innocence, argued that the Form U-5 had disqualified him from further employment in the industry, and claimed over \$10 million in damages based upon lost earnings and his inability to find work in the industry as a result of the U-5 disclosures. After a three-week hearing, the FINRA panel denied all of the former representative's claims.
- Representing a broker-dealer whose registered representative engaged in selling through a Ponzi scheme. Multiple customers (and some non-customers) brought arbitrations alleging that the broker-dealer had employed inadequate supervision and monitoring that allowed the registered representative to run his Ponzi scheme undetected. During the time the arbitrations were pending, the defense was complicated when the former registered representative was indicted, pleaded guilty and was sentenced to more than seven years in federal prison. Despite this, we were able to achieve favorable settlement. Our client paid, on average, less than one-third of the out-of-pocket losses suffered by the claimants, and only for the period that the representative was associated with our client.