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18 *Attorneys for Plaintiffs*

19 UNITED STATES DISTRICT COURT  
 20 NORTHERN DISTRICT OF CALIFORNIA

21 ADAM FISHER, ASHLEY CARTER,  
 22 CHRISTINA LOPEZ, RACHEL  
 23 BARNETT, LUCIA FLORES, TIFFANY  
 24 COLE, DENISE OKEEFE, BAYLEE  
 25 MESTAZ, JOHN COOPER, CRYSTAL  
 26 HARMON, MICHELLE DURDEN,  
 27 KAREN BENOIT, AND CASSIE  
 28 COWEN, individually and on behalf of  
 others similarly situated,

Plaintiff,

v.

ROBINHOOD MARKETS, INC.;  
 ROBINHOOD CRYPTO, LLC;

Case No.

CLASS ACTION COMPLAINT FOR  
 DAMAGES AND RELIEF AND  
 DEMAND FOR JURY TRIAL

COMPLAINT FOR

1. Negligence;
2. Negligence Per Se;
3. Breach of Contract;
4. Breach of Implied Contract;
5. Unjust Enrichment;

1 ROBINHOOD FINANCIAL LLC;  
2 ROBINHOOD SECURITIES, LLC, and  
3 DOES 1-10,

4 Defendants.

6. Declaratory judgment;
7. Violation of California Unfair Competition Law;
8. Violation of the Illinois Consumer Fraud and Deceptive Practices Act;
9. Violation of the New York General Business Law;
10. Violation of the Indiana Deceptive Consumer Sales Act;
11. Violation of the Utah Consumer Sales Practices Act;
12. Violation of South Carolina Unfair Trade Practices Act;
13. Violation of Georgia Fair Business Practices Act.

1 Plaintiffs ADAM FISHER, ASHLEY CARTER, CHRISTINA LOPEZ,  
2 RACHEL BARNETT, LUCIA FLORES, TIFFANY COLE, DENISE OKEEFE,  
3 BAYLEE MESTAZ, JOHN COOPER, CRYSTAL HARMON, MICHELLE  
4 DURDEN, KAREN BENOIT, and CASSIE COWEN (each a “Plaintiff” and  
5 collectively “Plaintiffs”) individually and on behalf of the Classes defined below of  
6 similarly situated persons, alleges the following against Defendants ROBINHOOD  
7 MARKETS, INC., ROBINHOOD CRYPTO, LLC, ROBINHOOD FINANCIAL  
8 LLC, and ROBINHOOD SECURITIES, LLC (collectively, “Robinhood” or  
9 “Defendants”) based upon personal knowledge with respect to themselves and on  
10 information and belief derived from, among other things, investigation of counsel  
11 and review of public documents as to all other matters:

12 **I. INTRODUCTION**

13 1. Plaintiffs bring this class action against Robinhood for its failure to  
14 properly secure and safeguard Plaintiffs’ and other similarly situated Robinhood  
15 customers’ personal information from hackers.

16 2. Robinhood is a financial services company that allows customers to  
17 trade securities on a mobile application.

18 3. On November 3, 2021, hackers gained access to the personally  
19 identifiable information (“PII”) of over 7 million Robinhood customers (the “Data  
20 Breach”), including full names, email addresses, dates of birth, zip codes, and other  
21 PII.

22 4. Thereafter, on November 8, 2021, Robinhood announced the Data  
23 Breach. At least since that date, Robinhood has maintained a blog post on its website  
24 titled, “Robinhood Announces Data Security Incident.” The blog post states, in part,  
25 “Late in the evening of November 3, we experienced a data security incident. An  
26 unauthorized third party obtained access to a limited amount of personal information  
27 for a portion of our customers.”  
28

1           5.     Robinhood customers’ PII is currently up for sale on the dark web.  
2 Hackers offer for sale the unencrypted, unredacted, stolen PII to criminals. Because  
3 of Robinhood’s Data Breach, customers’ PII is still available on the dark web for  
4 criminals to access and abuse. As a result, Robinhood’s customers face a lifetime  
5 risk of identity theft.

6           6.     Clearly, Robinhood failed to safeguard Plaintiffs’ and other customers’  
7 PII.

8           7.     Plaintiffs and similarly situated Robinhood customers (“Class  
9 Members”) have suffered injury because of Robinhood’s conduct. The injuries  
10 suffered by Plaintiffs and the proposed Classes as a direct result of the Data Breach  
11 include, *inter alia*:

- 12           a.     Theft of their PII;
- 13           b.     Costs associated with the detection and prevention of identity  
14           theft;
- 15           c.     Costs associated with time spent and the loss of productivity  
16           from taking time to address and attempting to ameliorate,  
17           mitigate, and deal with the actual and future consequences of the  
18           Data Breach, and the stress, nuisance and annoyance of dealing  
19           with all issues resulting from the Data Breach;
- 20           d.     The imminent and certainly impending injury flowing from  
21           potential fraud and identity theft posed by their PII being placed  
22           in the hands of criminals, which has already been misused via the  
23           sale of Plaintiffs’ and the Class Members’ information on the  
24           Internet black market;
- 25           e.     Damages to and diminution in value of their PII entrusted to  
26           Robinhood for the sole purpose of making purchases through  
27           Robinhood and with the mutual understanding that Robinhood  
28

1 would safeguard Plaintiffs’ and the Class Members’ data against  
2 theft and not allow access to and misuse of their PII by others;

3 f. Continued risk to their PII, which remains in the possession of  
4 Robinhood, and which is subject to further breaches so long as  
5 Robinhood continues to fail to undertake appropriate and  
6 adequate measures to protect Plaintiffs’ and the Class Members’  
7 data in its possession.

8 8. Plaintiffs bring this action on behalf of all persons whose PII was  
9 compromised due to Robinhood’s failure to: (i) adequately protect its users’ PII, (ii)  
10 warn users of its inadequate information security practices, and (iii) effectively  
11 monitor its websites and e-commerce platforms for security vulnerabilities and  
12 incidents. Robinhood’s conduct amounts to negligence and violates federal and state  
13 statutes.

14 **II. JURISDICTION AND VENUE**

15 9. This Court has subject matter jurisdiction over this action under the  
16 Class Action Fairness Act, 28 U.S.C. § 1332(d)(2). The amount in controversy  
17 exceeds \$5 million exclusive of interest and costs. At least one member of the class  
18 is a citizen of a state different from Robinhood.

19 10. This Court has personal jurisdiction over Robinhood because it  
20 regularly conducts business in California, has sufficient minimum contacts in  
21 California, including its principal place of business, and intentionally avails itself of  
22 this jurisdiction by marketing and selling products and services in California.

23 11. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(a)(1)  
24 because a substantial part of the events and omissions giving rise to this action  
25 occurred in this District, including (upon information and belief) the Data Breach.  
26 Robinhood caused harm to Plaintiffs and the Class Members through its actions in  
27 this District.

**III. PARTIES**

1  
2 12. Plaintiff Adam Fisher is a citizen of California residing in Los Angeles.  
3 Plaintiff Fisher is a Robinhood customer. On November 8, 2021, he received an  
4 email from Robinhood informing him of the Data Breach and that his PII had been  
5 stolen.

6 13. Plaintiff Ashley Carter is a citizen of Illinois residing in Chicago.  
7 Plaintiff Carter is a Robinhood customer. On November 8, 2021, she received an  
8 email from Robinhood informing her of the Data Breach and that her PII had been  
9 stolen.

10 14. Plaintiff Christina Lopez is a citizen of Illinois residing in Chicago.  
11 Plaintiff Lopez is a Robinhood customer. On November 8, 2021, she received an  
12 email from Robinhood informing her of the Data Breach and that her PII had been  
13 stolen.

14 15. Plaintiff Rachel Barnett is a citizen of Illinois residing in Benton.  
15 Plaintiff Barnett is a Robinhood customer. On November 8, 2021, she received an  
16 email from Robinhood informing her of the Data Breach and that her PII had been  
17 stolen.

18 16. Plaintiff Lucia Flores is a citizen of Illinois residing in Chicago.  
19 Plaintiff Flores is a Robinhood customer. On November 8, 2021, she received an  
20 email from Robinhood informing her of the Data Breach and that her PII had been  
21 stolen.

22  
23 17. Plaintiff Tiffany Cole is a citizen of Indiana residing in New Castle.  
24 Plaintiff Cole is a Robinhood customer. On November 8, 2021, she received an email  
25 from Robinhood informing her of the Data Breach and that her PII had been stolen.

26 18. Plaintiff Denise Okeefe is a citizen of New York residing in Ontario.  
27 Plaintiff Okeefe is a Robinhood customer. On November 8, 2021, she received an  
28

1 email from Robinhood informing her of the Data Breach and that her PII had been  
2 stolen.

3 19. Plaintiff Baylee Mestaz is a citizen of Utah residing in Ogden. Plaintiff  
4 Mestaz is a Robinhood customer. On November 8, 2021, she received an email from  
5 Robinhood informing her of the Data Breach and that her PII had been stolen.

6 20. Plaintiff John Cooper is a citizen of South Carolina residing in Sumter.  
7 Plaintiff Cooper is a Robinhood customer. On November 8, 2021, he received an  
8 email from Robinhood informing him of the Data Breach and that his PII had been  
9 stolen.

10 21. Plaintiff Crystal Harmon is a citizen of Georgia residing in Savannah.  
11 Plaintiff Harmon is a Robinhood customer. On November 8, 2021, she received an  
12 email from Robinhood informing her of the Data Breach and that her PII had been  
13 stolen.

14 22. Plaintiff Michelle Durden is a citizen of Virginia residing in  
15 Chesapeake. Plaintiff Durden is a Robinhood customer. On November 8, 2021, she  
16 received an email from Robinhood informing her of the Data Breach and that her PII  
17 had been stolen.

18 23. Plaintiff Karen Benoit is a citizen of Massachusetts residing in  
19 Seekonk. Plaintiff Benoit is a Robinhood customer. On November 8, 2021, she  
20 received an email from Robinhood informing her of the Data Breach and that her PII  
21 had been stolen.

22 24. Plaintiff Cassie Cowen is a citizen of Oklahoma residing in Pryor.  
23 Plaintiff Cowen is a Robinhood customer. On November 8, 2021, she received an  
24 email from Robinhood informing her of the Data Breach and that her PII had been  
25 stolen.

26 25. Defendant Robinhood Markets, Inc. is a publicly-traded corporation  
27 organized under the laws of the State of Delaware, with a principal place of business  
28

1 at 85 Willow Road, Menlo Park, CA, 94025. Defendant Robinhood Markets, Inc.  
2 advertises its services and sells products to customers nationwide through its website  
3 as well as through its mobile application. Its website can be found at the  
4 robinhood.com URL, which is registered to Robinhood Markets, Inc. with a  
5 California address.<sup>1</sup>

6 26. Defendant Robinhood Crypto, LLC is a limited liability company  
7 organized under the laws of the State of Delaware, with a principal place of business  
8 at 85 Willow Road, Menlo Park, CA, 94025. Defendant Robinhood Crypto, LLC is  
9 a wholly-owned subsidiary of Defendant Robinhood Markets, Inc.

10 27. Defendant Robinhood Securities, LLC is a limited liability company  
11 organized under the laws of the State of Delaware, with a principal place of business  
12 at 85 Willow Road, Menlo Park, CA, 94025. Defendant Robinhood Securities, LLC  
13 is a wholly-owned subsidiary of Defendant Robinhood Markets, Inc.

