



Dispute Resolution **January 2017 Edition**

Arbitration Claim Filing Guide

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ARBITRATION CLAIM FILING GUIDE

FINRA Dispute Resolution
One Liberty Plaza
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165 Broadway
New York, New York 10006

www.finra.org/arbitration_mediation



Introduction to Dispute Resolution

FINRA sponsors a forum for securities dispute resolution. Our arbitration program administers claims involving customers of brokerage firms and disputes between brokerage firms and their employees. We also offer a full-scope mediation program.

Mediation and arbitration are non-judicial methods of resolving disputes between two or more parties. Any type of dispute, claim or controversy arising out of business dealings with any FINRA brokerage firm¹ can be resolved in mediation or arbitration.

Consider Mediation First

Before you, a potential claimant, initiate arbitration or court litigation, consider mediating your claim since this is a natural first step in the dispute resolution process.

Mediation is an informal process in which a mediator facilitates negotiations between disputing parties. The mediator's role is to help the parties find a mutually acceptable solution to the dispute.

In mediation, you and the other parties control:

- ▶ who the mediator will be;
- ▶ when the mediation will occur; and
- ▶ how the dispute will be resolved.

Parties who mediate at this forum resolve four out of every five cases. In addition, resolution can be faster and less expensive than in arbitration or litigation. If you and the other parties agree to mediate, you will not give up any right to arbitrate or litigate if a full settlement is not reached.

For more information on our mediation program, please see the publication *FINRA Mediation—An Alternate Path to Resolving Securities Disputes*, available on our Web site at www.finra.org/arbitration_mediation.

FINRA Arbitration

If all parties do not fully settle their claims or you decide to arbitrate your claim without mediation, you may submit your claim to FINRA. In arbitration, an impartial person or panel hears the presentations of the parties, evaluates the evidence and decides how the matter will be resolved. When you choose arbitration to resolve your dispute, you forego the opportunity to have the same matter decided by a court of law because an arbitration award at this forum is final and binding.

This *Arbitration Claim Filing Guide* provides information for you and all parties involved in arbitration proceedings. The guide explains how to file an initial Statement of Claim and other pleadings. It also outlines the way pleadings should be served upon the other parties, and provides information and guidance on other aspects of the arbitration process.

Parties to FINRA arbitrations or mediations are bound by FINRA's rules. The *Code of Arbitration Procedure*² contains the formal rules that govern arbitrations and mediations administered by FINRA. The *Code* is available on our Web site at www.finra.org/arbitration_mediation. Take the time to read and understand the *Code*. In addition, please review our Web site as it contains additional important information about FINRA's case administration processes and procedures.

1 FINRA also provides dispute resolution services for several non-FINRA exchanges through contracted agreements. By agreement with these other exchanges, the exchanges adopt FINRA's rules and subject the firms registered with the exchanges to FINRA Dispute Resolution's rules and procedures. The following exchanges have agreements with FINRA for dispute resolution services: BATS Exchange, BOX Options Exchange, LLC (BOX), Chicago Board Option Exchange (CBOE), Direct Edge, International Securities Exchange (ISE), MIAX Options Exchange (MIAX), Municipal Securities Rulemaking Board (MSRB), NASDAQ, NASDAQ OMX (includes the former Boston Stock Exchange and Philadelphia Stock Exchange), New York Stock Exchange, NYSE Amex and NYSE Arca. The agreements with these exchanges offer firms and investors consistency of procedures and the uniformity of a single forum for the resolution of securities industry related disputes. Contact FINRA Dispute Resolution staff to determine whether a potential party may be subject to mandatory arbitration in FINRA's forum under one of the agreements.

2 The *Code of Arbitration Procedure* is separated into three parts: the *Customer Code*, the *Industry Code* and the *Mediation Code*.



FINRA DISPUTE RESOLUTION OFFICES

Northeast Region

FINRA Dispute Resolution
One Liberty Plaza, 27th Floor
165 Broadway
New York, NY 10006
(212) 858-4200
Fax: (301) 527-4873
Neprocessingcenter@finra.org

Western Region

FINRA Dispute Resolution
300 S. Grand Avenue, Suite 1700
Los Angeles, CA 90071
(213) 613-2680
Fax: (301) 527-4766
Westernprocessingcenter@finra.org

Southeast Region

FINRA Dispute Resolution
Boca Center Tower 1
5200 Town Center Circle, Suite 200
Boca Raton, FL 33486
(561) 416-0277
Fax: (301) 527-4868
FL-Main@finra.org

Midwest Region

FINRA Dispute Resolution
55 West Monroe Street, Suite 2600
Chicago, IL 60603-1002
(312) 899-4440
Fax: (312) 236-9239
Midwestprocessingcenter@finra.org

If you have any questions, call the appropriate FINRA Dispute Resolution office, Monday through Friday, between 9 a.m. and 5 p.m.

FINRA is not authorized to give you legal advice or to comment on the merits of your case. If you feel that you need legal advice, consult a lawyer.



PART ONE: Filing the Initial Statement of Claim

1. Statement of Claim

You begin the arbitration process by filing a Statement of Claim, which is a written narrative that sets forth the facts of the dispute. While the Statement of Claim does not have to be in a special form, it should set forth the details of the dispute, including all relevant dates and names, in a clear, concise and chronological fashion, and should conclude by indicating what relief (*e.g.*, the amount of money damages, specific performance, interest, etc.) is requested.

