

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Arec D. Simeri

Case Number: 21-01660

vs.

Respondents
Robinhood Financial, LLC.
Robinhood Markets, Inc.

Hearing Site: Los Angeles, California

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

Nature of the Dispute: Customer vs. Member and Non-Member

This matter proceeded pursuant to Rule 12800 of the Code of Arbitration Procedure (“Code”).

REPRESENTATION OF PARTIES

For Claimant Arec D. Simeri (“Claimant”): Nathan C. Volheim, Esq. and Eric D. Coleman, Esq., Sulaiman Law Group, LTD., Lombard, Illinois.

For Respondent Robinhood Financial, LLC. (“Robinhood Financial”): Frank J. Cuccio, Esq., Bressler, Amery & Ross, P.C., Florham Park, New Jersey.

Respondent Robinhood Markets, Inc. (“Robinhood Markets”) did not enter an appearance in this matter.

Hereinafter, Robinhood Financial and Robinhood Markets are collectively referred to as “Respondents”.

CASE INFORMATION

Statement of Claim filed on or about: June 29, 2021.
Claimant signed the Submission Agreement: June 29, 2021.

Statement of Answer filed by Robinhood Financial on or about: September 13, 2021.
Robinhood Financial signed the Submission Agreement: September 13, 2021.

Robinhood Markets did not file a Statement of Answer or sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: violations of the California Unfair Competition Laws; violations of the California Consumers Legal Remedies Act; fraudulent misrepresentation; and negligent misrepresentation. The causes of action relate to Claimant's allegation that Respondents restricted Claimant's ability to purchase various securities, including GameStop Corp. stock.

In the Statement of Answer, Robinhood Financial denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Declaratory judgment finding that Respondents engaged in negligent misrepresentation and/or fraudulent misrepresentation as the Arbitrator deems appropriate;
2. Injunctive relief preventing Respondents' further violations of law in connection with Claimant's claims under the California Unfair Competition Law, the California Consumer Legal Remedies Act, as well as in connection with Claimant's claims for fraudulent and negligent misrepresentation, as the Arbitrator deems appropriate.
3. Actual damages of \$5,000.00 for Claimant's claims for Respondents' violations of the California Unfair Competition Law, the California Consumer Legal Remedies Act, as well as for Claimant's claims for fraudulent misrepresentation and negligent misrepresentation, apportioned as follows:
 - a. \$300.00 in actual damages in connection with Claimant's California Unfair Competition Law claims;
 - b. \$4,000.00 in actual damages in connection with Claimant's California Consumer Legal Remedies Act claims;
 - c. \$700.00 in actual damages for Claimant's claims for fraudulent misrepresentation and/or negligent misrepresentation. Claimant's claim for actual damages for these tort-based theories are alternative, given the similarity of the claims less the scienter required to prove each claim. In the event Claimant succeeds on only one of these claims, Claimant requests the full \$700.00 in damages in connection with the successful claim. In the event Claimant succeeds on both of these claims, Claimant requests that an award of \$350.00 in actual damages be allocated on the basis of each law found to have been violated.
4. Punitive damages for an unspecified amount for Claimant's claims under the California Consumer Legal Remedies Act, as well as for his claims of fraudulent misrepresentation, and/or negligent misrepresentation.
5. Costs and reasonable attorneys' fees pursuant to Cal. Code Civ. Proc. § 1021.5 and Cal. Civ. Code § 1780(e). The amount of costs and attorneys' fees are unspecified as Claimant will determine his cost and attorneys' fees once this matter is resolved; and
6. Other relief as Arbitrator deems fit for all of Claimant's claims.

In the Statement of Answer, Robinhood Financial requested:

1. Dismissal of the Statement of Claim with prejudice in its entirety; and
2. Such other and further relief as may be just and proper.

Usually you have to win to get fees, FINRA taxes a bunch of costs against b/d's in claims with consumers, but traditionally attorney's fees are not an item of damages, so you can't prove "damages" by saying you spent money on attorneys. Also, this is saying he is not ready to prove the amount of fees he would seek, either.

The most obvious reason this Claimant lost is indicated by the "damages" para. 3 describes. He is calling them "actual damages" but that's a bit of a stretch, because there was no actual injury described-- the amounts described here are basically on the level of a ticketable offense in California if you proceed under these statutes. The amounts described are basically "tickets"

Punitive damages usually cannot be sought as the only component of damages, so if he can't prove some other type of damage, the Courts are usually not going to entertain claims for punitive damages. Punitive damages are specifically intended to punish. Little need to punish if no actual injury.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

Robinhood Markets is not a member or associated person of FINRA and did not voluntarily submit to arbitration. Therefore, the Arbitrator made no determination with respect to the claims against Robinhood Markets.

AWARD

After considering the pleadings, the Arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are denied in their entirety.
2. FINRA Dispute Resolution Services shall retain the \$175.00 filing fee that Claimant deposited previously. Robinhood won, then got stuck with most of the bill from FINRA lol
3. Respondent Robinhood Financial is liable for and shall pay to Claimant \$62.50 to reimburse Claimant for the filing fee previously paid to FINRA Dispute Resolution Services.
4. Any and all relief not specifically addressed herein, including requests for punitive damages and attorneys' fees, are denied.

FEES

Pursuant to the Code, Robinhood Financial has paid to FINRA Dispute Resolution Services the \$150.00 Member Surcharge previously invoiced.

ARBITRATOR

Adam Michael Porter

-

Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument, which is my award.

Arbitrator's Signature

Adam Michael Porter

Adam Michael Porter
Sole Public Arbitrator

12/28/2021

Signature Date

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

December 28, 2021

Date of Service (For FINRA Dispute Resolution Services use only)