

## **PIABA: FINRA'S EXTENDED DELAY OF IN-PERSON ARBITRATION HEARINGS LEAVING INVESTORS NO ACCESS TO JUSTICE**

*With No Guarantee of Even Zoom Hearings, Investor Cases Languish As Defendant Brokers and Firms Are Allowed to Exploit FINRA Delay to Their Benefit.*

**WASHINGTON, D.C. – April 27, 2021 --** In [a letter sent yesterday to the head of FINRA Dispute Resolution Services, Public Investors Advocate Bar Association](#) (PIABA) President David P. Meyer states that individual investors are being unfairly victimized by FINRA's ongoing decision to bar face-to-face arbitration proceedings.

The letter to FINRA Executive Vice President Richard Berry objects in strong terms to FINRA's decision to further extend the nationwide postponement of in-person hearings for all 69 of FINRA's hearing locations. Meyer points out that trial courts around the country and two major private arbitration forums resumed face-to-face proceedings some time ago or are doing so now. "PIABA conducted an analysis of the 20 largest FINRA hearing locations (by population) to learn whether courts in those jurisdictions were holding in-person civil jury trials. The results are overwhelming -- every single jurisdiction either is currently conducting in-person trials or will be doing so by July."

Meyer also points out that the single health consultant FINRA is using to justify its shutdown has not provided any public report or metrics for the decision.

But the biggest problem with the FINRA arbitration shutdown is that it unfairly benefits brokers and firms on the other side of the cases and prevents injured investors from seeking justice. The PIABA letter states: "... the indefinite delay in FINRA in-person hearings benefits the FINRA-member brokers and brokerage firms defending the arbitration claims brought by their customers in this forum."

"Investors do not have the option to take their disputes to court, so they are at the mercy of FINRA to timely administer its arbitration cases. As a result, aggrieved investors over the past thirteen months have had three options: 1) wait for FINRA to lift its indefinite and repeated postponements; 2) seek voluntary agreement from all the parties and arbitrators to appear in-person; or 3) file a motion for a hearing to proceed virtually via Zoom, and hope that the motion is granted by the arbitration panel."

The PIABA letter continues: “It is unsurprising that respondent firms and brokers are happy to let the cases they are defending linger on an indefinite hold under the FINRA postponements. They have no incentive to proceed with the case if they can push off a determination indefinitely. In those cases where a respondent firm has not joined the motion for a Zoom hearing, Claimants are left to petition the arbitration panel to permit the case to proceed by Zoom. More than one-third of those requests have been denied by arbitration panels. For these cases, the claimants are left with no access to justice. “

FINRA is now the only nationwide dispute resolution forum in the country that has refused to make plans to restart in-person hearings. The American Arbitration Association (AAA) will restart in-person hearings on May 15, 2021. JAMS, the largest private provider of alternative dispute resolution services worldwide, has been holding in-person arbitrations with new safety procedures in 22 out of its 24 hearing locations since June 2020.

### **ABOUT PIABA**

The Public Investors Advocate Bar Association is an international bar association whose members represent investors in disputes with the securities industry. Currently, there are members from 44 states, Puerto Rico, and Japan. The mission of PIABA is to advocate for equal access to justice for investors in all forums. PIABA works to promote fairness in the rules governing dispute resolution for investor claims against securities and commodities brokerage firms, registered investment advisory firms, and their associated representatives. PIABA also works toward creating, improving, and enforcing statutes, rules, regulations, case law, and policies designed to promote investor rights and to prevent misconduct by those who sell investments to the public. [www.piaba.org](http://www.piaba.org) @piabanews

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