If your Statement of Claim refers to documents, copies of the documents should be attached as exhibits. Exhibits must be clearly identified and a complete set should be attached to each copy of the Statement of Claim. Number each page of your Statement of Claim to indicate the page number and the total amount of pages. For example, if your Statement of Claim contains four pages, number the pages as follows: "Page 1 of 4," "Page 2 of 4," "Page 3 of 4" and "Page 4 of 4."

Except for arbitration awards, which are publicly available, the documents and information in FINRA Dispute Resolution case files are confidential. FINRA Dispute Resolution limits access to personal confidential information to FINRA staff members who need it to perform their job functions, and to arbitrators, mediators or other individuals involved directly in the arbitration or mediation process. Examples of personal confidential information include:

- ▶ Social Security numbers;
- ▶ Brokerage, bank or other financial account numbers;
- ▶ Taxpayer identification numbers; and
- ▶ Medical records.

Parties and their counsel also should take steps to protect their confidential information. Parties can safeguard personal confidential information by redacting such information from pleadings, exhibits and other documents upon agreement of the parties. For example, the parties may agree:

- ▶ Not to use or to redact Social Security, account or driver license numbers; and
- ▶ Where such data must be referenced, to use only the last few digits of social security, bank or account numbers, or similar information.

If you include an employee of a broker-dealer as a respondent, the employee's name and current business address should be provided on the enclosed Claim Information Sheet. If you do not know the employee's current business address, FINRA will attempt to obtain it. If the respondent employee is not currently working as a broker, you should provide the employee's current residential address on the enclosed Claim Information Sheet, if known. If FINRA cannot locate an employee respondent, you will be required to provide a valid address for the respondent.

If you are a claimant firm³ and the respondent is a public customer, you must include, with your Statement of Claim, a copy of the predispute agreement signed by the customer to arbitrate *this* dispute with *you* at *this* forum. If you do not file a copy of the customer predispute arbitration agreement, you will delay the processing of your claim.

The text of your Statement of Claim should contain an explanation of how and why each of the respondents is liable.

³ See remarks at footnote 1.



QUESTION: Can I file my arbitration claim online?

Any party may submit an arbitration claim through the FINRA Office of Dispute Resolution's DR Portal. Online filing is a convenient way to file an arbitration claim. FINRA will make copies of your documents to serve on the respondents and for the arbitrators. Claims are deemed filed when the claimant submits the claim electronically through the portal. Filing online allows you to:

- ▶ complete an online Claim Information Form;
- ▶ submit a Statement of Claim, signed Submission Agreement and other supporting documentation electronically (no hardcopy submissions required);
- ▶ pay the filing fees online;
- ▶ generate a printable receipt with tracking number; and
- ▶ save multiple partially completed claims and return to them later.

The DR Portal also allows parties to:

- ▶ view case documents;
- ▶ submit documents to FINRA and send documents to other portal case participants;
- ▶ schedule hearing dates;
- ▶ view details of upcoming hearings; and
- ▶ rank and strike arbitrators during list selection.

Parties can access the DR Portal at:
<https://drportal.finra.org>

The DR Portal User Guide and FAQ can be found at:
<http://www.finra.org/arbitration-and-mediation/dispute-resolution-portal-user-guides>.

Effective July 20, 2015, we began inviting all parties in all new cases to use the portal on a voluntary basis. We will invite claimants to use the portal immediately upon receipt of the claim at the regional office and will invite respondents to use the portal immediately upon receiving a notice of appearance, request for extension, or statement of answer from respondents' counsel.

QUESTION: What is the dollar amount of your claim?

If your claim is **\$50,000 or less**, it will be classified as a "simplified arbitration." The procedure for processing a simplified arbitration is as follows:

- ▶ One arbitrator decides a simplified arbitration.
- ▶ The case will be decided exclusively on the filed documents (without a hearing) unless the customer in a customer case or the claimant in an industry case requests or agrees to a hearing.

If the total amount in controversy is **more than \$50,000 and up to \$100,000**, exclusive of interest and expenses, one arbitrator will be selected to decide the case unless both parties agree in writing to a panel of three arbitrators.

If the total amount in controversy is **more than \$100,000 or an unspecified or non-monetary** amount, a panel of three arbitrators will be selected to decide the case.

2. Arbitration List Selection

QUESTION: Can parties in an investor case have a panel of all public arbitrators decide the case?

FINRA will appoint a single public arbitrator in customer cases decided by one arbitrator.

In customer cases decided by three arbitrators, FINRA Rule 12403 allows any party to select an all public panel of arbitrators. Effective for all arbitrator lists FINRA sends to parties on or after January 3, 2017, FINRA will send the parties three lists – one with 10 chair-qualified public arbitrators, one with 15 public arbitrators, and one with 10 non-public arbitrators. Each separately represented party may strike up to four of the 10 arbitrators on the chair-qualified public list for any reason by crossing through the names of the arbitrators (at least six names must remain on the chair-qualified public list). Each separately represented party may strike up to six of the 15 arbitrators on the public list for any reason by crossing through the names of the arbitrators (at least nine names must remain on the public list). By striking all of the arbitrators on the non-public list, any party can ensure that the panel will have three public arbitrators. FINRA will not appoint a non-public arbitrator to the panel who has not been selected by the parties.



QUESTION: As a party in an intra-industry case, which arbitrators will decide my case?

Parties in intra-industry cases should refer to the Code of Arbitration Procedure for Industry Disputes for information on arbitrator list selection.

3. Submission Agreement

An original Submission Agreement also must accompany your Statement of Claim (see p. 23). The Submission Agreement is a document that signifies that you elect to submit a claim to FINRA and to abide by the selected arbitrator(s)' decision on the initial claim and on any other related claim that other parties serve and file. Therefore, parties should not alter the language of the Submission Agreement.

