

# **Bond Case Briefs**

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## **SECURITIES ARBITRATION - INDIANA**

### **Earley v. Edward Jones & Co., LP**

**Court of Appeals of Indiana - June 25, 2018 - N.E.3d - 2018 WL 3097991**

Client filed breach of contract, negligence, constructive fraud, and conversion action against investment company after funds invested with company suffered a significant decrease.

The Superior Court granted company's motion to compel arbitration. Client appealed.

The Court of Appeals held that:

- Arbitration agreement was valid and enforceable, and
- Federal Arbitration Act (FAA) preempted state law.

Arbitration agreement contained in contract between client and investment company was valid and enforceable in parties' dispute over loss of client's funds, in which client alleged breach of contract, negligence, constructive fraud, and conversion, and in which investment company sought to compel arbitration; all of the contracts in the parties' controversy were valid and enforceable, and, contrary to client's claim, not procured by fraud, and evidence showed that client simply chose not to read the contract and chose to remain ignorant of the terms and conditions thereof.

Federal Arbitration Act (FAA) preempted state law in dispute between client and investment company, in which client alleged breach of contract, negligence, constructive fraud, and conversion over the loss of funds, and in which investment company sought to compel arbitration; notice of arbitration statute from governing state law were preempted by the FAA in cases of interstate commerce, and it was undisputed that parties' agreements affected interstate commerce.