

**Award**  
**FINRA Dispute Resolution Services**

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In the Matter of the Arbitration Between:

Claimant

Jose Batista

Case Number: 21-01206

vs.

Respondents

Robinhood Financial, LLC  
Robinhood Securities, LLC  
Robinhood Markets, Inc.

Hearing Site: Hartford, Connecticut

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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. Members and Non-Member

This case was administered under the Special Proceeding option for simplified cases.

**REPRESENTATION OF PARTIES**

For Claimant Jose Batista: August M. Iorio, Esq., Iorio Altamirano LLP, New York, New York.

For Respondents Robinhood Financial, LLC and Robinhood Securities, LLC: Dominick F. Evangelista, Esq., Bressler, Amery & Ross, P.C., Florham Park, New Jersey.

Respondent Robinhood Markets, Inc. did not enter an appearance.

**CASE INFORMATION**

Statement of Claim filed on or about: May 7, 2021.

Jose Batista signed the Submission Agreement: May 7, 2021.

Joint Statement of Answer filed by Respondents Robinhood Financial, LLC and Robinhood Securities, LLC on or about: June 29, 2021.

Respondent Robinhood Financial, LLC signed the Submission Agreement: June 28, 2021.

Respondent Robinhood Securities, LLC signed the Submission Agreement: June 28, 2021.

Respondent Robinhood Markets, Inc. 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: breach of contract; breach of implied covenant of good faith and fair dealing; negligence; breach of fiduciary duty; unjust enrichment; non-disclosure or concealment; intentional interference with prospective economic advantage; negligent interference with prospective economic advantage; and violations of 15 U.S.C. § 78. The causes of action relate to Respondents placing trade restrictions on numerous stocks on January 28, 2021, including, but not limited to “KOSS” and “EXPR” on its trading platforms in the midst of an unprecedented stock rise.

Unless specifically admitted in the Joint Statement of Answer, Respondents Robinhood Financial, LLC and Robinhood Securities, LLC denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested compensatory damages of at least \$32,428.00 plus pre- and post-judgement interest; costs, attorneys’ fees, expert’s fees, and forum fees; and punitive damages.

In the Joint Statement of Answer, Respondents Robinhood Financial, LLC and Robinhood Securities, LLC requested that an award be issued dismissing the Statement of Claim with prejudice in its entirety and awarding such other and further relief as may be just and proper.

At the hearing, Claimant requested compensatory damages in the amount of \$39,761.98, pre-judgment interest at the statutory rate in Connecticut or California of 10%, attorneys’ fees in the amount of \$14,401.46, estimated forum fees in the amount of \$962.50, post judgement interest at the rate of 10%, discovery sanctions, and punitive damages.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

Respondent Robinhood Markets, Inc. 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, Inc.

### **AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Robinhood Financial, LLC and Robinhood Securities, LLC are jointly and severally liable for and shall pay to Claimant the sum of \$29,460.77 in compensatory damages.

2. Respondents Robinhood Financial, LLC and Robinhood Securities, LLC are jointly and severally liable for and shall pay to Claimant interest on the above-stated sum at the rate of 10% per annum from January 28, 2021 through and including December 10, 2021.
3. Respondents Robinhood Financial, LLC and Robinhood Securities, LLC are jointly and severally liable for and shall pay to Claimant \$150.00 to reimburse Claimant for the non-refundable portion of Claimant's filing fee previously paid to FINRA Dispute Resolution Services.
4. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages and attorneys' fees, are denied.

### **FEES**

Pursuant to the Code of Arbitration Procedure ("Code"), the following fees are assessed:

#### **Filing Fees**

FINRA Dispute Resolution Services assessed a filing fee\* for each claim:

Initial Claim Filing Fee	= \$	600.00
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*\*The filing fee is made up of a non-refundable and a refundable portion.*

#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as parties, Respondents Robinhood Financial, LLC and Robinhood Securities, LLC are each assessed the following:

Member Surcharge	= \$	750.00
Member Process Fee	= \$	1,750.00

#### **Late Pre-Hearing Cancellation Fees**

Fees apply when a pre-hearing conference is cancelled within three business days of the scheduled conference:

October 13, 2021, cancellation requested by the parties	= \$	100.00
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Total Late Pre-Hearing Cancellation Fees	= \$	100.00
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The Arbitrator has assessed the total late pre-hearing cancellation fees jointly and severally to Respondents Robinhood Financial, LLC and Robinhood Securities, LLC.

#### **Postponement Fees**

Postponements granted during these proceedings for which fees were assessed or waived:

November 18, 2021, postponement requested by the parties	= \$	450.00
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Total Postponement Fees	= \$	450.00
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The Arbitrator has assessed the total postponement fees jointly and severally to Respondents Robinhood Financial, LLC and Robinhood Securities, LLC.

**Discovery-Related Motion Fees**

Fees apply for each decision rendered on a discovery-related motion.

One (1) decision on a discovery-related motion on the papers with one (1) Arbitrator @ \$200.00/decision	= \$	200.00
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Claimant submitted one (1) discovery-related motion

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Total Discovery-Related Motion Fees	= \$	200.00
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The Arbitrator has assessed the total discovery-related motion fees jointly and severally to Respondents Robinhood Financial, LLC and Robinhood Securities, LLC.

**Hearing Session Fees and Assessments**

The Arbitrator has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the Arbitrator, including a pre-hearing conference with the Arbitrator, which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with a single Arbitrator @ \$450.00/session	= \$	450.00
Pre-Hearing Conference: August 23, 2021	1 session	

Two (2) hearing sessions @ \$450.00/session	= \$	900.00
Hearings: December 13, 2021	2 sessions	

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Total Hearing Session Fees	= \$	1,350.00
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The Arbitrator has assessed the total hearing session fees jointly and severally to Respondents Robinhood Financial, LLC and Robinhood Securities, LLC.

All balances are payable to FINRA Dispute Resolution Services and are due upon receipt.

**ARBITRATOR**

John James McGovern, Jr.

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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**

***John James McGovern, Jr.***

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John James McGovern, Jr.  
Sole Public Arbitrator

**01/05/2022**

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Signature Date

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January 06, 2022

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