Once you sign and file a Submission Agreement with FINRA, the procedures and timing set out in the *Codes* become operative and binding. A Submission Agreement for claimants is included in this guide. You may copy the form as needed.

The arbitration process will begin only when all claimants or their properly authorized representatives sign, date and file the Submission Agreements.

By signing the Submission Agreement, you are stating that you are one of the following: (1) the claimant; or (2) a person with legal authority to bind the claimant; or (3) a person with firsthand knowledge of the facts and actual or implied authority to act on behalf of the claimant; or (4) an attorney who has actual or implied written or verbal power of attorney from the claimant to sign on the claimant's behalf, and thus, bind the claimant to the terms of the Submission Agreement, as if the claimant personally signed the form.

You must complete the "Claimant" and "Respondent" portions on the front of a Submission Agreement. In the blank spaces provided for the claimants' names, you should write or type the name of each claimant filing the Statement of Claim. Public customer claimants should list themselves the same way the account was listed with the broker-dealer. For example,

- (1) if your account was a joint account listed as "Tom Smith and Mary Smith, JTWROS," it should be written or typed in this manner under the claimant heading.
- (2) if you had two accounts, a personal and an IRA, they should be written or typed as "John Smith and John Smith, IRA."

- ▶ Claimants must complete the respondent portion of the Submission Agreement. In the blank spaces provided for the respondents' names, you should write or type the name of each respondent you believe is liable.
- ▶ The respondent(s) listed on the Submission Agreement must be identical with those appearing in your Statement of Claim. If they are not identical, you will delay the processing of your claim.
- ▶ Do not list "John Doe" respondents in the respondent portion of the Submission Agreement. FINRA Dispute Resolution will not serve unidentified respondents. If you list "John Doe" respondents, you will delay the processing of your claim. Please review the Amendments to Pleadings section on page 10.

4. Respondents – Active Firms

In a customer case, the respondent should be either a firm and/or someone associated with a firm.⁴ To determine whether the respondents you are naming are FINRA firms or associated persons, you may consult the FINRA's BrokerCheck program on the Web at www.finra.org/BrokerCheck, or call the Broker Check Hotline at (800) 289-9999 Monday through Friday from 8 a.m. to 8 p.m. Eastern Time.

⁴ See remarks at footnote 1.



5. Respondents – Terminated Firms

Under Rule 12202 of the *Customer Code*, a FINRA firm whose membership is terminated, suspended, canceled or revoked, or that has been expelled from FINRA or a related exchange, or that is otherwise defunct is prohibited from enforcing predispute arbitration agreements with its customers to arbitrate at FINRA unless the customers agree in writing to do so after the claim has arisen. If the customer chooses not to proceed with the claim in this forum, and has not agreed to arbitrate the claim in another forum, he or she may be able to bring this claim in court.

FINRA will assume that the customer wants to proceed with the claim in this forum, based upon the signed Submission Agreement. However, FINRA will notify the customer if the firm's membership status is inactive and of its intent to serve the claim, unless the claimant submits written notice within 30 calendar days that he or she does not want to arbitrate the claim in this forum.

The above rule does not affect customer claims involving a firm that has been acquired by another firm that assumes its liabilities. Also, it does not affect claims involving an associated person whose registration has been barred, terminated, revoked or suspended.

If the customer decides to proceed with the claim in this forum, he or she should be aware that arbitration awards against a firm whose membership status is terminated, suspended, canceled, revoked, expelled or otherwise defunct, have a much higher incidence of non-payment than those against active firms. The claimant should also be aware that FINRA has only limited disciplinary authority over inactive firms that fail to satisfy arbitration awards.

To save time, before filing an arbitration claim you:

- ▶ May review the FINRA Public Disclosure Program to determine the firm's FINRA membership status. (Customers may access FINRA's BrokerCheck program on the Web at www.finra.org/BrokerCheck, or call the BrokerCheck Hotline at (800) 289-9999 Monday through Friday from 8 a.m. to 8 p.m. Eastern Time.) Customers may also review the firm's membership status at the appropriate exchange.
- ▶ Should determine whether you wish to proceed in arbitration against a former firm or go to court.

If you determine that you wish to proceed in arbitration, advise FINRA, in writing, that you want to proceed against the firm whose membership status was terminated, suspended, canceled, revoked, expelled or otherwise defunct. Failure to provide this written statement with your claim will delay the processing of your arbitration case.

6. Fees

You must pay a filing fee at the time you file your Statement of Claim. The amount of this fee is based on the total amount of your claim including any punitive and treble damages but excluding interest and expenses. One check for the filing fee must be made payable to "FINRA Dispute Resolution." Use Parts III and IV of the Claim Information Sheet to determine the correct fee.

FINRA will process your claim only if the correct filing fee is submitted. However, you can obtain a temporary waiver of the filing fee if you can demonstrate a financial hardship.



QUESTION: How does FINRA credit a filing fee paid by one claimant, by claimants' representative or by a non-party, in cases with multiple claimants?

- ▶ If a claim includes multiple claimants, the claimants collectively owe a single filing fee. FINRA will accept a check from any of the claimants, from the party representative or from a non-party on behalf of the claimants.
- ▶ If one claimant pays the filing fee, FINRA will credit the paying claimant the amount of the check.
- ▶ If claimants' representative, or a non-party, pays the filing fee on behalf of the claimants, FINRA will credit the amount of the check to the first named claimant in the Statement of Claim.
- ▶ These procedures also apply to counterclaims, cross claims and third party claims filed on behalf of multiple respondents.

