

The Curious Case of Carlyle...and Efforts to Shut Down Investor Access to the Courts

Wednesday, April 18, 2012 - 1 p.m. EDT

Investor rights and the shareholder franchise in general have been impacted not only by corporate-friendly interpretations of existing law, but also by the direct efforts of companies to limit investors in public companies from exercising their existing rights.

Recently there have been several high-profile arguments that companies should insert mandatory arbitration clauses into their corporate charters and registration statements, in order to force investors to arbitrate shareholder claims on an individual basis, and effectively waive their rights to pursue class action claims. This presentation discussed the legality of this type of arrangement and whether such clauses may violate the federal securities laws.

In particular, the presentation discussed the Carlyle Group IPO, and that company's attempt to insert a provision in its registration statement requiring that all investor claims of any kind be arbitrated on an individual basis in Delaware. The presentation also discussed the merits and implications of the current litigation between the brokerage company Charles Schwab and FINRA, as Schwab vigorously contests FINRA's disciplinary proceedings initiated in response to Schwab's use of mandatory class action waivers in customer agreements, claiming that the waivers violate FINRA rules.

Our distinguished panel included **Barbara Black**, the Charles Hartsock Professor of Law, the Director of the Corporate Law Center at the University of Cincinnati College of Law and editor of the Securities Law Prof Blog; and **Adam C. Pritchard**, the Frances and George Skestos Professor of Law at the University of Michigan School of Law. Professor Black and Professor Pritchard will be joined by BLB&G partner **Salvatore Graziano**, who has taken a leading role in a number of major securities fraud class actions over the past fifteen years and currently serves as President of the National Association of Shareholder & Consumer Attorneys, an organization which actively lobbied the SEC and Congress to oppose Carlyle's efforts to shut down investors access to courts.

Click [here](#) to view our recorded webcast.