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FORUM SELECTION - NEW MEXICO

Presbyterian Healthcare Services v. Goldman, Sachs & Co.

United States District Court, D. New Mexico - August 14, 2015 - F.Supp.3d - 2015 WL 4993571

On February 10, 2014, Presbyterian Healthcare filed a claim against Goldman Sachs with the Financial Industry Regulatory Authority ("FINRA") Division of Arbitration in New Mexico. The claim alleged the standard-issue ARS claims.

Goldman Sachs challenged the arbitrability of the matter, citing the forum selection clause (and the attendant broad merger clause) in the parties' Broker-Dealer Agreement. Goldman Sachs moved to transfer the case to the United States District Court for the Southern District of New York. Presbyterian Healthcare argued that Goldman Sachs was required to arbitrate pursuant to a written agreement it entered into when it became a FINRA member.

Presbyterian Healthcare contended its grievances arise from Goldman Sachs' role as an advisor, and thus its arbitration claims related to transactions not contemplated exclusively by the Broker-Dealer Agreement.

The District Court concluded that:

- Presbyterian Healthcare's claims 'arise out of' the Broker-Dealer Agreement, because the claims concern Goldman Sachs' actions pursuant to that agreement; and
- Goldman Sachs' motion to transfer the case to the United States District Court for the Southern District of New York would be granted.