QUESTION: How does FINRA use the filing fee paid by one claimant or by claimants' representative, in cases with multiple claimants?

- ▶ At the conclusion of the case, FINRA will use the filing fee check to pay fees owed by any claimant.
- ▶ FINRA will evenly distribute the funds to pay each claimant's fees. If any funds remain for any of the claimants, FINRA will use those funds to pay the balance of fees owed by any other claimants.
- ▶ These procedures also apply to counterclaims, cross claims and third-party claims filed on behalf of multiple respondents.

QUESTION: How do I request a waiver of the filing fee?

- ▶ Make a written request for the waiver stating the reason(s) that would make payment of the filing fee a financial hardship.
- ▶ Include with the written request for waiver the following in support of the request: a copy of your most recently filed tax return; two of your most recent pay stubs; and documentation of garnishment or lien, or other documents that evidence hardship.
- ▶ If you are unable to provide this documentation in support of financial hardship, submit an affidavit attesting to your financial hardship.
- ▶ The staff person assigned to your case will inform you in writing of the decision to grant or deny your request for a waiver of fees. In the event your request is granted, remember the waiver is temporary in nature. The selected arbitrator(s) will make a final decision on the assessment of these fees after considering a number of factors, including the documentation you supplied in support of the waiver request.
- ▶ Be aware that forum fees accrue for each prehearing conference and for each hearing session conducted. A hearing session is any meeting with the arbitrator(s) that lasts four hours or less.



7. Claim Information Sheet

The Claim Information Sheet (Information Sheet) (see p. 14) is a synopsis of the information contained in your Statement of Claim. FINRA requests that you voluntarily complete and file with the New York Dispute Resolution Office all parts of the Information Sheet in this packet because it will help the assigned staff to quickly access the facts of your case. **The Information Sheet is not a substitute for a Statement of Claim.**

QUESTION: How do you file your Statement of Claim?

File your Statement of Claim with FINRA's New York Office (the address is on the cover of this guide). Assemble your documents in the following order:

1. Check or money order (DO NOT SEND CASH)
2. Submission Agreement(s) (with additional copies)
3. Claim Information Sheet
4. Statement of Claim and Exhibits

Upon receipt of your filing, your case will be assigned to the appropriate regional office and you will be provided with a case number.

FINRA will notify you of the staff person assigned to your case during this stage of the process. You may direct any questions to that staff person. Always reference your case number when you write or call about your case to enable that staff member to assist you quickly.

PART TWO: Filing Statements of Answer

QUESTION: Who will serve the Statement of Claim?

FINRA will serve your Statement of Claim on each of the respondents that you list and against whom you assert a claim. FINRA also will notify the respondents and you of the anticipated initial hearing location of the case.

After the initial Statement of Claim is served, FINRA is not obligated to serve any pleadings, motions or correspondence on any party. You and the other parties must serve and file these other documents as described in Parts Two, Three and Four of this guide.

If you are a respondent, the entity or person responding to a claim, the *Codes* allow you 45 calendar days to serve and file answers to claims.

Your answer must specify all defenses available to each claim.

QUESTION: How do you serve and file a Statement of Answer?

In contrast to the initial claim, when you answer a claim you must serve every party with copies of your executed Submission Agreement and answer. Parties include all respondents and claimants.

At the same time, you must file an original executed Submission Agreement and answer with the FINRA Dispute Resolution office designated in the service of claim letter.

You should establish proof of service. Proof of service is a signed statement indicating the date, time and manner of service.

QUESTION: Can you obtain an extension of time to serve and file your answer?

With claimants' written consent, you may obtain extensions of time to answer.

FINRA staff will not grant you an extension of time to answer, except upon a showing of good cause.



PART THREE: Filing Other Claim(s)

With your answer, you also may serve and file claims. The types of claims include the following:

1. **counterclaims** that are asserted against claimants;
2. **cross-claims** that are asserted against already named co-respondents; and
3. **third-party claims** that are asserted against a party not named in any previous pleading.

If you assert counterclaims, cross-claims or third-party claims, the filing fee will be determined by the highest claim amount, excluding interest and expenses. To determine the correct fee, see Parts III and IV of the Claim Information Sheet. A check for the fee must be made payable to “FINRA Dispute Resolution.”

QUESTION: How do you serve and file counterclaims and cross-claims?

You must serve every party you list and against whom you assert a claim with a copy of your answer containing a counterclaim or cross-claim, and you should establish proof of service.

You also must send one copy of the answer containing your claim(s) and the executed Submission Agreement to all other parties for their information and review.

At the same time, you must also send a copy of the answer containing your claim(s) and the executed Submission Agreement to the regional office administering your claim.

QUESTION: How do you serve and file third-party claims?

You must serve every new party you list and against whom you assert a claim with a copy of your answer containing third-party claim(s), and you should establish proof of service.

You also must serve the new respondent with:

- ▶ the Statement of Claim and all other pleadings; and
- ▶ a copy of this guide.

You must send one copy of the answer containing your third-party claim(s) and the executed Submission Agreement to all other parties.

At the same time, you must also send a copy of the answer containing your claim(s) and the executed Submission Agreement to the regional office administering your claim.

1. Amendments to Pleadings

You must serve directly on all parties amendments to Statements of Claim and Statements of Answer. If you receive an amendment you must review Rule 12310 of the *Customer Code* or Rule 13310 of the *Industry Code* to determine your time to file a response to the amendment. If you amend your answer to include a counterclaim, cross-claim or third-party claim, you must serve it in accordance with the instructions contained in Parts Two and Three of this guide.

