



Georgia Appellate Court Rejects Panel Manipulation Claims, Reverses Vacatur

Blog Articles
09.08.2022

Last January, an aggressive bid to vacate an arbitration defeat raised claims that a large bank's brokerage unit and its counsel manipulated FINRA's arbitrator-selection process through a "secret agreement." The Georgia Superior Court bought the claim and vacated the award that had denied the investors' claims and ordered them to pay various fees and costs. The allegations brought headlines. Now they've been reversed.

As a result of the lower court's vacatur, FINRA commissioned an independent review of its arbitrator-selection process and its function in that case. The independent Report concluded it did not believe claims the process was rigged – my post on the Report may be found [here](#).

Early last month, the Georgia Court of Appeals agreed. Its August 2nd opinion on de novo review held that "nothing indicates that [the brokerage unit] 'manipulated' the arbitrator pool" and there was "no evidence" of any so-called "secret agreement." The appellate court rejected claims of FINRA or arbitrator misconduct. The court held "The superior court provided no proper basis for vacating the arbitration award..." and reversed the judgment below.

The Georgia Court of Appeals' opinion is [here](#).

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