14 28. Defendant Robinhood Financial LLC is a limited liability company  
15 organized under the laws of the State of Delaware, with a principal place of business  
16 at 85 Willow Road, Menlo Park, CA, 94025. Defendant Robinhood Financial LLC  
17 is a wholly-owned subsidiary of Defendant Robinhood Markets, Inc.

#### 18 **IV. FACTUAL ALLEGATIONS**

##### 19 **A. Background**

20 29. Robinhood is a financial services company that allows its more than 31  
21 million customers to trade stocks, exchange-traded funds, and cryptocurrencies  
22 through its website and mobile app.

23 30. Robinhood maintains office locations across the United States as well  
24 as in the United Kingdom.

25  
26  
27 <sup>1</sup> See <https://www.whois.com/whois/robinhood.com> (last visited on November 11, 2021).  
28



**B. Robinhood's Personal Information Collection Practices**

1  
2 31. Robinhood's website provides consumers with a privacy policy that  
3 informs them what PII will be collected and how that PII will be used (the "Privacy  
4 Policy"). The Privacy Policy states that, in the ordinary course of doing business  
5 with its customers, among other things, Robinhood collects a customer's name, date  
6 of birth, marital status, social security number, biometric identifiers, data from  
7 government-issued identification documents, email address, mailing address,  
8 telephone number, bank account and payment card details, information about  
9 income, account balances, financial transaction history, credit history, tax  
10 information, credit scores, username and password, knowledge assessment results,  
11 interests, preferences, feedback, survey responses, photos from mobile phone gallery  
12 or contacts stored in customer's mobile device or email accounts, usage information  
13 regarding the customer's use of the company's services, transactional information,  
14 GPS location of a customer's mobile device, and additional data provided to  
15 customers via focus groups, contests/sweepstakes, customer support, and other  
16 means. Robinhood's Privacy Policy makes clear that the company not only collects  
17 this information through its services, but it also collects information about its  
18 customers "from companies that we do business with, such as name, contact data,  
19 inferences about your preferences and attributes, as well as inferred fraud risk, from  
20 identity verification and fraud prevention partners." It further claims to collect  
21 customers "interactions with our social media platforms, and other information from  
22 publicly available sources, such as public websites."

23 32. Relating to California customers, the Robinhood Privacy Policy states  
24 the following: "In the last 12 months, we collected the following categories of  
25 personal information subject to the [California Consumer Privacy Act]: identifiers  
26 (such as email address and IP address), approximate geolocation information,  
27  
28

1 Internet or other electronic network activity information (such as browsing history  
2 and related usage data), and inferences from your interactions with our platform.”

3 33. In its Privacy Policy, Robinhood promises not to disclose customers’  
4 information except for the following instances: (1) to authorized third-party vendors  
5 and service providers, (2) to companies in which customers’ hold securities; (3) to  
6 Robinhood affiliates; (4) during substantial corporate transactions; (5) for legal  
7 purposes; or (6) with customers’ consent.<sup>2</sup>

8 34. Robinhood’s website also promises customers that it employs “a  
9 number of industry-standard measures to protect your account and ensure your  
10 experience with us is safe and secure.”<sup>3</sup>

11 **C. The Data Breach**

12 35. Despite Robinhood’s representation that it had implemented a number  
13 of industry-standard measures, Robinhood failed to prioritize data and cyber security  
14 by adopting reasonable data and cyber security measures to prevent and detect the  
15 unauthorized access to Plaintiff’s and the Class Members’ PII.

16 36. On November 8, 2021, Robinhood announced the Data Breach on its  
17 website. In a blog post titled “Robinhood Announces Data Security Incident,”  
18 Robinhood admitted the following:

19 Late in the evening of November 3, we experienced a data  
20 security incident. An unauthorized third party obtained  
21 access to a limited amount of personal information for a  
22 portion of our customers. Based on our investigation, the  
23 attack has been contained and we believe that no Social  
24 Security numbers, bank account numbers, or debit card  
25 numbers were exposed and that there has been no financial  
26 loss to any customers as a result of the incident.

26 <sup>2</sup> See <https://robinhood.com/us/en/support/articles/privacy-policy/> (“Robinhood Privacy Policy”)  
(last visited on November 11, 2021).

27 <sup>3</sup> See <https://robinhood.com/us/en/support/articles/how-youre-protected/> (“How you’re  
28 protected.”) (last visited on November 11, 2021).

1 The unauthorized party socially engineered a customer  
2 support employee by phone and obtained access to certain  
3 customer support systems. At this time, we understand that  
4 the unauthorized party obtained a list of email addresses for  
5 approximately five million people, and full names for a  
6 different group of approximately two million people. We  
7 also believe that for a more limited number of people—  
8 approximately 310 in total—additional personal  
9 information, including name, date of birth, and zip code,  
10 was exposed, with a subset of approximately 10 customers  
11 having more extensive account details revealed.

12 37. On November 16, 2021, Robinhood updated its November 8, 2021  
13 announcement to admit that further information, including customers’ phone  
14 numbers and other undisclosed types of PII were exposed in the Data Breach.

15 38. Indeed, it appears that Robinhood did not even implement basic  
16 security measures despite Robinhood’s promises that it: (i) would not disclose  
17 consumers’ PII; and (ii) would protect consumers’ PII with adequate security  
18 measures.

19 39. Robinhood customers’ PII exposed in the Data Breach is currently up  
20 for sale on the dark web.<sup>4</sup> The seller indicated that he was expecting to sell the  
21 information for at least “five figures,” and the information is “highly profitable in  
22 the right hands.” As a result, Robinhood’s customers face a lifetime risk of identity  
23 theft.

#### 24 **D. FTC and NIST Guidelines on Protecting Customer Personal** 25 **Information**

26 40. Recently, the Federal Trade Commission (“FTC”) has held that the  
27 failure to employ reasonable measures to protect against unauthorized access to  
28

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<sup>4</sup> See *FBI Hacker Offers to Sell Data Allegedly Stolen in Robinhood Breach*, SECURITY WEEK (Nov. 16, 2021), <https://www.securityweek.com/fbi-hacker-offers-sell-data-allegedly-stolen-robinhood-breach> (last visited on November 17, 2021).

1 confidential consumer data constitutes an unfair act or practice prohibited by Section  
2 5 of the FTC Act (codified by 15 U.S.C. § 45).

3 41. Under the FTC Act, Robinhood is prohibited from engaging in “unfair  
4 or deceptive acts or practices in or affecting commerce.” The FTC has concluded  
5 that a company’s failure to maintain reasonable and appropriate data security for  
6 consumers’ sensitive personal information is an “unfair practice” in violation of the  
7 FTC Act.

8 42. Beginning in 2007, the FTC released a set of industry standards related  
9 to data security and the data security practices of businesses, called “Protecting  
10 Personal Information: A Guide for Businesses” (the “FTC Guide”).<sup>5</sup> In 2011, this  
11 guidance was updated to include fundamental data security principles for businesses.  
12 In addition to the necessity to protect consumer data, the guide established that:

- 13 • Businesses should dispose of personal identifiable
- 14 information that is no longer needed;
- 15 • Businesses should encrypt personal identifiable
- 16 information and protected cardholder data stored on
- 17 computer networks so that it is unreadable even if
- 18 hackers are able to gain access to the information;
- 19 • Businesses should thoroughly understand the types
- 20 of vulnerabilities on their network (of which
- 21 malware on a point-of-sale system is one) and how
- 22 to address said vulnerabilities;
- 23 • Businesses should implement protocols necessary
- 24 to correct security breaches;
- 25 • Businesses should install intrusion detection
- 26 systems to expose security breaches at the moment
- 27 they occur;
- 28 • Businesses should install monitoring mechanisms
- to watch for massive troves of data being
- transmitted from their systems; and,

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24 <sup>5</sup> See *FTC Unveils Practice Suggestions for Businesses on Safeguarding Personal Information*,  
25 FEDERAL TRADE COMM’N (Mar. 8, 2007), <https://www.ftc.gov/news-events/press-releases/2007/03/ftc-unveils-practical-suggestions-businesses-safeguarding> (last visited on November 11,  
26 2021); see also Fed. Trade Comm’n, *Protecting Personal Information: A Guide for Business*,  
27 *Federal Trade Commission* (Oct. 2016), [https://www.ftc.gov/system/files/documents/plain-language/pdf-0136\\_proteting-personal-information.pdf](https://www.ftc.gov/system/files/documents/plain-language/pdf-0136_proteting-personal-information.pdf) (updated FTC Guide) (last visited on  
28 November 11, 2021).

- Businesses should have an emergency plan prepared in response to a breach.

43. On information and belief, Robinhood failed to adequately address the foregoing requirements in the FTC Guide.

44. In 2015, the FTC supplemented the FTC Guide with a publication called “Start with Security” (the “Supplemented FTC Guide”).<sup>6</sup> This supplement added further requirements for businesses that maintain customer data on their networks:

- Businesses should not keep personal identifiable information and protected cardholder data stored on their networks for any period longer than what is needed for authorization;
- Businesses should use industry-tested methods for data security; and,
- Businesses should be continuously monitoring for suspicious activity on their network.

45. Again, Robinhood apparently failed to adequately address these requirements enumerated in the Supplemented FTC Guide.

46. The FTC Guide is clear that businesses should, among other things: (1) protect the personal customer information they acquire; (2) properly dispose of personal information that is no longer needed; (3) encrypt information stored on computer networks; (4) understand their network’s vulnerabilities; and (5) implement policies for installing vendor-approved patches to correct security vulnerabilities. The FTC guidance also recommends that businesses: (1) use an intrusion detection system to expose a breach as soon as it occurs; (2) monitor all incoming traffic for activity indicating that someone may be trying to penetrate the

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<sup>6</sup> Fed. Trade Comm’n, Start with Security: A Guide for Business (June 2015), <https://www.ftc.gov/system/files/documents/plain-language/pdf0205-startwithsecurity.pdf> (last visited on November 11, 2021).

1 system; and (3) watch for large amounts of data being transmitted from the system.<sup>7</sup>  
2 Plaintiffs believe that Robinhood did not follow these recommendations, and as a  
3 result exposed hundreds of thousands of consumers to harm.

4 47. Furthermore, the FTC has issued orders against businesses for failing  
5 to employ reasonable measures to safeguard customer data. The orders provide  
6 further public guidance to businesses concerning their data security obligations.

7 48. Robinhood knew or should have known about its obligation to comply  
8 with the FTC Act, the FTC Guide, the Supplemented FTC Guide, and many other  
9 FTC pronouncements regarding data security.

10 49. Thus, among other things, Robinhood's misconduct violated the FTC  
11 Act and the FTC's data security pronouncements, led to the Data Breach, and  
12 resulted in harm directly and proximately to Plaintiffs and the Class Members.

13 50. Additionally, the National Institute of Standards and Technology  
14 ("NIST") provides basic network security guidance that enumerates steps to take to  
15 avoid cybersecurity vulnerabilities.<sup>8</sup> Although use of NIST guidance is voluntary, the  
16 guidelines provide valuable insights and best practices to protect network systems  
17 and data.

18 51. NIST guidance includes recommendations for risk assessments, risk  
19 management strategies, system access controls, training, data security, network  
20 monitoring, breach detection, and mitigation of existing anomalies.<sup>9</sup>

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23 <sup>7</sup> See, e.g., *id.*; Fed. Trade Comm'n, *Protecting Personal Information: A Guide for Business* (Oct.  
24 2016), [https://www.ftc.gov/system/files/documents/plain-language/pdf-0136\\_proteting-](https://www.ftc.gov/system/files/documents/plain-language/pdf-0136_proteting-personal-information.pdf)  
25 [personal-information.pdf](https://www.ftc.gov/system/files/documents/plain-language/pdf-0136_proteting-personal-information.pdf) (last visited on November 11, 2021).