At the same time, you must file a copy of the



PART FOUR: General Information

amendment with the designated FINRA Dispute Resolution office.

If you amend an initial Statement of Claim or if you amend a Statement of Answer to add a new respondent, you must serve the new respondent with:

- ▶ the amendment;
- ▶ the Statement of Claim and all other pleadings; and
- ▶ a copy of this guide.

If you are a new respondent, you have 45 calendar days to serve and file an answer and any related claim in accordance with the instructions contained in Parts Two and Three of this guide.

If you receive an amended answer containing a cross-claim, you have 20 calendar days from the date your answer is due, or from receipt of the cross-claim (whichever is later) to serve and file an answer and any related claim in accordance with the instructions contained in Parts Two and Three of this guide.

Once a panel has been appointed, a party may only amend a pleading if the panel grants a motion to amend. Once the ranked arbitrator lists are due to the Director, no party may amend a pleading to add a new party until a panel has been appointed and the panel grants a motion to add the party.

2. Hearing Locations

After all pleadings (claims, answers, counterclaims, replies, cross-claims and third-party claims) are served and filed, FINRA will notify you and the other parties in writing of its final decision on the initial hearing location.

FINRA conducts hearings in at least one city in every state, as well as in London, England and San Juan, Puerto Rico.

National Hearing Locations

Alabama: Birmingham	Nebraska: Omaha
Alaska: Anchorage	Nevada: Las Vegas, Reno
Arizona: Phoenix	New Hampshire: Manchester
Arkansas: Little Rock	New Jersey: Newark
California: Los Angeles, San Diego, San Francisco	New Mexico: Albuquerque
Colorado: Denver	New York: Albany, Buffalo, New York, Syracuse
Connecticut: Hartford	North Carolina: Charlotte, Raleigh
Delaware: Wilmington	North Dakota: Bismarck
Florida: Boca Raton, Jacksonville, Miami, Orlando, Tampa	Ohio: Cincinnati, Cleveland, Columbus
Georgia: Atlanta	Oklahoma: Oklahoma City
Hawaii: Honolulu	Oregon: Portland
Idaho: Boise	Pennsylvania: Philadelphia, Pittsburgh
Illinois: Chicago	Rhode Island: Providence
Indiana: Indianapolis	South Carolina: Columbia
Iowa: Des Moines	South Dakota: Rapid City
Kansas: Wichita	Tennessee: Memphis, Nashville
Kentucky: Louisville	Texas: Dallas, Houston
Louisiana: New Orleans	Utah: Salt Lake City
Maine: Augusta	Vermont: Montpelier
Maryland: Baltimore	Virginia: Norfolk, Richmond
Massachusetts: Boston	Washington, DC
Michigan: Detroit	Washington: Seattle
Minnesota: Minneapolis	West Virginia: Charleston
Mississippi: Jackson	Wisconsin: Milwaukee
Missouri: Kansas City, St. Louis	Wyoming: Cheyenne
Montana: Helena	

International Hearing Locations

England: London	Puerto Rico: San Juan
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Hearing Location

In accordance with Rule 12213 of the *Customer Code* if an arbitration dispute involves a **public customer**, FINRA will generally select the hearing location closest to the customer's residence at the time the dispute arose, unless the customer requests in his/her initial filing a hearing location in the customer's state of residence at the time the dispute arose.

For example, if a Kansas resident lives only five miles from Kansas City, Missouri (and did so at the time the dispute arose), but specifies Wichita, Kansas as his requested hearing location—a location more than five miles from his residence—FINRA would select Wichita as the hearing location.

In accordance with Rule 13213 of the *Industry Code*, if an arbitration involves an **employment dispute** between a firm and an associated person, FINRA generally will select the hearing location that is closest to the location where the associated person was employed at the time the dispute arose, unless the associated person requests in his/her initial filing a hearing location in the associated person's state of employment at the time the dispute arose.

Per Rule 13213, in industry disputes involving FINRA firms only, unless the firms are located in the same city, FINRA will consider a number of factors when deciding the hearing location. These include the following:

- ▶ signed agreements to arbitrate;
- ▶ who initiated the transactions or business at issue; and
- ▶ location of essential witnesses and documents.

If all parties in any arbitration agree to a hearing location, FINRA ordinarily will select that hearing location.

3. Correspondence with Parties and FINRA

You must serve all parties and file with FINRA any correspondence sent to parties—in addition to pleadings and amendments.

4. Settlement of a Claim

Claimant(s) must write directly to the assigned staff if any claim settles. FINRA will not close the case without receiving written notice from the claimant. Failure to advise FINRA timely of a settlement of a claim may affect claimant's entitlement to a return of the refundable portion of the filing fee.

5. Withdrawal of a Claim

Rule 12702 of the *Customer Code* and Rule 13702 of the *Industry Code* provide for withdrawal of a claim:

- ▶ If you wish to withdraw your claim after the claim has been served and filed, but before the respondent has served and filed the answer, you may withdraw the claim without prejudice⁵ by informing the respondent in writing and copying the designated FINRA Dispute Resolution office and all other parties.
- ▶ If you wish to withdraw your claim after the claim has been served and filed, and after the answer has been served and filed, by the respondent, you may not withdraw the claim without prejudice, unless the respondent agrees to a withdrawal without prejudice or with the arbitrator(s)' consent.

⁵ "Without prejudice" means without interfering with any existing right you may have to refile this claim at this or another forum.



