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Robinhood Users Get Service Outage Suit Moved To Calif.

By **Emilie Ruscoe**

Law360 (April 14, 2020, 2:54 PM EDT) -- A suit against fintech company Robinhood over service outages will be transferred from federal court in Tampa, Florida, to California, a Florida federal judge said Monday.

U.S. District Judge Charlene Edwards Honeywell's Apr. 13 order grants a joint motion for transfer of venue that was filed in the case by plaintiffs Travis Taaffe and Jared Ward and a trio of entity defendants, Robinhood Markets Inc, Robinhood Financial LLC and Robinhood Securities LLC.

In the April 9 transfer motion, the parties had asked Judge Honeywell to move their case "in the interest of justice and for the convenience of parties and witnesses."

They highlighted that Robinhood faces eight other proposed class actions "based on substantially similar factual allegations" that were currently pending in the Northern District of California.

"Transfer of this action would avoid duplicative and potentially inconsistent rulings and reduce expenses for the courts and the parties," the parties said in their transfer request, adding that all of the California matters are in their earliest stages, so none of the plaintiffs would be prejudiced and no case scheduled would be adversely affected by transfer of the Florida matter.

"To the contrary," the parties noted, "transfer would allow this action to be consolidated with the California actions and proceed efficiently in a single forum."

They pointed out that Robinhood's headquarters and many witnesses relevant to the matter were located in the Northern District of California — and if Robinhood employee witnesses left Robinhood before they could be called upon in the case, "the Northern District of California is more likely to be able to compel their live testimony."

The parties highlighted that Robinhood's Customer Agreement — which they said that each Robinhood user "is required to review and acknowledge" — specifies that all Robinhood transactions are governed by California law.

"While this court is certainly capable of interpreting and applying the laws of California for the majority of the claims in this action, courts in this district have concluded that federal judges who sit within the state of the governing laws have greater familiarity with those laws than do federal judges sitting in other states," the parties told Judge Honeywell.

In her Monday order, Judge Honeywell acquiesced to the transfer request, noting that since all parties consented to the transfer and agreed with each other that the transfer "would serve the convenience and interests of the parties, as well as any non-party witnesses," it made sense to move the case.

Those factors "warrant the transfer of this action to the United States District Court for the Northern District of California," said Judge Honeywell, directing a Florida clerk to transfer the case and terminate the Sunshine State matter.

The action was filed in early March after Robinhood users and customers were unable to access their

accounts from 9:33 a.m. through the end of the trading day at 4 p.m. on March 2.

Robinhood's systems continued to experience limited issues on March 3.

On March 2, the Dow Jones Industrial Average rose more than 1,294 points, the largest point gain in history at the time. In parallel, the S&P 500 gained 136 points, and the Nasdaq was up 384 points.

An attorney for the plaintiffs told Law360 on Tuesday that the team was pleased with the latest development in the matter.

Attorneys for Robinhood did not immediately respond to requests for comment Tuesday, and a representative for Robinhood declined to comment.

Travis Taaffe and Jared Ward are represented by Michael S. Taaffe, Michael D. Bressan and Jarrod J. Malone of Shumaker Loop & Kendrick LLP.

The Robinhood entities are represented by Dennis P. Waggoner of Hill Ward & Henderson PA.

The case is Taaffe v. Robinhood Markets Inc. et al., case number 8:20-cv-00513, in the U.S. District Court for the Middle District of Florida.

Additional reporting by Philip Rosenstein, Carolina Bolado and Reenat Sinay. Editing by Gemma Horowitz.

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