

# **Bond Case Briefs**

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## **ARBITRATION - NEW YORK**

### **Citigroup Global Markets Inc. v. All Children's Hosp., Inc.**

**United States District Court, S.D. New York - March 20, 2014 - F.Supp.2d - 2014 WL 1133401**

Citigroup sought declaratory judgment and injunctive relief against All Children's Hospital, Inc. ("ACH") to enjoin ACH from pursuing an arbitration brought by ACH in Florida. That arbitration was initiated by a Statement of Claim filed by ACH on September 30, 2013 before the FINRA. The arbitration asserted claims arising from the market failure of more than \$90 million in auction rate securities issued under a Broker-Dealer Agreement executed by the parties on September 1, 2007.

ACH offered three principal arguments: (1) that the phrase "actions and proceedings" is narrow and does not encompass arbitrations at all, such that the Agreement and FINRA rule can be read to complement each other; (2) that the subject of the arbitration does not "aris[e] out of" the Agreement; and (3) that this Court lacks authority to grant the injunction sought by Citigroup. The District Court found no merit in any of these arguments.

"ACH's first argument raises the linguistic question of whether an arbitration falls under the umbrella of 'all actions and proceedings.' These are capacious words. In Black's Law Dictionary, the many entries under 'action' span nine columns across five pages and those for 'proceeding' take an entire page. *See Black's Law Dictionary* 32-36, 1324 (9th ed.2009). When conjoined together and modified by 'all'—i.e., 'all actions and proceedings'—the words appear maximally all-inclusive."

The court permanently enjoined ACH from further pursuing its arbitration before FINRA directed it to discontinue that arbitration forthwith.