6. Payment of Fees

Any time a fee is assessed to you during the case, you will receive an invoice that reflects the fee assessed. At the conclusion of the case, you will receive a Statement of Account that reflects the fees assessed and any outstanding balance or refund due. Fees are due and payable to FINRA Dispute Resolution upon receipt of an invoice and should be remitted to the address specified on the invoice.

All questions regarding assessment of fees should be directed to the regional office administering your case. All questions regarding payment of fees and refunds should be directed to FINRA Finance at (240) 386-5910.

7. Representation of Parties

Rule 12208 of the *Customer Code* and Rule 13208 of the *Industry Code* permit parties to an arbitration or mediation to represent themselves or to be represented by an attorney admitted to practice and in good standing in any jurisdiction, unless state law prohibits such representation. In addition, a non-attorney may represent parties, unless state law prohibits such representation, the person is currently suspended or barred from the securities industry in any capacity, or the person is currently suspended from the practice of law or disbarred.

FINRA maintains a list of law school securities arbitration clinics, which provide representation to investors at reduced or no cost. For help finding an attorney or a law school securities arbitration clinic, please visit our website at <http://www.finra.org/arbitrationandmediation/finradisputeresolution/optionsforinvestors/findanattorney/>.



CLAIM INFORMATION SHEET

I. PARTIES

CLAIMANT(S): (Provide this information even if you are represented by counsel.)

Name

Address

City

State

Zip Code

Daytime Telephone

Fax #

Email Address

Residence during the time of the dispute (if different from above):

Name

Address

City

State

Zip Code

Claimant is a:

Public customer

Broker-dealer

Person associated with a broker-dealer

If you checked "Broker-dealer" or "Person associated with a broker-dealer," it is important that you provide the correct BD/CRD number. To determine whether a party is a FINRA firm or associated person, you may consult FINRA's BrokerCheck program on the Web at www.finra.org/BrokerCheck.

BD # _____

CRD # _____

Claimant's Counsel/Representative (if applicable): (Note: FINRA requires that persons representing Florida investors in arbitration proceedings conducted in or outside of the State of Florida affirm either that they are licensed to practice law and provide a bar identification number, or that they are not receiving compensation in connection with representing the party in the arbitration proceeding.)

Name

Bar ID # (if applicable)

Address

City

State

Zip Code

Business Telephone

Fax #

Email Address

If needed, copy this page to list additional claimants.



CLAIM INFORMATION SHEET

RESPONDENT(S)

Respondent #1:

Name

Address (if known)

City

State

Zip Code

Business Telephone

Fax

Email Address

Respondent #1 is a:

Public customer

Broker-dealer

Person associated with a broker-dealer

If you checked "Broker-dealer" or "Person associated with a broker-dealer," it is important that you provide the correct BD/CRD number. To determine whether a party is a FINRA firm or associated person, you may consult FINRA's BrokerCheck program on the Web at www.finra.org/BrokerCheck.

BD #

CRD #

Respondent #2:

Name

Address (if known)

City

State

Zip Code

Business Telephone

Fax #

Email Address

Respondent #2 is a:

Public customer

Broker-dealer

Person associated with a broker-dealer

If you checked "Broker-dealer" or "Person associated with a broker-dealer," it is important that you provide the correct BD/CRD number. To determine whether a party is a FINRA firm or associated person, you may consult FINRA's BrokerCheck program on the Web at www.finra.org/BrokerCheck.

BD #

CRD #

If needed, copy this page to list additional respondents.



CLAIM INFORMATION SHEET

II. CLAIMS

Accounts: If the dispute or claim involves activity with respect to an account or accounts, please list each account and indicate the type of account it is (*e.g.*, joint account, custodial account, etc.)

1.

Name (exactly as it appears on the account)

Type of Account

Name of Firm and Branch Office

Date Account Opened

Name of Registered Representative

2.

Name (exactly as it appears on the account)

Type of Account

Name of Firm and Branch Office

Date Account Opened

Name of Registered Representative

3.

Name (exactly as it appears on the account)

Type of Account

Name of Firm and Branch Office

Date Account Opened

Name of Registered Representative

If needed, copy this page to list additional accounts.



CLAIM INFORMATION SHEET

Type of Dispute: (Check where applicable)

a. Account Related

<input type="checkbox"/>	Breach of Contract	<input type="checkbox"/>	Exchanges	<input type="checkbox"/>	Transfer
<input type="checkbox"/>	Collection	<input type="checkbox"/>	Failure to Supervise	<input type="checkbox"/>	Other
<input type="checkbox"/>	Dividends	<input type="checkbox"/>	Margin Calls	<input type="checkbox"/>	
<input type="checkbox"/>	Errors/Charges	<input type="checkbox"/>	Negligence	<input type="checkbox"/>	

b. Executions

<input type="checkbox"/>	Execution Price	<input type="checkbox"/>	Incorrect Quantity	<input type="checkbox"/>	Other
<input type="checkbox"/>	Failure to Execute	<input type="checkbox"/>	Limit Versus Market Order	<input type="checkbox"/>	

c. Account Activity

<input type="checkbox"/>	Breach of Fiduciary Duty	<input type="checkbox"/>	Manipulations	<input type="checkbox"/>	Suitability
<input type="checkbox"/>	Churning	<input type="checkbox"/>	Misrepresentations	<input type="checkbox"/>	Unauthorized Trading
<input type="checkbox"/>	Fraud	<input type="checkbox"/>	Omission of Facts	<input type="checkbox"/>	Other

