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Interim Co-Lead Counsel for Plaintiffs

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

In Re: Robinhood Outage Litigation

Master File No. 3:20-cv-01626-JD

CLASS ACTION

**JOINT DECLARATION OF ANNE MARIE
MURPHY AND MATTHEW B. GEORGE
IN SUPPORT OF PLAINTIFFS' NOTICE
OF MOTION AND MOTION FOR
PRELIMINARY APPROVAL OF
PROPOSED CLASS ACTION
SETTLEMENT**

Date: September 22, 2022

Time: 10:00 a.m.

Judge: Hon. James Donato

Ctrm: 11, 19th Floor

1 We, Anne Marie Murphy and Matthew B. George, declare and state as follows:

2 1. I, Anne Marie Murphy, am a member of the bar of the State of California and duly
3 licensed to practice before all courts of the State of California. I am a partner of the law firm of
4 Cotchett, Pitre & McCarthy (“CPM”).

5 2. I, Matthew B. George, am a member of the bar of the State of California and duly
6 licensed to practice before all courts of the State of California. I am an attorney at the law firm of
7 Kaplan Fox & Kilsheimer LLP (“Kaplan Fox”).

8 3. We have personal knowledge of the facts stated herein and if called upon as
9 witnesses, could and would testify to the facts set forth herein. We submit this Declaration in
10 Support of Plaintiffs’ Motion for Preliminary Approval of the Class Action Settlement. A true and
11 correct copy of the Settlement Agreement is attached hereto as **Exhibit 1**.

12 **Factual and Procedural Background**

13 4. On March 5, 2020, on behalf of Plaintiff Daniel Beckman, Kaplan Fox and Meyer
14 Wilson Co., LPA, filed the first putative class action in the Northern District of California against
15 Robinhood Financial, LLC, Robinhood Securities, LLC, and Robinhood Markets, Inc.
16 (“Robinhood”), No. 3:20-cv-01626-JD, which was promptly served and assigned to Judge Donato.
17 On March 6, 2020, on behalf of Plaintiff Jason Steinberg, CPM filed the related action, *Steinberg*
18 *v. Robinhood, et al.*, that was subsequently removed to the Northern District.

19 5. Over a dozen subsequent related actions were filed in, removed to, or transferred to
20 this District. After Plaintiffs’ counsel self-organized a proposed leadership structure, on April 17,
21 2020, Plaintiffs filed an unopposed motion to consolidate the related actions and for appointment
22 of our firms as interim co-lead counsel. ECF No. 38. Our firms also began negotiating with
23 Robinhood over initial case management procedures, scheduling, and discovery, and prepared and
24 filed a joint case management conference statement on June 4, 2020

25 6. The parties appeared for an initial case management conference on June 11, 2020.
26 ECF No. 58. On July 14, 2020, the Court granted Plaintiffs’ consolidation request but denied the
27 motion to appoint interim lead counsel without prejudice subject to diversification of the leadership
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1 slate. ECF No. 59. Plaintiffs filed an amended motion on July 15, 2020, ECF No. 59, that was
2 subsequently granted on July 22, 2020, appointing us as co-lead interim class counsel, Steve A.
3 Lopez of Gibbs Law Group LLP as liaison counsel, and eight attorneys to an executive committee.
4 ECF No. 65. Upon appointment as co-lead interim lead counsel, we immediately issued a time and
5 expense tracking and reporting protocol (“T&E Protocol”) consistent with the Court’s order.

6 7. In anticipation of filing an amended consolidated complaint, we extensively
7 researched the facts that gave rise to the March 2020 outages of Robinhood’s trading platforms and
8 explored the potential legal theories and causes of action. We vetted potential class representatives
9 and eventually selected 16 who were impacted by the March 2020 Outages from a variety of states
10 and diverse backgrounds. The consolidated amended complaint (“Complaint”) was filed on August
11 21, 2020.

12 8. On October 5, 2020, Robinhood filed a motion to dismiss the Complaint and to strike
13 Plaintiffs’ class allegations, raising concerns that questions of Plaintiffs’ and putative class
14 members’ alleged lack of Article III standing and damages would be fatal their case and their bid
15 for class certification. Robinhood also filed a Motion to Stay Discovery. ECF No. 77. The parties
16 fully briefed both motions. The Court denied Robinhood’s Motion to Stay on November 5, 2020,
17 while Robinhood’s Motion to Dismiss was set for hearing in early 2022.

