

## Kaufman Dolowich Legal Team Prevails on Behalf of Client Against Successor Liability Claims, 4-2-2025

(April 2, 2025, Ft. Lauderdale, Fla.) – Kaufman Dolowich, a leading national law firm, secured a significant victory on behalf of client Arete Wealth Management, LLC. Gregg Breitbart, Co-Chair of the firm’s Financial Services & Institutions practice group, and Associate Zachary Hayes-Macaluso recently obtained a dismissal of all claims asserted against Arete in *Robinson v. Arete Wealth Management, LLC* (FINRA Case No. 23-03511), in an arbitration conducted in the FINRA Dispute Resolution forum. The claimant alleged that Arete Wealth Management, a securities broker-dealer, was the “successor in interest” to another broker-dealer, Center Street Securities, by virtue of a transaction between their respective holding companies that took place in early 2021. As such, the claimant sought to hold Arete Wealth Management liable for investment recommendations that were made entirely at Center Street Securities.

During a four-day evidentiary hearing, the Kaufman Dolowich defense team presented evidence that:

- The transactions at issue were conducted entirely through Center Street Securities, and were recommended by a financial advisor who was registered only with Center Street Securities (and was never registered with Arete Wealth Management);
- The transactions at issue took place several years before the 2021 transaction between the two holding companies, and several years before Center Street Securities ceased operations in late 2023;
- Following the 2021 transaction, Center Street continued to operate as a separate broker-dealer, under its own membership agreement with FINRA, and with its own books and records, for nearly three years;
- There was no mass migration of financial advisors or customer accounts from Center Street Securities to Arete Wealth Management following the 2021 transaction, or following Center Street’s decision to cease operations in late 2023.

At the conclusion of the evidentiary hearing, the panel of three seasoned FINRA arbitrators (all of whom are attorneys) issued their decision in favor of Arete Wealth Management and ruled that “Claimant’s claims are denied in their entirety.”

“We are grateful for the arbitrators’ decision in this case, and we think they got it exactly right,” Breitbart said. “As I stated during the hearing, this was a case that should never have been brought. There simply is no evidence to find that Arete Wealth Management could become liable for transactions that it had nothing to do with, that were recommended by a financial advisor who was never associated with the firm, and where there was no merger or consolidation between Arete Wealth Management and Center Street Securities. The Claimant was wrong on the facts and wrong on the law, and fortunately the arbitration panel was able to see that.”

Joshua Rogers, the founder and Chief Executive Officer of Arete Wealth Management, said, “We are very pleased with the arbitration panel’s decision in this case. Given the substantial costs and distraction of taking arbitration cases to final hearing, it is gratifying to get a result that comports with the actual facts and the law that applies to these issues. While we believe that the decision in the *Robinson* case should put an end to any future “successor” claims against Arete Wealth Management, we intend to vigorously defend any such claims, and we expect the same result as in *Robinson*.”

### About the Firm

Kaufman Dolowich LLP is a leading national law firm serving a broad range of industries in practice areas including labor and employment, directors and officers liability, professional liability, commercial litigation, insurance coverage and litigation, data privacy and cybersecurity, consumer financial services, real estate, general liability and construction law. Headquartered on Long Island, N.Y., Kaufman Dolowich attorneys represent national and global clients of all sizes nationwide. For more information, visit [kaufmandolowich.com](http://kaufmandolowich.com) and follow the firm on LinkedIn.