d. Employment

<input type="checkbox"/>	Breach of Contract	<input type="checkbox"/>	Discrimination National Origin	<input type="checkbox"/>	Partnerships
<input type="checkbox"/>	Commissions	<input type="checkbox"/>	Discrimination Race	<input type="checkbox"/>	Promissory Notes
<input type="checkbox"/>	Compensation	<input type="checkbox"/>	Discrimination Religion	<input type="checkbox"/>	Sexual Harassment
<input type="checkbox"/>	Discrimination Age	<input type="checkbox"/>	Discrimination Sexual Preference	<input type="checkbox"/>	Training Contracts
<input type="checkbox"/>	Discrimination Disability	<input type="checkbox"/>	Libel or Slander	<input type="checkbox"/>	Wrongful Termination
<input type="checkbox"/>	Discrimination Gender	<input type="checkbox"/>	Libel or Slander on Form U-5	<input type="checkbox"/>	Other

e. Trading Dispute

<input type="checkbox"/>	Buy-In	<input type="checkbox"/>	Markups	<input type="checkbox"/>	Transfers
<input type="checkbox"/>	D.K.s	<input type="checkbox"/>	Sell Outs	<input type="checkbox"/>	Other
<input type="checkbox"/>	Manipulation	<input type="checkbox"/>	Stock Loan	<input type="checkbox"/>	

f. Other

<input type="checkbox"/>	Clearing Dispute	<input type="checkbox"/>	Indemnification	<input type="checkbox"/>	Underwriting
<input type="checkbox"/>	Defamation	<input type="checkbox"/>	Raiding Disputes	<input type="checkbox"/>	



g. Type of Security(ies), Financial Instrument(s), and/or Investment(s) involved in the Dispute:

	Annuities		“Fannie Maes”		Options
	Variable Annuities		“Freddie Macs”		Preferred Stock
	Auction-Rate Securities		Futures		Private Equities
	Certificates of Deposit		“Ginnie Maes”		Real Estate Investment Trust
	Collateralized Debt Obligations (CDOs)		Government Securities		Repurchase Agreements
	Collateralized Mortgage Obligations (CMOs)		Hedge Funds		Reverse Convertibles
	Commodities (Other than Futures)		Limited Partnerships		Reverse Repurchase Agreements
	Common Stock		Municipal Bonds		Stock Index Futures
	Corporate Bonds		Municipal Bond Funds		Structured Products
	Exchange-Traded Funds		Mutual Funds		Warrants/Rights
	Other:				



CLAIM INFORMATION SHEET

III. RELIEF REQUESTED

1. Damages

Actual Damages Requested _____ \$ _____ 1.
(monetary sum required to compensate a party for his or her loss excluding interests and expenses)

Punitive Damages Requested _____ 2.
(monetary amount intended to punish the wrongdoer)

* AMOUNT IN DISPUTE: _____ 3.

* Use this amount to calculate the correct filing fee and hearing session deposit in Part IV. This amount *must* match the amount stated in your claim.

Interest
(include calculations, if possible) _____

2. Other Type of Relief Requested

Specific Performance (Specify the type of specific performance sought)
(specific performance requires parties to take an action, such as turning over ownership of stocks)

Injunctive Relief (Specify the type of injunctive relief sought)
(injunctions require parties to refrain from certain actions)

3. Costs

(Provide specific amounts, if known. If not known, please mark an "X" to indicate the costs you are requesting)

Forum Fees

Witness and Production Fees

Attorney's Fees

Other Case-Related Costs

4. Claims Requesting Expungement

As of January 1, 2016, FINRA will ask parties requesting expungement to: (1) Provide FINRA with the CRD occurrence number(s) which is the subject of the expungement request; (2) Provide the case name and docket number that gave rise to the disclosure, if applicable; (3) State whether they have previously requested expungement of the same disclosure in CRD, and if so, explain the outcome of that request; and (4) State whether they are currently or previously registered in CRD and provide their CRD number.

Parties should include all subject CRD occurrence numbers on the first page of their expungement request. Providing this information will ensure the accurate and timely processing of all expungement requests.

Failing to provide this information may unnecessarily delay the proceedings.

Individuals with CRD numbers can instantaneously access their registration and licensing information by requesting an Individual Snapshot Report at: *Individual Snapshot Report*.



CLAIM INFORMATION SHEET

Customer or Associated Person Claimant

IV. FEES

TO DETERMINE THE CORRECT FEE, USE THE “AMOUNT IN DISPUTE” FIGURE ON LINE 3, PAGE 19.

If you are a **CUSTOMER OR ASSOCIATED PERSON CLAIMANT** use this table (Rule 12900 of the *Customer Code* or Rule 13900 of the *Industry Code*) to determine the filing fee that **MUST** accompany a Statement of Claim when it is filed with FINRA. If your claim does **NOT** disclose or specify a monetary claim, the filing fee is \$1,575.

Find the amount of your dispute on the chart, then find the applicable claim filing fee.

Filing Fees for Claims Filed by Customers, Associated Persons and Other Non-Members

<u>Amount of Claim (exclusive of interest and expenses)</u>	<u>Filing Fee</u>
\$.01 to \$1,000	\$50
\$1,000.01 to \$2,500	\$75
\$2,500.01 to \$5,000	\$175
\$5,000.01 to \$10,000	\$325
\$10,000.01 to \$25,000	\$425
\$25,000.01 to \$50,000	\$600
\$50,000.01 to \$100,000	\$975
\$100,000.01 to \$500,000	\$1,425
\$500,000.01 to \$1,000,000	\$1,725
\$1,000,000.01 to \$5,000,000	\$2,000
Over \$5,000,000	\$2,250
Non-Monetary/Not Specified	\$1,575

Once you have determined the correct filing fee, submit it with your Statement of Claim. For example, if you are a **customer** or **associated person** claimant and the amount of your claim is \$40,000, the claim filing fee is \$600. Mail the check with your Statement of Claim, Claim Information Sheet and properly executed Submission Agreement.