18 9. On October 19, 2020, the Court also granted a motion to remand the related matter
19 of *Withouski v. Robinhood, et al.*, (“*Withouski Action*”) that was originally filed in San Mateo
20 Superior Court. ECF No. 78. After the *Withouski Action* was remanded, we coordinated with
21 Plaintiff Withouski’s counsel, Bottini & Bottini, Inc., and Robinhood to stay that case while
22 discovery and class certification proceedings advanced in an efficient, coordinated manner before
23 this Court. Bottini & Bottini participated in this Action by assisting with tasks assigned by Co-
24 Lead counsel.

25 10. On January 6, 2021, the Court continued the hearing on Robinhood’s Motion to
26 Dismiss until February 18, 2021. ECF No. 85. On January 26, 2021, the Court entered a scheduling
27 order for the remainder of the case, setting an April 7, 2021, discovery cut-off.

1 14. With the pleadings largely settled and a case schedule in place, the parties undertook
2 a tremendous effort to complete discovery by the April 7, 2021, discovery cut-off. Among other
3 things, the parties continued negotiating for the requested documents and account data to be
4 produced, which began on a rolling basis. Plaintiffs began a coordinated document review protocol
5 that culminated in the review of over 50,000 documents produced by Robinhood in order to prepare
6 for depositions and to select documentary exhibits for motion practice and trial.

7 15. To complete the document review, we set up a document review and coding
8 protocol, assigned batches of documents to attorneys, and employed a quality control process.
9 Many of the documents were voluminous and highly technical. We identified key documents and
10 spent many hours discussing these documents with our experts to better understand the salient
11 issues. As Co-Lead Counsel, we personally reviewed most of the documents coded as “hot” in
12 order to prepare for depositions and to select documents to discuss with our experts.

13 16. Plaintiffs issued a deposition notice to Robinhood pursuant to Federal Rule of Civil
14 Procedure 30(b)(6), and identified ten current and former Robinhood executives and personnel for
15 individual depositions. Several critical witnesses in the case, including Denali Lumma, John
16 Castelly, and Adam Wolff, were no longer employed by Robinhood. Plaintiffs had to subpoena,
17 and then negotiate with the witnesses and their representatives/counsel for their attendance at the
18 depositions. We also deposed Robinhood’s key engineers and executives that were still employed
19 with the company, including David Dusseault, Shrey Shahi, Tom Linford, Abhishek Fatehpuria,
20 Nick Dellamaggiore, James Swartwout, and Mayank Agarwal, with some being deposed in their
21 individual capacities and some also as 30(b)(6) witnesses on selected topics. Plaintiffs also issued
22 further sets of written discovery to Robinhood to obtain further information on matters that were
23 revealed in other discovery practice.

24 17. Plaintiffs also subpoenaed non-parties including HashiCorp, Inc., and the Options
25 Clearing Corporation and engaged in several meet and confers to obtain responsive documents prior
26 to the close of discovery.

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28

1 18. Robinhood took extensive discovery of the Plaintiffs, serving document requests and
2 interrogatories on each Plaintiff. With the assistance of their attorneys, we prepared their responses
3 and produced responsive documents. Nine Plaintiffs were deposed. Additionally, Robinhood
4 requested inspections of cell phones/devices that were used to access and/or trade on Robinhood's
5 app. After intense negotiations over the scope of Robinhood's requests, Plaintiffs agreed to partial
6 productions of certain app data that required all of the Plaintiffs to submit their phones to ESI
7 vendors for data extraction and backups.

8 19. Even with a compressed discovery schedule, the parties completed discovery prior
9 to the cutoff despite many productions—including the customer account data requested by
10 Plaintiffs—only being produced at the very close of discovery. All depositions took place in a
11 roughly three-week window. In some instances, multiple depositions occurred simultaneously.

12 20. The parties engaged in prompt and extensive meet and confers over issues as they
13 arose. Although the parties took substantial, rigorous discovery to vet their cases' strengths and
14 weaknesses, they were able to complete the discovery process without necessitating discovery letter
15 disputes to the Court or any motions to compel. The only discovery-related dispute presented to
16 the Court related to some of Robinhood's confidentiality designations. ECF No. 127.

