

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

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In the Matter of the Arbitration Between:

Claimant  
Kevin Sprouse

Case Number: 20-03309

vs.

Respondents  
Robinhood Financial, LLC and  
Robinhood Securities, LLC

Hearing Site: St. Louis, Missouri

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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

The evidentiary hearing was conducted by videoconference.

**REPRESENTATION OF PARTIES**

Claimant Kevin Sprouse (“Claimant”) appeared pro se.

For Respondents Robinhood Financial, LLC and Robinhood Securities, LLC (collectively, “Respondents”): Richard J. Davis, Esq., Maynard, Cooper & Gale, P.C., Birmingham, Alabama.

**CASE INFORMATION**

Statement of Claim filed on or about: September 28, 2020.  
Claimant signed the Submission Agreement: September 20, 2020.

Statement of Answer filed on or about: November 17, 2020.  
Respondents signed the Submission Agreement: November 17, 2020.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted the following causes of action: violation of securities industry standards, breach of contract, and gross negligence. The causes of action related to Claimant’s allegation that on March 2, 2020, Respondent effectively locked Claimant’s account, preventing Claimant from buying contracts for ProShares Ultra VIX Short-Term Futures ETF (UVXY) with the first “in-the-money” strike price and caused investment losses.

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

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested:

- a) \$77,900.00, based on trade losses due to Respondents' actions and inactions;
- b) \$4,995.00, the membership fee in a professional trading group that Claimant engaged for their proprietary trading indicators and strategies for profitable trades;
- c) \$179.40, for TradingView Pro version subscription;
- d) \$8,307.44, default 10% interest rate per annum;
- e) \$15,000.00 in attorneys' fees;
- f) \$1,425.00 in arbitration filing fees;
- g) \$4,500.00 per day hearing session fees for arbitrators, to be determined based on the number of hearing sessions and days;
- h) Any other FINRA fees Claimant may incur;
- i) Reimbursement for travel expenses up to \$5,000.00, in the event that Respondents refuse to arbitrate via Zoom;
- j) 40% of the arbitration award to cover Claimant's federal and state taxes and filing expenses; and
- k) Such other and further relief as the Arbitrator deems just and appropriate.

In the Statement of Answer, Respondents requested that the Arbitrator issue an award denying the claims in the Statement of Claim in their entirety, and award Respondents their costs, and for such other and further relief as the Arbitrator deems just and equitable.

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

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

### **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. Claimant's claims are denied in their entirety.
2. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, treble damages, and attorneys' fees, are denied.

### **FEES**

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

#### **Filing Fees**

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

Initial Claim Filing Fee	= \$	975.00
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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 firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as parties, Respondents are each assessed the following:

Member Surcharge	= \$	1,100.00
Member Process Fee	= \$	2,250.00

**Discovery-Related Motion Fees**

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

Three (3) decisions on discovery-related motions on the papers with one (1) Arbitrator @ \$200.00/decision	= \$	600.00
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Claimant submitted two (2) discovery-related motions  
Respondents submitted one (1) discovery-related motion

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Total Discovery-Related Motion Fees	= \$	600.00
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The Arbitrator has assessed \$200.00 of the discovery-related motion fees to Claimant.

The Arbitrator has waived \$400.00 of the discovery-related motion fees.

**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 @ \$450.00/session	= \$	450.00
Pre-Hearing Conference: January 22, 2021	1 session	

One (1) hearing session @ \$450.00/session	= \$	450.00
Hearing: December 7, 2021	1 session	

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Total Hearing Session Fees	= \$	900.00
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The Arbitrator has assessed \$562.50 of the hearing session fees to Claimant.

The Arbitrator has assessed \$337.50 of the hearing session fees jointly and severally to Respondents.

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

**ARBITRATOR**

Jeffry M. Bauer

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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**

***Jeffry M. Bauer***

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Jeffry M. Bauer  
Sole Public Arbitrator

**12/08/2021**

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Signature Date

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December 09, 2021

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