26 <sup>8</sup> *Framework for Improving Critical Infrastructure Cybersecurity*, NATIONAL INSTITUTE  
27 OF STANDARDS AND TECHNOLOGY (April 16, 2018), Appendix A, Table 2, *available at*  
<https://nvlpubs.nist.gov/nistpubs/CSWP/NIST.CSWP.04162018.pdf> (last visited on November  
11, 2021).

28 <sup>9</sup> *Id.* at Table 2 pg. 36-43.

1 52. Robinhood’s failure to protect massive amounts of PII throughout  
2 breach period belies any assertion that Robinhood employed proper data security  
3 protocols or adhered to the spirit of the NIST guidance.

4 **E. Value of Personally Identifiable Information**

5 53. PII is a valuable property right. Its value is axiomatic, considering the  
6 value of Big Data in corporate America and the consequences of cyber thefts include  
7 heavy prison sentences. Even this obvious risk to reward analysis illustrates beyond  
8 doubt that PII has considerable market value.

9 54. The PII of consumers remains of high value to criminals, as evidenced  
10 by the prices they will pay through the dark web. Numerous sources cite dark web  
11 pricing for stolen identity credentials. For example, PII can be sold at a price ranging  
12 from \$40 to \$200, and bank details have a price range of \$50 to \$200.<sup>10</sup> Experian  
13 reports that a stolen credit or debit card number can sell for \$5 to \$110 on the dark  
14 web and that the “fullz” (a term criminals who steal credit card information use to  
15 refer to a complete set of information on a fraud victim) sold for \$30 in 2017.<sup>11</sup>  
16 Criminals can also purchase access to entire company data breaches from \$900 to  
17 \$4,500.<sup>12</sup>

18 55. A study by the Identity Theft Resource Center shows the multitude of  
19 harms caused by fraudulent use of PII.<sup>13</sup>

20  
21  
22 <sup>10</sup> *Your personal data is for sale on the dark web. Here’s how much it costs*, Digital Trends, Oct.  
23 16, 2019, available at: [https://www.digitaltrends.com/computing/personal-data-sold-on-the-dark-  
web-how-much-it-costs/](https://www.digitaltrends.com/computing/personal-data-sold-on-the-dark-web-how-much-it-costs/) (last visited on November 11, 2021).

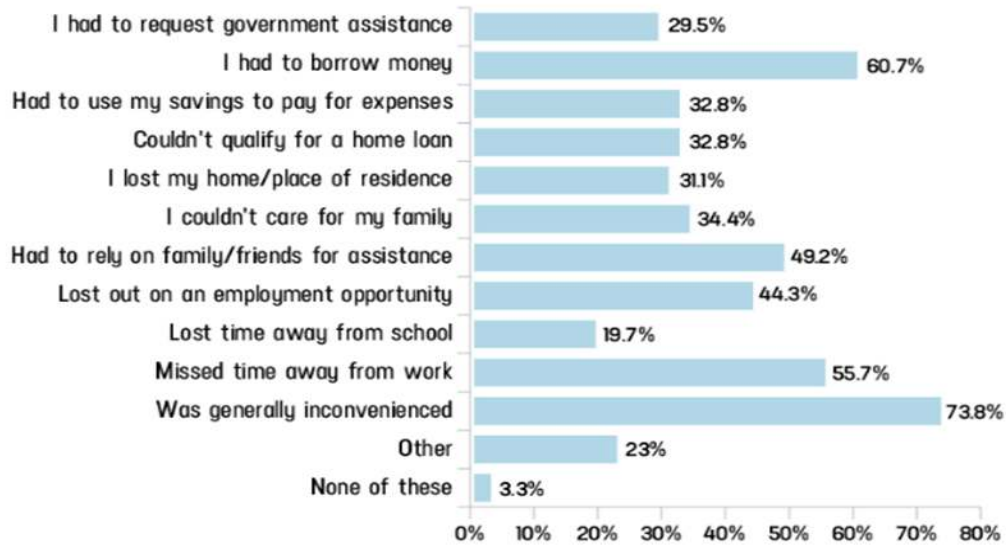
24 <sup>11</sup> *Here’s How Much Your Personal Information Is Selling for on the Dark Web*, Experian, Dec. 6,  
25 2017, available at: [https://www.experian.com/blogs/ask-experian/heres-how-much-your-  
personal-information-is-selling-for-on-the-dark-web/](https://www.experian.com/blogs/ask-experian/heres-how-much-your-personal-information-is-selling-for-on-the-dark-web/) (last visited on November 11, 2021).

26 <sup>12</sup> *In the Dark*, VPNOverview, 2019, available at: [https://vpnoverview.com/privacy/anonymous-  
browsing/in-the-dark/](https://vpnoverview.com/privacy/anonymous-browsing/in-the-dark/) (last visited on November 11, 2021).

27 <sup>13</sup> Source: “*Credit Card and ID Theft Statistics*” by Jason Steele, 10/24/17, [https://www.  
creditcards.com/credit-card-news/credit-card-security-id-theft-fraud-statistics-1276/](https://www.creditcards.com/credit-card-news/credit-card-security-id-theft-fraud-statistics-1276/) (last visited  
28 on November 11, 2021).



## Americans' expenses/disruptions as a result of criminal activity in their name [2016]



Source: Identity Theft Resource Center

creditcards.com

56. PII is a valuable property right. Its value is axiomatic. Considering the value of Big Data in corporate America and the consequences of cyber thefts include heavy prison sentences. Even this obvious risk to reward analysis illustrates beyond doubt that PII has considerable market value.

57. The PII of consumers remains of high value to criminals, as evidenced by the prices they will pay through the dark web.

58. Plaintiffs and the Class have experienced one or more of these harms as a result of the data breach.

59. Moreover, there may be a time lag between when harm occurs versus when it is discovered, and between when PII is stolen and when it is used. According to the U.S. Government Accountability Office, which conducted a study regarding data breaches:

[L]aw enforcement officials told us that in some cases, stolen data may be held for up to a year or more before being used to commit identity theft. Further, once stolen data have been sold or posted on the Web, fraudulent use of that



1 information may continue for years. As a result, studies that  
2 attempt to measure the harm resulting from data breaches  
3 cannot necessarily rule out all future harm.<sup>14</sup>

4 60. Therefore, given the importance of safeguarding PII and of the  
5 foreseeable consequences that would occur if its data security system was breached,  
6 including, specifically, the significant costs that would be imposed on its customers  
7 as a result of a breach, Robinhood were, or should have been, fully aware of its  
8 responsibilities towards protecting customer PII.

9 **F. Damage to Plaintiffs and the Class Members Caused by the Data**  
10 **Breach**

11 61. Plaintiffs and the Class Members have been damaged because their PII  
12 was accessed by hackers in the Data Breach.

13 62. Plaintiffs and the Class Members have or will suffer actual injury as a  
14 direct result of the Data Breach.

15 63. As a direct and proximate result of Robinhood's conduct, Plaintiffs and  
16 the Class have been placed at an imminent, immediate, and continuing increased risk  
17 of harm from fraud. Plaintiffs now have to take the time and effort to mitigate the  
18 actual and potential impact of the data breach on their everyday lives.

19 64. On November 8, 2021, Robinhood began notifying customers that their  
20 PII may have been compromised. However, Robinhood appears to be doing nothing  
21 to remedy the harm caused by its breach.

22 65. Plaintiffs and the Class Members may also incur out-of-pocket costs for  
23 protective measures such as credit report fees, credit freeze fees, and similar costs  
24 directly or indirectly related to the Data Breach.

25  
26 <sup>14</sup> "Data Breaches Are Frequent, but Evidence of Resulting Identity Theft Is Limited; However,  
27 the Full Extent Is Unknown" by GAO, June 2007, <https://www.gao.gov/assets/270/262904.html>  
28 (last visited on November 11, 2021).

1           66. Plaintiffs and the Class Members also suffered a loss of value of their  
2 PII when it was acquired by cyber thieves in the Data Breach. Numerous courts have  
3 recognized the propriety of loss of value damages in related cases.

4           67. Plaintiffs and the Class Members were also damaged via benefit-of-the-  
5 bargain damages. The implied contractual bargain entered into between Plaintiffs  
6 and Robinhood included Robinhood's contractual obligation to provide adequate  
7 data security, which Robinhood failed to provide. Thus, Plaintiffs and the Class  
8 Members did not get what they paid for.

9           68. Plaintiffs and the Class have suffered, and continue to suffer, economic  
10 damages and other actual harm for which they are entitled to compensation,  
11 including:

- 12           a. Trespass, damage to and theft of their PII;
- 13           b. Improper disclosure of their PII property;
- 14           c. The imminent and certainly impending injury flowing from  
15                 potential fraud and identity theft posed by customers' PII being  
16                 placed in the hands of criminals and misused via the sale of such  
17                 information on the Internet black market;
- 18           d. Loss of privacy suffered as a result of the data breach;
- 19           e. Ascertainable losses in the form of out-of-pocket expenses and  
20                 the value of their time reasonably incurred to remedy or mitigate  
21                 the effects of the data breach; and
- 22           f. Ascertainable losses in the form of deprivation of the value of  
23                 customers' PII for which there is a well-established and  
24                 quantifiable national and international market.

1 **V. CLASS ALLEGATIONS**

2 69. Plaintiffs bring this action pursuant to Rule 23 of the Federal Rules of  
3 Civil Procedure on behalf of themselves and on behalf of all other persons similarly  
4 situated (“the Class”).

5 70. Plaintiffs propose the following Class and Sub-Class definitions,  
6 subject to amendment as appropriate:

7 **Nationwide Class:**

8 All individuals in the United States who had any PII compromised as  
9 a result of the Data Breach.

10 **California Subclass:**

11 All residents of California who had any PII compromised as a result  
12 of the Data Breach.

13 **Illinois Subclass:**

14 All residents of Illinois who had any PII compromised as a result of  
15 the Data Breach.

16 **New York Subclass:**

17 All residents of New York who had any PII compromised as a result  
18 of the Data Breach.

19 **Indiana Subclass:**

20 All residents of Indiana who had any PII compromised as a result of  
21 the Data Breach.

22 **Utah Subclass:**

23 All residents of Utah who had any PII compromised as a result of the  
24 Data Breach.

25 **South Carolina Subclass**

26 All residents of South Carolina who had any PII compromised as a  
27 result of the Data Breach

28 **Georgia Subclass**

All residents of Georgia who had any PII compromised as a result of  
the Data Breach

71. Excluded from each of the above Classes are Defendants and their  
parents or subsidiaries, any entities in which it has a controlling interest, as well as  
its officers, directors, affiliates, legal representatives, heirs, predecessors,

1 successors, and assigns. Also excluded are any Judge to whom this case is assigned  
2 as well as his or her judicial staff and immediate family members.

3 72. Plaintiffs reserve the right to modify or amend the definitions of the  
4 proposed Classes before the Court determines whether certification is appropriate.

5 73. Each of the proposed classes meet the criteria for certification under  
6 Fed. R. Civ. P. 23(a), (b)(2), and (b)(3).

7 74. Numerosity. The Members of the Class are so numerous that joinder of  
8 all of them is impracticable. While the exact number of Class Members is unknown  
9 to Plaintiffs at this time, based on information and belief, the Class consists of  
10 thousands of customers of Robinhood whose data was compromised in the Data  
11 Breach.

