

OUR PRACTICE

Broker-Dealer/Investment Adviser

Our practice spans many different areas of the industry, including regulation, compliance, enforcement, consulting, arbitration, litigation and internal investigations. As a result, we represent a range of organizations engaged in providing broker-dealer, investment advisory, investment banking, investment company, capital markets and banking services, with clients including national, regional and local broker-dealers, as well as investment advisers, dually registered firms, municipal advisors, municipal securities dealers, bank dealers, banks, capital markets groups, investment companies, investment managers and funds.

We have represented broker-dealers and investment advisers throughout the country in customer disputes related to a vast array of securities transactions including those involving private placements, alternative investments, REITS, EB-5 offerings, CDOs, municipal and corporate bonds, variable annuities, mutual funds, ETFs, and various other equity, debt, insurance, derivative, and hedge related products involving the following types of claims:

- Unsuitability
- Selling away
- Unauthorized trading
- Churning
- Offering fraud
- Common law fraud and misrepresentation
- Breach of fiduciary duty
- Failure to Supervise

We also have substantial experience representing industry firms and their associated persons in regulatory inquiries, examinations and enforcement proceedings involving the following, among other things:

- Forms ADV, BD, U4, and U5 disclosure issues
- Outside business activities and private securities transactions
- Selling away
- Research
- Pricing
- Suitability and disclosure issues related to complex products and private placements
- Due diligence related to private placements
- Mutual fund share-class issues
- Insider trading
- Violations of gift and entertainment rules and policies
- Fee overcharges
- AML issues
- Cybersecurity matters
- Reg S-P compliance
- State/Federal, SRO registration and licensing issues
- Internal investigations
- "Wells" submissions

Additionally, our attorneys have handled employment related matters for broker-dealers, investment advisory firms, and other financial service organizations, including matters involving the following:

- Raiding cases and other transition disputes
- Non-solicitation agreements, non-compete agreements and garden leave provisions
- Form U4 and Form U5 disclosures
- Employee and independent contractor classification
- Forgivable loans and promissory notes
- Employee exemptions under the Fair Labor Standards Act
- Trailing commissions, bonuses and other incentive compensation
- Discrimination, diversity, and equal pay sensitivities
- Mandatory vacation policies
- Social media policies and bring your own device policies
- Whistleblower protections and awards
- Employment terminations and dispute resolution
- Settlement and separation agreements
- FINRA arbitrations
- Form U5 expungement proceedings



Representative Matters

- Successfully defended broker-dealer and registered representatives in FINRA arbitration in case involving the sale of alternative real estate investments.
- Represented broker-dealer firm and its executive officers in FINRA arbitration involving \$10 million in claims for alleged breach of joint venture agreement, misrepresentation, and negligence in connection with firm's purchase and operation of mortgage-backed trading division. After two weeks of evidentiary hearings, arbitration panel issued award dismissing all claims against our clients.
- Successfully represented SEC registered investment adviser in state court litigation filed by institutional customer arising out of recommendations to purchase securities issued by pooled trust preferred CDOs. Summary judgment award in client's favor upheld on appeal.
- Represented selling broker-dealer and investment adviser in disposition of affiliated broker-dealer and investment adviser to third party acquiror.
- Represented numerous broker-dealers and registered investment advisers in litigation and in arbitrations involving claims of unsuitability, unauthorized trading, misrepresentation, churning, failure to supervise and breach of fiduciary duty.
- Frequent representation of broker-dealer firms, registered investment advisers, registered representatives and third-party witnesses in responding to subpoenas, document requests from regulators, informal inquiries and formal investigations involving securities offerings, investment banking activities, alleged sales practice and supervisory violations, as well as compliance matters.
- Secured \$4 million settlement for broker-dealer firm in an unfair competition case, where former employees attempted to misappropriate and use broker-dealer's trade secrets and confidential business information in a competitive start-up company.