CLAIM INFORMATION SHEET

Firm Claimant

TO DETERMINE THE CORRECT FEE, USE THE “AMOUNT IN DISPUTE” FIGURE ON LINE 3, PAGE 19.

If you are a **FIRM CLAIMANT** use this table (Rule 12900 of the *Customer Code* or Rule 13900 of the *Industry Code*) to determine the filing fee that **MUST** accompany a Statement of Claim when it is filed with FINRA. If your claim does **NOT** disclose or specify a monetary claim, the filing fee is \$1,700.

Find the amount of your dispute on the chart, then find the applicable claim filing fee.

Member Claimant

Amount of Claim (exclusive of interest and expenses)	Filing Fee
\$.01 to \$1,000	\$225
\$1,000.01 to \$2,500	\$350
\$2,500.01 to \$5,000	\$525
\$5,000.01 to \$10,000	\$750
\$10,000.01 to \$25,000	\$1,050
\$25,000.01 to \$50,000	\$1,450
\$50,000.01 to \$100,000	\$1,750
\$100,000.01 to \$500,000	\$2,125
\$500,000.01 to \$1,000,000	\$2,550
\$1,000,000.01 to \$5,000,000	\$3,400
Over \$5,000,000	\$4,000
Non-Monetary/Not Specified	\$1,700

Once you have determined the correct filing fee, you should calculate the appropriate member surcharge outlined on page 22 and submit the total with your Statement of Claim. For example, if you are a **firm** claimant and the amount of your claim is \$40,000, the claim filing fee is \$1,450, and the member surcharge is \$750. Therefore, you should send one check **payable to FINRA Dispute Resolution** in the amount of \$2,200. Mail the check with your Statement of Claim, Claim Information Sheet and properly executed Submission Agreement.



CLAIM INFORMATION SHEET

Member Surcharge & Process Fees

Rules 12901 and 12903 of the *Customer Code*, and Rules 13901 and 13903 of the *Industry Code* require firms to pay a *non-refundable* surcharge and *non-refundable* process fees if the firm or person associated with the firm is a claimant or respondent in an arbitration at this forum. FINRA will send invoices for process fees to firms at appropriate stages of the arbitration process.

TO DETERMINE THE CORRECT SURCHARGE, USE THE “AMOUNT IN DISPUTE” FIGURE ON LINE 3, PAGE 19.

If you are a FIRM CLAIMANT, use this table (Rules 12901 or 13901) to determine the appropriate member surcharge that **MUST** accompany your Statement of Claim when it is filed with FINRA. If your claim does **NOT** disclose or specify a monetary claim, the non-refundable surcharge is \$1,900.

Member Surcharge

Amount in Dispute (exclusive of interest and expenses)	Surcharge
Up to \$2,500	\$150
\$2,500.01–\$5,000	\$150
\$5,000.01–\$10,000	\$325
\$10,000.01–\$25,000	\$450
\$25,000.01–\$30,000	\$750
\$30,000.01–\$50,000	\$750
\$50,000.01–\$100,000	\$1,100
\$100,000.01–\$250,000	\$1,700
\$250,000.01–\$500,000	\$1,900
\$500,000.01–\$1,000,000	\$2,475
\$1,000,000.01–\$5,000,000	\$3,025
\$5,000,000.01–\$10,000,000	\$3,600
Over \$10,000,000	\$4,025
Non-Monetary/Not Specified	\$1,900

V. HEARING INFORMATION

For claims of \$50,000 or less under Rules 12800 (simplified customer/investor) and 13800 (simplified industry):
(*check one*)

I am requesting a hearing in this matter

I am not requesting a hearing in this matter



FINRA ARBITRATION Submission Agreement

Claimant(s)

In the Matter of the Arbitration Between

Name(s) of Claimant(s)

and

Name(s) of Respondent(s)

1. The undersigned parties (“parties”) hereby submit the present matter in controversy, as set forth in the attached statement of claim, answers, and all related cross claims, counterclaims and/or third-party claims which may be asserted, to arbitration in accordance with the FINRA By-Laws, Rules, and Code of Arbitration Procedure.
2. The parties hereby state that they or their representative(s) have read the procedures and rules of FINRA relating to arbitration, and the parties agree to be bound by these procedures and rules.
3. The parties agree that in the event a hearing is necessary, such hearing shall be held at a time and place as may be designated by the Director of Arbitration or the arbitrator(s). The parties further agree and understand that the arbitration will be conducted in accordance with the FINRA Code of Arbitration Procedure.
4. The parties agree to abide by and perform any award(s) rendered pursuant to this Submission Agreement. The parties further agree that a judgment and any interest due thereon, may be entered upon such award(s) and, for these purposes, the parties hereby voluntarily consent to submit to the jurisdiction of any court of competent jurisdiction which may properly enter such judgment.
5. The parties hereto have signed and acknowledged the foregoing Submission Agreement.

Claimant Name (please print)

Claimant’s Signature

Date

State capacity if other than individual (e.g., executor, trustee or corporate officer)

Claimant Name (please print)

Claimant’s Signature

Date

State capacity if other than individual (e.g., executor, trustee or corporate officer)

If needed, copy this page.





Investor protection. Market integrity.

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