12 75. Commonality. There are questions of law and fact common to the Class,  
13 which predominate over any questions affecting only individual Class Members.  
14 These common questions of law and fact include, without limitation:

- 15 a. Whether Robinhood engaged in the conduct alleged herein;
- 16 b. Whether Robinhood's conduct violated the state consumer  
17 protection laws invoked below;
- 18 c. When Robinhood actually learned of the data breach and whether  
19 its response was adequate.
- 20 d. Whether Robinhood had a legal duty to adequately protect  
21 Plaintiffs' and the Class Members' PII;
- 22 e. Whether Robinhood breached its legal duty by failing to  
23 adequately protect Plaintiffs' and the Class Members' PII;
- 24 f. Whether Robinhood implemented and maintained reasonable  
25 security procedures and practices appropriate to the nature of  
26 storing Plaintiffs' and the Class Members' PII;
- 27
- 28

- 1 g. Whether Robinhood knew or should have known that it did not
- 2 employ reasonable measures to keep Plaintiffs' and the Class
- 3 Members' PII secure and prevent loss or misuse of that PII;
- 4 h. Whether Robinhood adequately addressed and fixed the
- 5 vulnerabilities which permitted the data breach to occur;
- 6 i. Whether Plaintiffs and the Class Members are entitled to recover
- 7 actual damages and/or statutory damages;
- 8 j. Whether Plaintiffs and the other Class Members are entitled to
- 9 additional credit or identity monitoring beyond what the
- 10 company is offering and are entitled to other monetary relief; and
- 11 k. Whether Plaintiffs and the Class Members are entitled to
- 12 equitable relief, including injunctive relief, restitution,
- 13 disgorgement, and/or the establishment of a constructive trust.

14 76. Typicality. Plaintiffs' claims are typical of those of other Class  
15 Members because Plaintiffs' PII, like that of every other Class Member, was  
16 compromised in the Data Breach.

17 77. Adequacy of Representation. Plaintiffs will fairly and adequately  
18 represent and protect the interests of the Members of the Class. Plaintiffs' Counsel  
19 are competent and experienced in litigating class actions, including data breach class  
20 actions.

21 78. Predominance. Robinhood has engaged in a common course of conduct  
22 toward Plaintiffs and the Class Members, in that all the Plaintiffs' and the Class  
23 Members' PII was stored on the same computer systems and unlawfully accessed in  
24 the same way. The common issues arising from Robinhood's conduct affecting Class  
25 Members set out above predominate over any individualized issues. Adjudication of  
26 these common issues in a single action has important and desirable advantages of  
27 judicial economy.

1           79.   Superiority. A class action is superior to other available methods for the  
 2 fair and efficient adjudication of the controversy. Class treatment of common  
 3 questions of law and fact will be superior to multiple individual actions or piecemeal  
 4 litigation. Absent a class action, most Class Members would likely find that the cost  
 5 of litigating their individual claims is prohibitively high and would therefore have  
 6 no effective remedy. The prosecution of separate actions by individual Class  
 7 Members would create a risk of inconsistent or varying adjudications with respect  
 8 to individual Class Members, which would establish incompatible standards of  
 9 conduct for Robinhood. In contrast, the conduct of this action as a class action  
 10 presents far fewer management difficulties, conserves judicial resources and the  
 11 parties' resources, and protects the rights of each Class Member.

12           80.   Class certification also is appropriate under Fed. R. Civ. P. 23(b)(2).  
 13 Robinhood has acted or has refused to act on grounds generally applicable to the  
 14 Class, so that final injunctive relief or corresponding declaratory relief is appropriate  
 15 as to the Class as a whole.

16           81.   Finally, all members of the proposed Classes are readily ascertainable.  
 17 Robinhood has access to addresses and other contact information for millions of  
 18 members of the Classes, which can be used to identify Class Members.

## 19                   COUNT I

### 20                   NEGLIGENCE

#### 21                   (On behalf of Plaintiffs and the Nationwide Class)

22           82.   Plaintiffs restate and reallege all proceeding allegations above and  
 23 hereafter as if fully set forth herein.

24           83.   Robinhood solicited and gathered PII of Plaintiffs and the Nationwide  
 25 Negligence Class to facilitate sales transactions.

26           84.   Robinhood knew, or should have known, of the risks inherent in  
 27 collecting the PII of Plaintiffs and the Class Members and the importance of  
 28

1 adequate security. On information and belief, Robinhood received warnings that  
2 hackers routinely attempted to access and acquire PII without authorization.  
3 Robinhood also knew or should have known about numerous, well-publicized data  
4 breaches involving other financial services companies.

5 85. Robinhood owed duties of care to Plaintiffs and the Class Members  
6 whose PII was entrusted to it. Robinhood's duties included the following:

- 7 a. To exercise reasonable care in obtaining, retaining, securing,  
8 safeguarding, deleting and protecting PII in its possession;
- 9 b. To protect customers' PII using reasonable and adequate security  
10 procedures and systems that are compliant with the industry  
11 standards;
- 12 c. To implement processes to quickly detect a data breach and to  
13 timely act on warnings about data breaches, and

14 86. By collecting PII data, and using it for commercial gain, Robinhood  
15 had a duty of care to use reasonable means to secure and safeguard its computer  
16 property, to prevent disclosure of the PII, and to safeguard the PII from theft.

17 87. Because Robinhood knew that a breach of its systems would damage  
18 thousands of its customers, including Plaintiffs and the Class Members, it had a duty  
19 to adequately protect their PII.

20 88. Robinhood owed a duty of care not to subject Plaintiffs and the Class  
21 Members to an unreasonable risk of harm because they were foreseeable and  
22 probable victims of any inadequate security practices.

23 89. Robinhood knew, or should have known, that its systems did not  
24 adequately safeguard the PII of Plaintiffs and the Class Members.

25 90. Robinhood breached its duties of care by failing to provide, or by acting  
26 with reckless disregard for, fair, reasonable, or adequate computer systems and data  
27 security practices to safeguard the PII of Plaintiffs and the Class Members.

1           91. Robinhood had a special relationship with Plaintiffs and the Class  
2 Members. Plaintiffs' and the Class Members' willingness to entrust Robinhood with  
3 their PII was predicated on the understanding that Robinhood would take adequate  
4 security precautions. Moreover, only Robinhood had the ability to protect its systems  
5 (and the PII that it stored on them) from attack.

6           92. Robinhood own conduct also created a foreseeable risk of harm to  
7 Plaintiffs and the Class Members and their PII. Robinhood's misconduct included  
8 failing to:

- 9                   a. Secure its customer support systems;
- 10                   b. Secure access to its servers;
- 11                   c. Comply with industry standard security practices;
- 12                   d. Employ adequate network segmentation;
- 13                   e. Implement adequate system and event monitoring;
- 14                   f. Install updates and patches in a timely manner; and
- 15                   g. Implement the systems, policies, and procedures necessary to  
16                   prevent this type of data breach.

17           93. Robinhood also had independent duties under state laws that required  
18 it to reasonably safeguard Plaintiffs' and the Class Members' PII.

19           94. Robinhood breached the duties it owed to Plaintiffs and the Class  
20 Members in numerous ways, including:

- 21                   a. By creating a foreseeable risk of harm through the misconduct  
22                   previously described;
- 23                   b. By failing to implement adequate security systems, protocols and  
24                   practices sufficient to protect PII both before and after learning  
25                   of the data breach; and
- 26                   c. By failing to comply with the minimum industry data security  
27                   standards during the period of the data breach.



1 95. But for Robinhood’s wrongful and negligent breach of the duties it  
2 owed Plaintiffs and the Class Members, their PII either would not have been  
3 compromised or they would have been able to prevent some or all of their damages.

4 96. As a direct and proximate result of Robinhood’s negligent conduct,  
5 Plaintiffs and the Class Members have suffered damages and are at imminent risk of  
6 further harm.

7 97. The injury and harm that Plaintiffs and the Class Members suffered (as  
8 alleged above) was reasonably foreseeable.

9 98. The injury and harm that Plaintiffs and the Class Members suffered (as  
10 alleged above) was the direct and proximate result of Robinhood’s negligent  
11 conduct.

12 99. Plaintiffs and the Class Members have suffered injury and are entitled  
13 to damages in an amount to be proven at trial.

14 **COUNT II**

15 **NEGLIGENCE *PER SE***

16 **(On behalf of Plaintiffs and the Nationwide Class)**

17 100. Plaintiffs restate and reallege all proceeding allegations above and  
18 hereafter as if fully set forth herein.

19 101. Pursuant to Section 5 of the Federal Trade Commission Act (“FTCA”),  
20 15 U.S.C. § 45, Robinhood had a duty to provide fair and adequate computer systems  
21 and data security to safeguard the PII of Plaintiffs and the Class Members.

22 102. The FTCA prohibits “unfair . . . practices in or affecting commerce,”  
23 including, as interpreted and enforced by the FTC, the unfair act or practice by  
24 businesses, such as Robinhood, of failing to use reasonable measures to protect PII.  
25 The FTC publications and orders described above also form part of the basis of  
26 Robinhood’s duty in this regard.

1           103. Robinhood solicited, gathered, and stored PII, of Plaintiffs and the  
2 Class Members to facilitate sales transactions that affect commerce.

3           104. Robinhood violated the FTCA by failing to use reasonable measures to  
4 protect PII of Plaintiffs and the Class and not complying with applicable industry  
5 standards, as described herein.

6           105. Robinhood's violation of the FTCA constitutes negligence *per se*.

7           106. Plaintiffs and the Class are within the class of persons that the FTC Act  
8 was intended to protect.

9           107. The harm that occurred as a result of the Data Breach is the type of  
10 harm the FTCA was intended to guard against. The FTC has pursued enforcement  
11 actions against businesses, which, as a result of their failure to employ reasonable  
12 data security measures and avoid unfair and deceptive practices, caused the same  
13 harm as that suffered by Plaintiffs and the Class.

14           108. As a direct and proximate result of Robinhood's negligence *per se*,  
15 Plaintiffs and the Class have suffered, and continue to suffer, injuries damages  
16 arising from their inability to use their debit or credit cards because those cards were  
17 cancelled, suspended, or otherwise rendered unusable as a result of the data breach  
18 and/or false or fraudulent charges stemming from the data breach, including but not  
19 limited to late fees charges; damages from lost time and effort to mitigate the actual  
20 and potential impact of the data breach on their lives including, *inter alia*, by  
21 contacting their financial institutions to place to dispute fraudulent charges, closing  
22 or modifying financial accounts, closely reviewing and monitoring their accounts  
23 for unauthorized activity.

24           109. Robinhood breached its duties to Plaintiffs and the Class under these  
25 laws by failing to provide fair, reasonable, or adequate computer systems and data  
26 security practices to safeguard Plaintiffs' and the Class Members' PII.

27           110. Robinhood's violation of the FTCA constitutes negligence *per se*.  
28

1 111. But for Robinhood’s wrongful and negligent breach of its duties owed  
2 to Plaintiffs and the Class Members, Plaintiffs and the Class Members would not  
3 have been injured.

4 112. The injury and harm suffered by Plaintiffs and the Class Members was  
5 the reasonably foreseeable result of Robinhood’s breach of its duties. Robinhood  
6 knew or should have known that it was failing to meet its duties, and that  
7 Robinhood’s breach would cause Plaintiffs and the Class Members to experience the  
8 foreseeable harms associated with the exposure of their PII.

9 113. As a direct and proximate result of Robinhood’s negligent conduct,  
10 Plaintiffs and the Class Members have suffered injury and are entitled to  
11 compensatory and consequential damages in an amount to be proven at trial.

