

Bond Case Briefs

Municipal Finance Law Since 1971

FINRA ARBITRATION - NEW YORK

J.P. Morgan Securities LLC v. Quinnipiac University

United States District Court, S.D. New York - May 22, 2015 - Slip Copy - 2015 WL 2452406

Quinnipiac University initiated an arbitration against J.P. Morgan Securities LLC ("JPMS") before the Financial Industry Regulatory Authority ("FINRA"). Quinnipiac brought claims arising out of financial losses it claimed to have sustained as a result of its 2007 issuance of auction rate securities ("ARS"), with respect to which JPMS served as underwriter and broker-dealer.

JPMS's moved to preliminarily and permanently enjoin the FINRA arbitration, arguing that, as a result of the forum-selection clause in the parties' BrokerDealer Agreement, FINRA lacked jurisdiction over the FINRA arbitration.

The District Court ruled in favor of JPMS, citing Second Circuit precedent holding that the FINRA arbitration rules had been superseded by forum selection clauses requiring "all actions and proceedings" related to the transactions between the parties to be brought in court.