

# BLB&G Partners Salvatore Graziano and John Rizio-Hamilton Discuss Consumer Cash Sweep Lawsuits in *New York Law Journal*

January 6, 2025



BLB&G Partners Salvatore Graziano and John Rizio-Hamilton discussed the rise of consumer lawsuits against bank cash sweep programs in a recent [New York Law Journal](#) article. “Cash sweep” programs, which allow bank participants to have their uninvested funds automatically swept into interest-bearing accounts, have been under SEC scrutiny for the past few years and are now facing a wave of litigation.

John noted that he expects this trend to continue in 2025, saying:

These cases are really, by and large, just getting started...The way that they play out over the next 12 to 18 months will be consequential.

Salvatore also highlighted the challenge of identifying the allegations necessary to adequately assert an unreasonable interest rate:

The key issues are going to be, what are the best benchmark comparisons to judge the reasonableness of the interest rate that was paid, because the prevailing interest rates are way way above what these customers received...Courts are going to have to figure out whether plaintiffs are entitled to the entire difference or just a little of the difference.

BLB&G is currently representing cash sweep accountholders across the country in a series of proposed class actions against some of the world’s largest financial institutions alleging misconduct in each financial institution’s cash

sweep program. The firm is bringing claims against Wells Fargo, Morgan Stanley, UBS, JPMorgan, Ameriprise, LPL, Raymond James, Charles Schwab, and E\*TRADE.