12 **COUNT III**

13 **BREACH OF CONTRACT**

14 **(On behalf of Plaintiffs and the Nationwide Class)**

15 114. Plaintiffs restate and reallege all proceeding allegations above and  
16 hereafter as if fully set forth herein.

17 115. When Plaintiffs and the Class Members provided their PII to  
18 Robinhood to create their accounts on its website, they entered into contracts by  
19 which Robinhood agreed to protect their PII in accordance with its Privacy Policy.

20 116. Robinhood solicited and invited its customers, including Plaintiffs and  
21 the Class, to provide their PII and open their trading accounts on its website using  
22 their PII.

23 117. An explicit part of the offer, as stated in its Privacy Policy, was that  
24 Robinhood would safeguard the PII using reasonable or industry-standard means.

25 118. Robinhood also affirmatively represented on its website and in its  
26 Privacy Policy that it protected the PII of Plaintiffs and the Class in several ways, as  
27 described above.

1 119. Based on Robinhood’s representations, Plaintiffs and the Class  
2 accepted the offers and provided Robinhood with their PII when they opened their  
3 accounts with Robinhood.

4 120. Robinhood entered into binding contracts with Plaintiffs that included  
5 a contractual obligation to reasonably protect Plaintiffs’ and the Class Members’ PII  
6 through, among other things, its Privacy Policy.

7 121. In entering into such contracts, Plaintiffs and the Class Members  
8 reasonably believed and expected that Robinhood’s data security practices complied  
9 with relevant laws and regulations and were consistent with industry standards.

10 122. Plaintiffs and the Class Members would not have provided their PII to  
11 Robinhood had they known that Robinhood would not safeguard their PII as  
12 promised.

13 123. Plaintiffs and the Class Members fully performed their obligations  
14 under the contracts with Robinhood.

15 124. Robinhood breached the contracts by failing to safeguard Plaintiffs’  
16 and the Class Members’ PII.

17 125. The losses and damages Plaintiffs and the Class Members sustained (as  
18 described above) were the direct and proximate result of Robinhood’s breaches of  
19 its contracts with them.

20 126. Plaintiffs and the Class Members also are entitled to injunctive relief  
21 requiring Robinhood to, *inter alia*, strengthen its data security systems and  
22 monitoring procedures, conduct periodic audits of those systems, and provide  
23 lifetime credit monitoring and identity theft insurance to Plaintiffs and the Class  
24 Members.

25 **COUNT IV**

26 **BREACH OF IMPLIED CONTRACT**

27 **(On behalf of Plaintiffs and the Nationwide Class)**

1 127. Plaintiffs restate and reallege all proceeding allegations above and  
2 hereafter as if fully set forth herein.

3 128. When Plaintiffs and the Class Members provided their PII to  
4 Robinhood to create their accounts on its website, they entered into contracts by  
5 which Robinhood agreed to protect their PII in accordance with its Privacy Policy.

6 129. Robinhood solicited and invited its customers, including Plaintiffs and  
7 the Class, to provide their PII and open their trading accounts on its website using  
8 their PII.

9 130. An implicit part of the offer was that Robinhood would safeguard the  
10 PII using reasonable or industry-standard means.

11 131. Robinhood also affirmatively represented on its website and in its  
12 Privacy Policy that it protected the PII of Plaintiffs and the Class in several ways, as  
13 described above.

14 132. Based on the implicit understanding and also on Robinhood's  
15 representations, Plaintiffs and the Class accepted the offers and provided Robinhood  
16 with their PII when they opened their accounts with Robinhood.

17 133. Robinhood manifested its intent to enter into an implied contract that  
18 included a contractual obligation to reasonably protect Plaintiffs' and the Class  
19 Members' PII through, among other things, its Privacy Policy.

20 134. In entering into such implied contracts, Plaintiffs and the Class  
21 Members reasonably believed and expected that Robinhood's data security practices  
22 complied with relevant laws and regulations and were consistent with industry  
23 standards.

24 135. Plaintiffs and the Class Members would not have provided their PII to  
25 Robinhood had they known that Robinhood would not safeguard their PII as  
26 promised.

1 136. Plaintiffs and the Class Members fully performed their obligations  
2 under the implied contracts with Robinhood.

3 137. Robinhood breached the implied contracts by failing to safeguard  
4 Plaintiffs' and the Class Members' PII.

5 138. The losses and damages Plaintiffs and the Class Members sustained (as  
6 described above) were the direct and proximate result of Robinhood's breaches of  
7 its implied contracts with them.

8 139. Plaintiffs and the Class Members also are entitled to injunctive relief  
9 requiring Robinhood to, *inter alia*, strengthen its data security systems and  
10 monitoring procedures, conduct periodic audits of those systems, and provide  
11 lifetime credit monitoring and identity theft insurance to Plaintiffs and the Class  
12 Members.

13 **COUNT V**

14 **UNJUST ENRICHMENT**

15 **(On behalf of Plaintiffs and the Nationwide Class)**

16 140. The losses and damages Plaintiffs and the Class Members sustained (as  
17 described above) were the direct and proximate result of Robinhood's breaches of  
18 its implied contracts with them.

19 141. Plaintiffs restate and reallege all proceeding allegations above and  
20 hereafter as if fully set forth herein.

21 142. This count is plead in the alternative to Count III above.

22 143. Plaintiffs and members of the Nationwide Class conferred a monetary  
23 benefit on Robinhood. Specifically, they purchased financial products through  
24 Robinhood and paid fees to Robinhood.

25 144. Robinhood knew that Plaintiffs and the Class conferred a benefit on  
26 Robinhood. Robinhood profited from their purchases and used their PII for its own  
27 business purposes.

1 145. The monies for goods and services that Plaintiffs and the Class  
2 Members paid to Robinhood were to be used by Robinhood, in part, to pay for the  
3 administrative costs of reasonable data privacy and security practices and  
4 procedures.

5 146. Robinhood failed to secure the Plaintiffs' and the Class Members' PII,  
6 and therefore, it was unjustly enriched by the trading accounts Plaintiffs and the  
7 Class Members opened with Robinhood, that they would not have opened had they  
8 known that Robinhood did not keep their personal information secure.

9 147. Plaintiffs and the Class have no adequate remedy at law.

10 148. Under the circumstances, it would be unjust for Robinhood to be  
11 permitted to retain any of the benefits that Plaintiffs and the Class Members  
12 conferred on it.

13 149. Robinhood should be compelled to disgorge into a common fund or  
14 constructive trust for the benefit of Plaintiffs and the Class Members proceeds that  
15 it unjustly received from them. In the alternative, Robinhood should be compelled  
16 to refund the amounts that Plaintiffs and the Class overpaid.

17 **COUNT VI**

18 **DECLARATORY JUDGMENT**

19 **(On behalf of Plaintiffs and the Nationwide Class)**

20 150. Plaintiffs restate and reallege all proceeding allegations above and  
21 hereafter as if fully set forth herein.

22 151. Under the Declaratory Judgment Act, 28 U.S.C. §§ 2201, *et seq.*, this  
23 Court is authorized to enter a judgment declaring the rights and legal relations of the  
24 parties and grant further necessary relief. Furthermore, the Court has broad authority  
25 to restrain acts, such as here, that are tortious and violate the terms of the federal and  
26 state statutes described in this Complaint.

1           152. Robinhood owes duties of care to Plaintiffs and the Class Members  
2 which required it to adequately secure PII.

3           153. Robinhood still possesses PII regarding Plaintiffs and the Class  
4 Members.

5           154. Plaintiffs allege that Robinhood's data security measures remain  
6 inadequate. Robinhood publicly denies these allegations. Furthermore, Plaintiffs  
7 continue to suffer injury as a result of the compromise of their PII and remain at  
8 imminent risk that further compromises of their PII will occur in the future.

9           155. Under its authority under the Declaratory Judgment Act, this Court  
10 should enter a judgment declaring, among other things, the following:

11                   d. Robinhood owes a legal duty to secure consumers' PII under the  
12 common law and Section 5 of the FTC Act;

13                   e. Robinhood's existing security measures do not comply with its  
14 explicit or implicit contractual obligations and duties of care to  
15 provide reasonable security procedures and practices appropriate  
16 to the nature of the information to protect customers' PII;

17                   f. Robinhood continues to breach this legal duty by failing to  
18 employ reasonable measures to secure consumers' PII;

19                   g. to comply with its explicit or implicit contractual obligations and  
20 duties of care, Robinhood must implement and maintain  
21 reasonable security measures, including, but not limited to:

22                           i. Engaging third-party security auditors/penetration testers  
23 as well as internal security personnel to conduct testing,  
24 including simulated attacks, penetration tests, and audits  
25 on Robinhood's systems on a periodic basis, and ordering  
26 Robinhood to promptly correct any problems or issues  
27 detected by such third-party security auditors;



- 1 ii. Engaging third-party security auditors and internal
- 2 personnel to run automated security monitoring;
- 3 iii. Auditing, testing, and training its security personnel
- 4 regarding any new or modified procedures;
- 5 iv. Segmenting its user applications by, among other things,
- 6 creating firewalls and access controls so that if one area is
- 7 compromised, hackers cannot gain access to other portions
- 8 of Robinhood's systems;
- 9 v. Conducting regular database scanning and securing
- 10 checks;
- 11 vi. Routinely and continually conducting internal training and
- 12 education to inform internal security personnel how to
- 13 identify and contain a breach when it occurs and what to
- 14 do in response to a breach;
- 15 vii. Purchasing credit monitoring services for Plaintiffs and
- 16 the Class Members for a period of ten years; and
- 17 viii. Meaningfully educating its users about the threats they
- 18 face as a result of the loss of their PII to third parties, as
- 19 well as the steps Robinhood's customers must take to
- 20 protect themselves.

21 156. This Court also should issue corresponding prospective injunctive relief  
22 requiring Robinhood to employ adequate security protocols consistent with law and  
23 industry standards to protect consumers' PII.

24 157. If an injunction is not issued, Plaintiffs will suffer irreparable injury,  
25 and lack an adequate legal remedy, in the event of another data breach at Robinhood.  
26 The risk of another such breach is real, immediate, and substantial. If another breach  
27  
28

1 at Robinhood occurs, Plaintiffs will not have an adequate remedy at law because  
2 many of the resulting injuries are not readily quantifiable.

3 158. The hardship to Plaintiffs if an injunction does not issue exceeds the  
4 hardship to Robinhood if an injunction is issued. Plaintiffs will likely be subjected  
5 to substantial identity theft and other damage. On the other hand, the cost to  
6 Robinhood of complying with an injunction by employing reasonable prospective  
7 data security measures is relatively minimal, and Robinhood has a pre-existing legal  
8 obligation to employ such measures.

9 159. Issuance of the requested injunction will not disserve the public interest.  
10 To the contrary, such an injunction would benefit the public by preventing another  
11 data breach at Robinhood, thus eliminating the additional injuries that would result  
12 to Plaintiffs and consumers whose PII would be further compromised.

13 **COUNT VII**

14 **VIOLATION OF THE CALIFORNIA UNFAIR COMPETITION LAW,**  
15 **CAL. BUS. & PROF. CODE §§ 17200, *ET SEQ.***

16 **(On behalf of Plaintiff Adam Fisher and the California Subclass)**

17 160. Plaintiff Fisher restates and realleges all proceeding allegations above and  
18 hereafter as if fully set forth herein.

19 161. Robinhood is a “person” as defined by Cal. Bus. & Prof. Code § 17201.

20 162. Robinhood violated Cal. Bus. & Prof. Code §§ 17200, *et seq.* (“UCL”)  
21 by engaging in unlawful, unfair, and deceptive business acts and practices.

