

MAY 2, 2020 | NEWS

Shumaker Files Class Action Lawsuit Against Trading App Robinhood

Massive Robinhood outage this week prevented users from trading stocks during historic market surge.

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Tampa, FL – On Monday, (March 2, 2020) the biggest single day point gain in the history of the Dow Jones Industrial Average, customers of the online trading app Robinhood were unable to trade stocks because the platform was offline. The outage left the more than 10 million users of the app unable to participate in the market rally as the Dow rose nearly 1,300 points, the S&P 500 surged 136 points and the Nasdaq jumped 384 points.

“Robinhood has admitted the outage was due to their own failure,” said Michael S. Taaffe, with the law firm Shumaker, Loop & Kendrick, who this week filed the nation’s first class action lawsuit against Robinhood over the outage.

“Online apps like Robinhood should have robust and redundant back-ups to prevent situations just like this, but Robinhood’s appear to have been inadequate, which is inexcusable,” added Taaffe who is the Head of the Broker-Litigation and Arbitration practice group for Shumaker.

Robinhood customers damaged by the outage can learn more about the class action lawsuit by emailing Shumaker, Loop & Kendrick at RobinhoodClassAction@Shumaker.com.

Taaffe also strongly warned users of the app to be wary of Robinhood’s free three months of premium service for the inconvenience of the outage as it may contain a release of claims.

The class action lawsuit, which seeks unspecified damages, was filed Wednesday in U.S. District Court in Tampa.