



Broker-Dealers

Overview

Tucker Ellis offers broker-dealer clients sophisticated, comprehensive counsel in corporate, regulatory, litigation, and arbitration matters. Our lawyers practice nationally and have served as senior in-house counsel for clients, government regulators, prosecutors, and defense counsel in the broker-dealer and securities context. Our experience allows us to anticipate client needs, facilitate growth, navigate and mitigate risk, and defend against investigative and litigation threats.

Our corporate work includes forming broker-dealer entities, restructuring, principal separations, mergers and acquisitions, and financing. Our regulatory lawyers advise broker-dealers in all aspects of legal and regulatory compliance, including internal operating procedures, customer agreements, internal corporate investigations, whistleblower claims, FINRA inquiries, state and federal investigations, and enforcement trends.

We leverage our deep trial bench to vigorously defend customer and employment claims. We defend the spectrum of customer claims, including unsuitability, over-concentration, selling away, fraud, churning, switching, and private placement due diligence. We also defend employment matters involving claims of wrongful termination, discrimination, violation of restrictive covenants, and misappropriation of trade secrets.

Capitalizing on the expertise of Tucker Ellis attorneys across the firm's practice groups, our broker-dealer clients receive comprehensive representation designed to advance their objectives and protect their interests in the ever-changing financial services industry ecosystem.

Read the latest insights about Broker-Dealers on our [Lingua Negoti Blog](#).

AREAS OF EMPHASIS

- Form broker-dealer entities
- Form strategic partnerships and joint ventures
- Restructure dual-registrants
- Design and implement compliance programs
- Develop and negotiate broker-dealer contractual arrangements – including placement agent, underwriting, executive employment, non-competition, confidentiality, non-solicitation, and other business agreements
- Negotiate and litigate business separations and “corporate divorces” of broker-dealers and their principals, including the winding down or dissolution process

- Represent broker-dealers as placement agents and underwriters' counsel in connection with private and public company capital raise transactions
- Represent broker-dealers as underwriters in connection with public securities offerings
- Represent broker-dealers in mergers and acquisitions, including as counsel for the purchaser or seller
- Represent broker-dealers in obtaining and structuring bank financing and capital raises
- Advise broker-dealers on duties to customers – including due diligence requirements in making recommendations for a client investment in private placements and other non-traditional investments and suitability matters
- Conduct internal corporate investigations and investigate whistleblower claims
- Defend whistleblower claims that develop into active litigation
- Defend white collar criminal investigations and charges in state and federal courts
- Arbitrate customer and employment claims brought before FINRA and other tribunals

Experience

- Defended numerous claims of unsuitability, fraud, and other contract and tort claims brought against former registered representatives of various national and regional broker-dealers
- Obtained dismissal of fraud, unsuitability, breach of fiduciary duty, negligent misrepresentation, and conversion claims filed against a broker-dealer on a motion to dismiss, based upon the applicable statute of limitations and other procedural defects
- Defended civil claims filed against a national broker-dealer in Ohio common pleas courts; successfully stayed the litigation and compelled arbitration before FINRA
- Prosecuted claims against a Michigan sales representative violating his non-compete agreement with a paint manufacturer
- Defended a broker's non-compete agreement and theft of trade secrets case brought by the broker's former firm
- Successfully defended a securities fraud claim brought in Arizona federal court by a former major league baseball player
- Successfully prosecuted claims of defamation brought against a representative of a multinational broker-dealer
- Defended a registered representative in parallel FINRA and SEC investigations, along with corresponding civil litigation, concerning the alleged theft of trade secrets and commission splits; investigations terminated without administrative sanction or licensure action
- Prosecuted a breach of contract claim arising from a commission dispute on behalf of a registered representative against a broker-dealer that resulted in 100% recovery for the claimant
- Defended FINRA and Ohio Department of Insurance investigations involving the alleged forgery of customer documents; the sale of unsuitable investments; and unfair, deceptive,

and abusive acts and practices in the sale of securities and insurance products;
investigations terminated without administrative sanction or licensure action

- Defended a registered representative in Ohio Division of Securities and Ohio Department of Insurance licensure actions concerning the alleged unsuitability of investments sold to elderly customers; case terminated without administrative sanction or licensure action