22 163. Robinhood’s unlawful, unfair acts and deceptive acts and practices  
23 include:

- 24 a. Robinhood failed to implement and maintain reasonable security  
25 measures to protect Plaintiff Fisher and the California Subclass  
26 Members from unauthorized disclosure, release, data breaches,  
27  
28

1 and theft, which was a direct and proximate cause of the Data  
2 Breach;

3 b. Robinhood failed to:

- 4 i. Secure its e-commerce website;
- 5 ii. Secure access to its servers;
- 6 iii. Comply with industry standard security practices;
- 7 iv. Follow the PCI-DSS standards;
- 8 v. Encrypt PCD at the point-of-sale and during transit;
- 9 vi. Employ adequate network segmentation;
- 10 vii. Implement adequate system and event monitoring;
- 11 viii. Utilize modern payment systems that provided more  
12 security against intrusion;
- 13 ix. Install updates and patches in a timely manner, and
- 14 x. Implement the systems, policies, and procedures  
15 necessary to prevent this type of data breach.

16 c. Robinhood failed to identify foreseeable security risks,  
17 remediate identified security risks, and adequately improve  
18 security. This conduct, with little if any utility, is unfair when  
19 weighed against the harm to Plaintiff Fisher and the California  
20 Subclass Members whose PII has been compromised;

21 d. Robinhood's failure to implement and maintain reasonable  
22 security measures also was contrary to legislatively declared  
23 public policy that seeks to protect consumer data and ensure that  
24 entities that are trusted with it use appropriate security measures.  
25 These policies are reflected in laws, including the FTC Act, 15  
26 U.S.C. § 45, California's Consumer Records Act, Cal. Civ. Code  
27  
28

1            §§ 1798.81.5 *et seq.*, and California’s Consumer Privacy Act,  
2            Cal. Civ. Code §§ 1798.100 *et seq.*;

3            e. Robinhood’s failure to implement and maintain reasonable  
4            security measures also lead to substantial injuries, as described  
5            above, that are not outweighed by any countervailing benefits to  
6            consumers or competition. Moreover, because Plaintiff Fisher  
7            and the California Subclass Members could not know of  
8            Robinhood’s inadequate security and compromise of its e-  
9            commerce site, consumers could not have reasonably avoided the  
10           harms that Robinhood caused;

11           f. Misrepresenting that it would protect the privacy and  
12           confidentiality of Plaintiff Fisher’s and the California Subclass  
13           Members’ PII, including by implementing and maintaining  
14           reasonable security measures;

15           g. Misrepresenting that it would comply with common law and  
16           statutory duties pertaining to the security and privacy of Plaintiff  
17           Fisher’s and the California Subclass Members’ PII, including  
18           duties imposed by the FTC Act, 15 U.S.C § 45; California’s  
19           Customer Records Act, Cal. Civ. Code §§ 1798.80, *et seq.*; and  
20           California’s Consumer Privacy Act, Cal. Civ. Code §§ 1798.100  
21           *et seq.*;

22           h. Omitting, suppressing, and concealing the material fact that it did  
23           not reasonably or adequately secure Plaintiff Fisher’s and the  
24           California Subclass Members’ PII;

25           i. Omitting, suppressing, and concealing the material fact that it did  
26           not comply with common law and statutory duties pertaining to  
27           the security and privacy of Plaintiff Fisher’s and the California  
28

1 Subclass Members' PII, including duties imposed by the FTC  
2 Act, 15 U.S.C § 45; California's Customer Records Act, Cal.  
3 Civ. Code §§ 1798.80, *et seq.*; and California's Consumer  
4 Privacy Act, Cal. Civ. Code §§ 1798.100 *et seq.*;

5 j. Engaging in unlawful business practices by violating Cal. Civ.  
6 Code § 1798.82; and

7 k. Among other ways to be discovered and proved at trial.

8 164. Robinhood's representations and omissions to Plaintiff Fisher and the  
9 California Subclass Members were material because they were likely to deceive  
10 reasonable consumers about the adequacy of Robinhood's data security and ability  
11 to protect the privacy of consumers' PII.

12 165. Robinhood intended to mislead Plaintiff Fisher and the California  
13 Subclass Members and induce them to rely on its misrepresentations and omissions.

14 166. Had Robinhood disclosed to Plaintiff Fisher and the California  
15 Subclass Members that its data systems were not secure and, thus, vulnerable to  
16 attack, Robinhood would have been unable to continue in business and it would have  
17 been forced to adopt reasonable data security measures and comply with the law.  
18 Instead, Robinhood received, maintained, and compiled Plaintiff Fisher's and the  
19 California Subclass Members' PII as part of the services and goods Robinhood  
20 provided without advising Plaintiff Fisher and the California Subclass Members that  
21 Robinhood's data security practices were insufficient to maintain the safety and  
22 confidentiality of Plaintiff Fisher and the California Subclass Members'.  
23 Accordingly, Plaintiff Fisher and the California Subclass Members acted reasonably  
24 in relying on Robinhood's misrepresentations and omissions, the truth of which they  
25 could not have discovered.

1 167. Robinhood acted intentionally, knowingly, and maliciously to violate  
2 California’s Unfair Competition Law, and recklessly disregarded Plaintiff Fisher  
3 and the California Subclass Members’ rights.

4 168. As a direct and proximate result of Robinhood’s unfair, unlawful, and  
5 fraudulent acts and practices, Plaintiff Fisher and the California Subclass Members  
6 have suffered and will continue to suffer injury, ascertainable losses of money or  
7 property, and monetary and non-monetary damages as described herein and as will  
8 be proved at trial.

9 169. Plaintiff Fisher and the California Subclass Members seek all monetary  
10 and non-monetary relief allowed by law, including restitution of all profits stemming  
11 from Robinhood’s unfair, unlawful, and fraudulent business practices or use of their  
12 PII and PCD; declaratory relief; injunctive relief; reasonable attorneys’ fees and  
13 costs under California Code of Civil Procedure § 1021.5; and other appropriate  
14 equitable relief.

15 170. Plaintiff Fisher and California Class Members are also entitled to  
16 injunctive relief requiring Robinhood to, e.g., (a) strengthen its data security systems  
17 and monitoring procedures; (b) submit to future annual audits of those systems and  
18 monitoring procedures; and (c) continue to provide adequate credit monitoring to all  
19 California Class Members.

20 **COUNT VIII**

21 **VIOLATION OF THE ILLINOIS CONSUMER FRAUD AND DECEPTIVE**  
22 **BUSINESS PRACTICES ACT (“ILLINOIS CFA”), 815 ILL. COMP. STAT.**

23 **§§ 505/1, ET SEQ.**

24 **(On behalf of Plaintiffs Ashley Carter, Christina Lopez, Lucia Flores and**  
25 **Rachel Barnett and the Illinois Subclass)**

26 171. Plaintiffs Carter, Lopez, Flores and Barnett restate and reallege all  
27 proceeding allegations above and hereafter as if fully set forth herein.

1 172. This Count is brought on behalf of Plaintiffs Carter, Lopez, Flores and  
2 Barnett and the Illinois Subclass.

3 173. Plaintiffs Carter, Lopez, Flores and Barnett and the Illinois Subclass are  
4 “consumers” as that term is defined in 815 ILL. COMP. STAT. § 505/1(e).

5 174. Plaintiffs Carter, Lopez, Flores and Barnett, the Illinois Subclass, and  
6 Robinhood are “persons” as that term is defined in 815 ILL. COMP. STAT. §  
7 505/1(c).

8 175. Robinhood is engaged in “trade” or “commerce,” including provision  
9 of services, as those terms are defined under 815 ILL. COMP. STAT. § 505/1(f).

10 176. Robinhood engages in the “sale” of “merchandise” (including services)  
11 as defined by 815 ILL. COMP. STAT. § 505/1(b) and (d).

12 177. Robinhood engaged in deceptive and unfair acts and practices,  
13 misrepresentation, and the concealment, suppression, and omission of material facts  
14 in connection with the sale and advertisement of “merchandise” (as defined in the  
15 Illinois CFA) in violation of the Illinois CFA, including but not limited to the  
16 following:

- 17 a. failing to maintain sufficient security to keep Plaintiffs Carter,  
18 Lopez, Flores and Barnett and Subclass members’ sensitive PII  
19 from being hacked and stolen;
- 20 b. misrepresenting material facts to Plaintiffs Carter, Lopez, Flores  
21 and Barnett and the Illinois Subclass, in connection with the sale  
22 of goods and services, by representing that it would maintain  
23 adequate data privacy and security practices and procedures to  
24 safeguard Plaintiffs Carter, Lopez, Flores and Barnett and the  
25 Illinois Subclass Members’ PII from unauthorized disclosure,  
26 release, data breaches, and theft;
- 27  
28

- 1 c. misrepresenting material facts to Plaintiffs Carter, Lopez, Flores  
2 and Barnett and the Illinois Subclass, in connection with sale of  
3 goods and services, by representing that Robinhood did and  
4 would comply with the requirements of relevant federal and state  
5 laws pertaining to the privacy and security of Plaintiffs Carter,  
6 Lopez, Flores and Barnett and the Illinois Subclass Members’  
7 PII; and
- 8 d. failing to take proper action following the Data Breach to enact  
9 adequate privacy and security measures and protect Plaintiffs  
10 Carter, Lopez, Flores and Barnett and the Illinois Subclass  
11 Members’ PII and other personal information from further  
12 unauthorized disclosure, release, data breaches, and theft.

13 178. In addition, Robinhood’s failure to disclose that its computer systems  
14 were not well-protected and that Plaintiffs Carter, Lopez, Flores and Barnett and the  
15 Illinois Subclass Members’ sensitive information was vulnerable and susceptible to  
16 intrusion and cyberattacks constitutes deceptive and/or unfair acts or practices  
17 because Robinhood knew such facts would (a) be unknown to and not easily  
18 discoverable by Plaintiffs Carter, Lopez, Flores and Barnett and the Illinois  
19 Subclass; and (b) defeat Plaintiffs Carter, Lopez, Flores and Barnett and the Illinois  
20 Subclass Members’ ordinary, foreseeable and reasonable expectations concerning  
21 the security of their PII on Robinhood’s servers.

22 179. Robinhood intended that Plaintiffs Carter, Lopez, Flores and Barnett  
23 and the Illinois Subclass rely on its deceptive and unfair acts and practices,  
24 misrepresentations, and the concealment, suppression, and omission of material  
25 facts, in connection with Robinhood’s offering of goods and services and  
26 incorporating Plaintiffs Carter, Lopez, Flores and Barnett and the Illinois Subclass  
27 Members’ PII on its servers, in violation of the Illinois CFA.



1 180. Robinhood also engaged in unfair acts and practices by failing to  
2 maintain the privacy and security of Plaintiffs Carter, Lopez, Flores and Barnett and  
3 the Illinois Subclass Members' PII, in violation of duties imposed by and public  
4 policies reflected in applicable federal and state laws, resulting in the data breach.  
5 These unfair acts and practices violated duties imposed by laws including the Federal  
6 Trade Commission Act (15 U.S.C. § 45) and similar state laws.

7 181. Robinhood's wrongful practices occurred in the course of trade or  
8 commerce.

9 182. Robinhood's wrongful practices were and are injurious to the public  
10 interest because those practices were part of a generalized course of conduct on the  
11 part of Robinhood that applied to Plaintiffs Carter, Lopez, Flores and Barnett and all  
12 Illinois Subclass members and were repeated continuously before and after  
13 Robinhood obtained sensitive PII and other information from Plaintiffs Carter,  
14 Lopez, Flores and Barnett and the Illinois Subclass Members. Plaintiffs Carter,  
15 Lopez, Flores and Barnett and all Illinois Subclass members were adversely affected  
16 by Robinhood's conduct and the public was and is at risk as a result thereof.

