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SENATE BILL 5182

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State of Washington

53rd Legislature

1993 Regular Session

By Senator Moore

Read first time 01/15/93. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to the resolution of disputes arising from  
2 contracts between securities broker-dealers and clients; and adding a  
3 new section to chapter 21.20 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 21.20 RCW  
6 to read as follows:

7 (1) The resolution of a dispute arising from a contract between a  
8 securities broker-dealer and a client is governed, at the client's  
9 election, by either:

10 (a) Civil action in a state court; or

11 (b) Arbitration according to the national association of securities  
12 dealers standard practice, or other arbitration procedure, if available  
13 under the terms of the written contract.

14 (2) If the client elects to have the dispute arbitrated under  
15 subsection (1)(b) of this section and the written contract does not  
16 provide for client input in the selection of the arbitrators, the  
17 client may choose to have the arbitration panel selected as follows:

18 (a) One person selected by the client;

19 (b) One person selected by the broker-dealer; and

1 (c) One person selected by mutual agreement of the client and  
2 broker-dealer.

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