

Eight-Figure Cases Are Rare

The Financial Industry Regulatory Authority's (FINRA) recent request for comments on modernizing arbitration rules and processes (Regulatory Notice 26-06, Mar. 2, 2026, as discussed in Katten's [summary](#)) shines a needed spotlight on the exceptionally small fraction of FINRA arbitrations involving multimillion-dollar claims. FINRA reports that over a nearly 10-year period from January 2016 through June 2025, only about 1 percent of the claims it administered involved damage claims over \$10 million.

We Have Depth of Experience and Consistent Success in High-Stakes Arbitrations

In the last five years, Katten's [Financial Markets Litigation and Enforcement](#) team is proud to have litigated five of these ultra-high-stakes arbitrations through an evidentiary hearing and secured a complete victory each time. This is a record of success in the highest exposure cases that we believe is unmatched, according to FINRA records. Including other forums, Katten has prevailed outright in three arbitrations involving financial markets, with compensatory damage claims exceeding \$200 million each. We are enormously proud of our unmatched trial record in these and other high-stakes arbitration cases, which typically involve more complex trading strategies and products, and cluster cases that share common facts, theories, witnesses, and themes. In the last five years, Katten has litigated more than \$1 billion of compensatory damages to judgment in arbitration, with claimants recovering only 3 percent of the claimed damages.

Changes Could Be Coming

As noted in Regulatory Notice 26-06, FINRA will be considering potential changes to its administration of ultra-high-stakes arbitrations, including modernizing procedural requirements to provide parties with greater case control, enhancing arbitrator qualifications, and pre- and post-dispute exemptions and/or opt-outs from mandatory arbitration. Katten plans to be active in the FINRA comment process as it relates to high-risk arbitrations, as well as other topics.

Representative Matters

- Defended broker-dealer in FINRA arbitration alleging unsuitable investment recommendations relating to options and short equities, which eclipsed \$3 billion in valuation. Claimant sought more than \$280 million in damages at hearing. The Katten team, including [Christian Kemnitz](#), [Michael Lohnes](#), [Carrie Stichel](#) and [Zachary Schmitz](#), obtained complete victory for client on all claims.
- Defended broker-dealer in FINRA arbitration claimant alleged conflicts of interest across the firm's business lines caused claimant to incur \$300 million loss. Katten's [David Goldberg](#), [Patrick Smith](#) and [Zachary Schmitz](#) won full defense award and costs.
- Defended broker-dealer in FINRA arbitration against negligence, recklessness and breach of fiduciary duty claims arising from portfolio liquidation. [Christian Kemnitz](#), [Brian Poronsky](#) and [Loren Lee](#) secured a complete defense victory.

- Defended electronic broker-dealer in FINRA arbitration against aiding/abetting and negligence claims arising from claimant’s self-directed trading, seeking tens of millions in damages. [Christian Kemnitz](#) and [Michaela Holcombe](#) secured a directed verdict.
- Defended a digital asset derivatives exchange in an American Arbitration Association arbitration brought by business partner alleging a breach of a licensing and servicing agreement relating to event contracts. Claimant sought \$200 million in damages. The Katten team, including [Patrick Smith](#), [Michael Lohnes](#), [Michaela Holcombe](#) and [Bora Niede](#), secured a complete defense victory.

Katten on Arbitration

Katten continually monitors for the latest developments and trends in arbitration. Check out our latest analysis below:

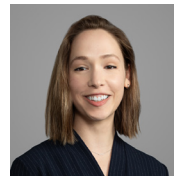
- [Reimagining Securities Arbitration: FINRA Launches Broad Review of Arbitration Rules and Requests Comment on Modernization Initiative](#)
 - [Broker-Dealer Liability Risks in Elder Financial Exploitation Cases](#)
 - [Tilting At Windmills: Defending Overconcentration Claims In Today’s Index-Driven Equity Markets](#)
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