17 183. As a result of Robinhood's wrongful conduct, Plaintiffs Carter, Lopez,  
18 Flores and Barnett and the Illinois Subclass Members were injured in that they never  
19 would have allowed their sensitive PII – the value of which Plaintiffs Carter, Lopez,  
20 Flores and Barnett and the Illinois Subclass Members no long have control – to be  
21 provided to Robinhood if they had been told or knew that Robinhood failed to  
22 maintain sufficient security to keep such data from being hacked and taken by others.

23 184. Robinhood's unfair and/or deceptive conduct proximately caused  
24 Plaintiffs Carter, Lopez, Flores and Barnett and the Illinois Subclass Members'  
25 injuries because, had Robinhood maintained customer PII with adequate security,  
26 Plaintiffs Carter, Lopez, Flores and Barnett and the Illinois Subclass members would  
27 not have lost it.

1 185. As a direct and proximate result of Robinhood’s conduct, Plaintiffs  
2 Carter, Lopez, Flores and Barnett and the Illinois Subclass Members have suffered  
3 harm, including but not limited to loss of time and money obtaining protections  
4 against future identity theft; financial losses related to their accounts with Robinhood  
5 that Plaintiffs Carter, Lopez, Flores and Barnett and the Illinois Subclass Members  
6 would have never made had they known of Robinhood’s careless approach to  
7 cybersecurity; lost control over the value of PII; unreimbursed losses relating to  
8 fraudulent charges; and other harm resulting from the unauthorized use or threat of  
9 unauthorized use of stolen PII, entitling them to damages in an amount to be proven  
10 at trial.

11 186. Pursuant to 815 ILL. COMP. STAT. § 505/10a(a), Plaintiffs Carter,  
12 Lopez, Flores and Barnett seek actual, compensatory, and punitive damages  
13 (pursuant to 815 ILL. COMP. STAT. § 505/10a(c)), injunctive relief, and court costs  
14 and attorneys’ fees as a result of Robinhood’s violations of the Illinois CFA.

### 15 **COUNT IX**

#### 16 **VIOLATION OF THE NEW YORK GENERAL BUSINESS LAW § 349**

##### 17 **(On behalf of Plaintiff Denise Okeefe and the New York Subclass)**

18 187. Plaintiff Okeefe restates and realleges all preceding allegations above  
19 and hereafter as if fully set forth herein.

20 188. New York’s General Business Law § 349 (“GBL § 349”) prohibits  
21 deceptive acts or practices in the conduct of any business, trade, or commerce.

22 189. In its provision of services throughout the State of New York,  
23 Robinhood conducts business and trade within the meaning and intendment of New  
24 York’s General Business Law § 349.

25 190. Plaintiff Okeefe and the New York Subclass Members are consumers  
26 who conducted transactions with Robinhood for their personal use.

1 191. By the acts and conduct alleged herein, Robinhood has engaged in  
2 deceptive, unfair, and misleading acts and practices, which include, without  
3 limitation, the expectation that Robinhood would implement adequate cybersecurity,  
4 when in fact Robinhood did not.

5 192. The foregoing deceptive acts and practices were directed at consumers.

6 193. The foregoing deceptive acts and practices are misleading in a material  
7 way because they fundamentally misrepresent the ability and measures taken by  
8 Robinhood to safeguard consumer PII, and to induce consumers to enter transactions  
9 with Robinhood.

10 194. By reason of this conduct, Robinhood engaged in deceptive conduct in  
11 violation of GBL § 349.

12 195. Robinhood's actions are the direct, foreseeable, and proximate cause of  
13 the damages that Plaintiff Okeefe and the New York Subclass Members have  
14 sustained from having provided their PII to Robinhood, which was exposed in the  
15 data breach.

16 196. As a result of Robinhood's violations, Plaintiff Okeefe and the New  
17 York Subclass Members have suffered damages because: (a) they would not have  
18 provided their PII to Robinhood had they known Robinhood did not use "reasonable  
19 security measures, including physical, administrative, and technical safeguards to  
20 help us protect your information from unauthorized access, use and disclosure"; (b)  
21 they have suffered identity theft and/or fraudulent charges and their PII has been  
22 devalued as a result of being exposed in the data breach; and (c) Plaintiff Okeefe and  
23 the New York Subclass Members must spend considerable time and expenses  
24 dealing with the effects of the data breach, and are now at greater risk for future  
25 harm stemming from the data breach.

1 197. On behalf of herself and other the New York Subclass Members,  
2 Plaintiff Okeefe seeks to recover their actual damages or fifty dollars, whichever is  
3 greater, three times actual damages, and reasonable attorneys' fees.

4 **COUNT X**

5 **VIOLATION OF THE INDIANA DECEPTIVE CONSUMER SALES ACT,**  
6 **IND. CODE §§ 24-5-0.5-1, *ET SEQ.***

7 **(On behalf of Plaintiff Tiffany Cole and the Indiana Subclass)**

8 198. Plaintiff Cole restates and realleges all preceding allegations above and  
9 hereafter as if fully set forth herein.

10 199. Indiana's Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)  
11 ("IDCSA") prohibits suppliers from engaging in deceptive, unfair, and abusive acts  
12 or omissions in consumer transactions.

13 200. Robinhood is a "supplier" who engaged in deceptive, unfair, and  
14 unlawful trade acts or practices in the conduct of "consumer transactions," in  
15 violation of the IDCSA. As a regular part of its business, Robinhood sells financial  
16 products and accepts payments, like Plaintiff Cole, online and through a mobile app.  
17 Plaintiff Cole's and the Indiana Class Members' transactions were directed towards  
18 Indiana, and on information and belief, those transactions were processed in Indiana  
19 and the information resulting from those transactions was stored in Indiana.

20 201. In connection with its consumer transactions, Robinhood engaged in  
21 unfair, abusive or deceptive acts, omissions or practices by, *inter alia*, engaging in  
22 the following conduct:

- 23 a. sensitive PII from being hacked and stolen;
- 24 b. misrepresenting material facts to Plaintiff Cole's and the Indiana  
25 Class Members, in connection with the sale of goods and  
26 services, by representing that it would maintain adequate data  
27 privacy and security practices and procedures to safeguard  
28

1 Plaintiff Cole's and the Indiana Class Members' PII from  
2 unauthorized disclosure, release, data breaches, and theft;

3 c. misrepresenting material facts to Plaintiff Cole and the Indiana  
4 Class, in connection with the sale of goods and services, by  
5 representing that Robinhood did and would comply with the  
6 requirements of relevant federal and state laws pertaining to the  
7 privacy and security of Plaintiff Cole's and the Indiana Class  
8 Members' PII, such requirements included, but are not limited  
9 to, those imposed by laws such as the Federal Trade Commission  
10 Act (15 U.S.C. § 45) and Indiana's data breach statute (Ind. Code  
11 § 24-4.9-3.5); and

12 d. failing to take proper action following the Data Breach to enact  
13 adequate privacy and security measures and protect Plaintiff  
14 Cole and the Indiana Class Members' PII and other personal  
15 information from further unauthorized disclosure, release, data  
16 breaches, and theft.

17 202. Robinhood knew that its computer systems and data security practices  
18 were inadequate to safeguard Plaintiff Cole and the Indiana Class Members' PII and  
19 that risk of a data breach or theft was highly likely. Nevertheless, it did nothing to  
20 warn Plaintiff Cole and the Indiana Class Members about its data insecurities, and  
21 instead affirmatively promised that it would maintain adequate security. This was a  
22 deliberate effort to mislead customers, such as Plaintiff Cole and the Indiana Class  
23 Members, in order to encourage them to use credit and debit cards to make purchases  
24 or secure rentals even while Robinhood knew that its customers' sensitive PII was  
25 vulnerable.

1 203. The above unfair and deceptive practices and acts by Robinhood were  
2 done a part of a scheme, artifice, or device with intent to defraud or mislead and  
3 constitute incurable deceptive acts under the IDCSA.

4 204. As a direct and proximate result of Robinhood's deceptive trade  
5 practices, Plaintiff Cole and the Indiana Class Members suffered injuries, including  
6 the loss of their legally protected interest in the confidentiality and privacy of their  
7 financial and personal information and damages.

8 205. As a direct and proximate result of Robinhood's deceptive trade  
9 practices, Plaintiff Cole and the Indiana Class Members are now likely to suffer  
10 identity theft crimes, and face a lifetime risk of identity theft crimes.

11 206. Plaintiff Cole and the Indiana Class Members seek relief under Ind.  
12 Code § 24-5-0.5-4, including, but not limited to damages, restitution, penalties,  
13 injunctive relief, and/or attorneys' fees and costs.

14 207. Plaintiff Cole and the Indiana Class Members injured by Defendant's  
15 unfair and deceptive trade practices also seek treble damages pursuant to Ind. Code  
16 §24-5-0.5-4(i).

17 **COUNT XI**

18 **VIOLATION OF THE UTAH DECEPTIVE CONSUMER SALES**  
19 **ACT, UTAH CODE §§ 13-11a-3, *ET SEQ.* ("UDCSA")**  
20 **(On behalf of Plaintiff Baylee Mestaz and the Utah Subclass)**

21 208. Plaintiff Mestaz realleges and incorporates all previous allegations as  
22 though fully set forth herein.

23 209. Utah's Deceptive Consumer Sales Act, Utah Code § 13-11a-3  
24 ("UDCSA") prohibits suppliers from engaging in deceptive, unfair, and abusive acts  
25 or omissions in consumer transactions.

26 210. Robinhood is a "supplier" who engaged in deceptive, unfair, and  
27 unlawful trade acts or practices in the conduct of "consumer transactions," in  
28

1 violation of the UDCSA. As a regular part of its business, Robinhood sells financial  
2 products and accepts payments, like Plaintiff Mestaz, online and through a mobile  
3 app. Plaintiff Mestaz's and the Utah Class Members' transactions were directed  
4 towards Utah, and on information and belief, those transactions were processed in  
5 Utah and the information resulting from those transactions was stored in Utah.

6 211. In connection with its consumer transactions, Robinhood engaged in  
7 unfair, abusive or deceptive acts, omissions or practices by, *inter alia*, engaging in  
8 the following conduct:

- 9 a. sensitive PII from being hacked and stolen;
- 10 b. misrepresenting material facts to Plaintiff Mestaz's and the Utah  
11 Class Members, in connection with the sale of goods and  
12 services, by representing that it would maintain adequate data  
13 privacy and security practices and procedures to safeguard  
14 Plaintiff Mestaz's and the Utah Class Members' PII from  
15 unauthorized disclosure, release, data breaches, and theft;
- 16 c. misrepresenting material facts to Plaintiff Mestaz and the Utah  
17 Class, in connection with the sale of goods and services, by  
18 representing that Robinhood did and would comply with the  
19 requirements of relevant federal and state laws pertaining to the  
20 privacy and security of Plaintiff Mestaz's and the Utah Class  
21 Members' PII, such requirements included, but are not limited  
22 to, those imposed by laws such as the Federal Trade Commission  
23 Act (15 U.S.C. § 45); and
- 24 d. failing to take proper action following the Data Breach to enact  
25 adequate privacy and security measures and protect Plaintiff  
26 Mestaz and the Utah Class Members' PII and other personal  
27  
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1 information from further unauthorized disclosure, release, data  
2 breaches, and theft.

3 212. Robinhood knew that its computer systems and data security practices  
4 were inadequate to safeguard Plaintiff Mestaz's and the Utah Class Members' PII  
5 and that risk of a data breach or theft was highly likely. Nevertheless, it did nothing  
6 to warn Plaintiff Mestaz and the Utah Class Members about its data insecurities, and  
7 instead affirmatively promised that it would maintain adequate security. This was a  
8 deliberate effort to mislead customers, such as Plaintiff Mestaz and the Utah Class  
9 Members, in order to encourage them to use credit and debit cards to make purchases  
10 or secure rentals even while Robinhood knew that its customers' sensitive PII was  
11 vulnerable.

12 213. The above unfair and deceptive practices and acts by Robinhood were  
13 done a part of a scheme, artifice, or device with intent to defraud or mislead and  
14 constitute incurable deceptive acts under the UDCSA.

15 214. As a direct and proximate result of Robinhood's deceptive trade  
16 practices, Plaintiff Mestaz and the Utah Class Members suffered injuries, including  
17 the loss of their legally protected interest in the confidentiality and privacy of their  
18 financial and personal information and damages.

19 215. As a direct and proximate result of Robinhood's deceptive trade  
20 practices, Plaintiff Mestaz and the Utah Class Members are now likely to suffer  
21 identity theft crimes, and face a lifetime risk of identity theft crimes.

22 216. Plaintiff Mestaz and the Utah Class Members seek relief under Utah  
23 Code § 13-11a-4, including, but not limited to damages, restitution, penalties,  
24 injunctive relief, and/or attorneys' fees and costs.

25 217. Plaintiff Mestaz and the Utah Class Members injured by Defendant's  
26 unfair and deceptive trade practices also seek treble damages pursuant to Utah Code  
27 § 13-11a-4.  
28



**COUNT XII**

**VIOLATION OF THE SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT, S.C. CODE §§ 39-5-20, *ET SEQ.* (“SCUTPA”)**

**(On behalf of Plaintiff John Cooper and the South Carolina Subclass)**

218. Plaintiff Cooper realleges and incorporates all previous allegations as though fully set forth herein.

219. South Carolina’s Unfair Trade Practices Act, S.C. Code § 39-5-20 (“SCUTPA”) prohibits suppliers from engaging in deceptive, unfair, and abusive acts or omissions in consumer transactions.

220. Robinhood is a “supplier” who engaged in deceptive, unfair, and unlawful trade acts or practices in the conduct of “consumer transactions,” in violation of the SCUTPA. As a regular part of its business, Robinhood sells financial products and accepts payments, like Plaintiff Cooper, online and through a mobile app. Plaintiff Cooper’s and the South Carolina Class Members’ transactions were directed towards South Carolina, and on information and belief, those transactions were processed in South Carolina and the information resulting from those transactions was stored in South Carolina.

221. In connection with its consumer transactions, Robinhood engaged in unfair, abusive or deceptive acts, omissions or practices by, *inter alia*, engaging in the following conduct:

- a. sensitive PII from being hacked and stolen;
- b. misrepresenting material facts to Plaintiff Cooper’s and the South Carolina Class Members, in connection with the sale of goods and services, by representing that it would maintain adequate data privacy and security practices and procedures to safeguard Plaintiff Cooper’s and the South Carolina Class

1 Members' PII from unauthorized disclosure, release, data  
2 breaches, and theft;

3 c. misrepresenting material facts to Plaintiff Cooper and the South  
4 Carolina Class, in connection with the sale of goods and services,  
5 by representing that Robinhood did and would comply with the  
6 requirements of relevant federal and state laws pertaining to the  
7 privacy and security of Plaintiff Cooper's and the South Carolina  
8 Class Members' PII, such requirements included, but are not  
9 limited to, those imposed by laws such as the Federal Trade  
10 Commission Act (15 U.S.C. § 45); and

11 d. failing to take proper action following the Data Breach to enact  
12 adequate privacy and security measures and protect Plaintiff  
13 Cooper and the South Carolina Class Members' PII and other  
14 personal information from further unauthorized disclosure,  
15 release, data breaches, and theft.

16 222. Robinhood knew that its computer systems and data security practices  
17 were inadequate to safeguard Plaintiff Cooper's and the South Carolina Class  
18 Members' PII and that risk of a data breach or theft was highly likely. Nevertheless,  
19 it did nothing to warn Plaintiff Cooper and the South Carolina Class Members about  
20 its data insecurities, and instead affirmatively promised that it would maintain  
21 adequate security. This was a deliberate effort to mislead customers, such as  
22 Plaintiff Cooper and the South Carolina Class Members, in order to encourage them  
23 to use credit and debit cards to make purchases or secure rentals even while  
24 Robinhood knew that its customers' sensitive PII was vulnerable.

25 223. The above unfair and deceptive practices and acts by Robinhood were  
26 done a part of a scheme, artifice, or device with intent to defraud or mislead and  
27 constitute incurable deceptive acts under the SCUTPA.

1 224. As a direct and proximate result of Robinhood’s deceptive trade  
2 practices, Plaintiff Cooper and the South Carolina Class Members suffered injuries,  
3 including the loss of their legally protected interest in the confidentiality and privacy  
4 of their financial and personal information and damages.

5 225. As a direct and proximate result of Robinhood’s deceptive trade  
6 practices, Plaintiff Cooper and the South Carolina Class Members are now likely to  
7 suffer identity theft crimes, and face a lifetime risk of identity theft crimes.

8 226. Plaintiff Cooper and the South Carolina Class Members seek relief  
9 under S.C. Code § 39-5-140, including, but not limited to damages, restitution,  
10 penalties, injunctive relief, and/or attorneys’ fees and costs.

11 227. Plaintiff Cooper and the South Carolina Class Members injured by  
12 Defendant’s unfair and deceptive trade practices also seek treble damages pursuant  
13 to S.C. Code § 39-5-140.

14 **COUNT XIII**

15 **VIOLATION OF THE GEORGIA FAIR BUSINESS PRACTICES**

16 **ACT, GA. CODE §§ 10-1-393, *ET SEQ.* (“GFBPA”)**

17 **(On behalf of Plaintiff Crystal Harmon and the Georgia Subclass)**

18 228. Plaintiff Harmon realleges and incorporates all previous allegations as  
19 though fully set forth herein.

20 229. Georgia’s Fair Business Practices Act, Ga. Code § 10-1-393  
21 (“GFBPA”) prohibits suppliers from engaging in deceptive, unfair, and abusive acts  
22 or omissions in consumer transactions.

23 230. Robinhood is a “supplier” who engaged in deceptive, unfair, and  
24 unlawful trade acts or practices in the conduct of “consumer transactions,” in  
25 violation of the GFBPA. As a regular part of its business, Robinhood sells financial  
26 products and accepts payments, like Plaintiff Harmon, online and through a mobile  
27 app. Plaintiff Harmon’s and the Georgia Class Members’ transactions were directed  
28

1 towards Georgia, and on information and belief, those transactions were processed  
2 in Georgia and the information resulting from those transactions was stored in  
3 Georgia.

4 231. In connection with its consumer transactions, Robinhood engaged in  
5 unfair, abusive or deceptive acts, omissions or practices by, *inter alia*, engaging in  
6 the following conduct:

- 7 a. sensitive PII from being hacked and stolen;
- 8 b. misrepresenting material facts to Plaintiff Harmon's and the  
9 Georgia Class Members, in connection with the sale of goods and  
10 services, by representing that it would maintain adequate data  
11 privacy and security practices and procedures to safeguard  
12 Plaintiff Harmon's and the Georgia Class Members' PII from  
13 unauthorized disclosure, release, data breaches, and theft;
- 14 c. misrepresenting material facts to Plaintiff Harmon and the  
15 Georgia Class, in connection with the sale of goods and services,  
16 by representing that Robinhood did and would comply with the  
17 requirements of relevant federal and state laws pertaining to the  
18 privacy and security of Plaintiff Harmon's and the Georgia Class  
19 Members' PII, such requirements included, but are not limited  
20 to, those imposed by laws such as the Federal Trade Commission  
21 Act (15 U.S.C. § 45); and
- 22 d. failing to take proper action following the Data Breach to enact  
23 adequate privacy and security measures and protect Plaintiff  
24 Harmon and the Georgia Class Members' PII and other personal  
25 information from further unauthorized disclosure, release, data  
26 breaches, and theft.

1           232. Robinhood knew that its computer systems and data security practices  
2 were inadequate to safeguard Plaintiff Harmon’s and the Georgia Class Members’  
3 PII and that risk of a data breach or theft was highly likely. Nevertheless, it did  
4 nothing to warn Plaintiff Harmon and the Georgia Class Members about its data  
5 insecurities, and instead affirmatively promised that it would maintain adequate  
6 security. This was a deliberate effort to mislead customers, such as Plaintiff Harmon  
7 and the Georgia Class Members, in order to encourage them to use credit and debit  
8 cards to make purchases or secure rentals even while Robinhood knew that its  
9 customers’ sensitive PII was vulnerable.

10           233. The above unfair and deceptive practices and acts by Robinhood were  
11 done a part of a scheme, artifice, or device with intent to defraud or mislead and  
12 constitute incurable deceptive acts under the GFBPA.

13           234. As a direct and proximate result of Robinhood’s deceptive trade  
14 practices, Plaintiff Harmon and the Georgia Class Members suffered injuries,  
15 including the loss of their legally protected interest in the confidentiality and privacy  
16 of their financial and personal information and damages.

17           235. As a direct and proximate result of Robinhood’s deceptive trade  
18 practices, Plaintiff Harmon and the Georgia Class Members are now likely to suffer  
19 identity theft crimes, and face a lifetime risk of identity theft crimes.

20           236. Plaintiff Harmon and the Georgia Class Members seek relief under Ga.  
21 Code § 10-1-399, including, but not limited to damages, restitution, penalties,  
22 injunctive relief, and/or attorneys’ fees and costs.

23           237. Plaintiff Harmon and the Georgia Class Members injured by  
24 Defendant’s unfair and deceptive trade practices also seek treble damages pursuant  
25 to Ga. Code § 10-1-399.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs, on behalf of themselves and the Classes described above, seek the following relief:

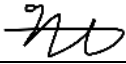
- a. An order certifying this action as a class action under Fed. R. Civ. P. 23, defining the classes as requested herein, appointing the undersigned as Class counsel, and finding that Plaintiffs are proper representative of the Classes requested herein;
- b. Judgment in favor of Plaintiffs and the Class Members awarding them appropriate monetary relief, including actual damages, statutory damages, equitable relief, restitution, disgorgement, and statutory costs;
- c. An order providing injunctive and other equitable relief as necessary to protect the interests of the Classes as requested herein;
- d. An order instructing Robinhood to purchase or provide funds for credit monitoring services for Plaintiffs and all Class Members;
- e. An order requiring Robinhood to pay the costs involved in notifying the Class Members about the judgment and administering the claims process;
- f. A judgment in favor of Plaintiffs and the Classes awarding them pre-judgment and post judgment interest, reasonable attorneys' fees, costs and expenses as allowable by law, and
- g. An award of such other and further relief as this Court may deem just and proper.

**DEMAND FOR JURY TRIAL**

Plaintiffs demand a trial by jury on all triable issues.

Dated: November 17, 2021

SIRI & GLIMSTAD LLP

By:  \_\_\_\_\_

Mason Barney (*pro hac vice* forthcoming)

Nicholas Armer (Bar No. 330577)

Sonal Jain (*pro hac vice* forthcoming)

*Attorneys for Plaintiffs*

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