17 21. At the conclusion of fact discovery, the parties stipulated to the reinstatement of
18 Robinhood Markets, Inc. as a Defendant. ECF Nos. 117, 119.

19 **Expert Discovery**

20 22. After the completion of fact discovery, the parties issued expert reports on June 25,
21 2021. Plaintiffs submitted expert reports from: (1) J. Bradley Bennett, the former head of
22 enforcement at FINRA; (2) Peter Vinella, an executive and consultant with extensive experience in
23 the financial services industry and in particular, securities brokerage operations; and (3) Scott
24 Walster, an economist tasked with analyzing the customer account and trading data and calculating
25 proposed damages for Plaintiffs and the Class Members. Robinhood issued an expert report from
26 Allen Ferrell, an economist and Harvard Law School professor.

1 23. Robinhood issued rebuttal expert reports on July 30, 2021, from Mr. Ferrell, as well
2 as Daniel Stefek, a former regional director for FINRA, and Juan Conde, a technologist and
3 consultant in the financial services industry.

4 24. The parties' opposing experts vigorously disputed each other's opinions and
5 conclusions and the parties engaged in full expert discovery, with each expert producing documents
6 and appearing for their depositions in September and October of 2021.

7 **Class Certification, *Daubert*, and Summary Judgment Motions**

8 25. On October 22, 2021, Plaintiffs filed a motion for class certification, supported by
9 over 50 documentary exhibits and deposition excerpts, the Declarations of Plaintiffs, and their
10 expert reports. ECF No. 138-40. Plaintiffs moved to certify a class of approximately 6.82 million
11 persons in the United States defined as "All Robinhood account holders within the United States
12 with a funded account and at least one equity or option position during the Outage on March 2,
13 2020." Additionally, Plaintiffs moved to certify sub-classes comprised of Robinhood's account
14 holders in the United States who: (1) closed a position on March 3, 2020, at a loss relative to the
15 VWAP during the March 2 and 3, 2020 Outages ("VWAP Subclass"); (2) held SPDR S&P 500
16 ("SPY") options expiring on March 2, 2020 and experienced a loss relative to the VWAP during
17 the March 2, 2020 Outage ("SPY Option Subclass"); (3) who experienced a failed equity trade
18 during the Outages at a loss relative to the price at the end of the Outages and/or the transaction
19 price obtained through March 4, 2020 and/or March 10, 2020 ("Failed Trade Subclass"); (4) held
20 Gold membership subscriptions during the Outages ("Gold Subclass"); and (5) paid margin interest
21 fees during the Outages ("Margin Subclass"). *Id.* Plaintiffs sought certification on each of the
22 claims set forth in the Second Amended Consolidated Complaint - negligence; gross negligence;
23 breach of fiduciary duty; breach of contract; breach of the implied covenant of good faith and fair
24 dealing; violations of the California Unfair Competition Law's unlawful and unfair prongs, Bus. &
25 Prof. Code §§17200, *et seq.*; unjust enrichment; and - declaratory relief. ECF No. 120. Plaintiffs
26 sought certification under California law, as set forth in the applicable Robinhood Customer
27 Agreement at the time of the Outages.

1 26. Robinhood opposed Plaintiffs' Motion for Class Certification on December 3, 2021,
2 and also filed a *Daubert* Motion to Exclude the testimony and report of Plaintiffs' damages expert,
3 Scott Walster. ECF Nos. 145-46. Each Motion was fully briefed and heard at an in-person hearing
4 on February 24, 2022. At the hearing, the Court had multiple questions about Plaintiffs' damages
5 theories and requested a "hot tub" hearing featuring the parties' respective economist experts that
6 was then set for June 9, 2022. ECF Nos. 161, 167-68.

7 27. Prior to the class certification hearing, Robinhood filed a Motion for Summary
8 Judgment on all of Plaintiffs' claims, relying heavily on the terms of Robinhood's Customer
9 Agreement and a recent federal court decision in a separate multi-district litigation against
10 Robinhood that dismissed those Plaintiffs' claims in *In re January 2021 Short Squeeze Trading*
11 *Litigation*, 2022 WL 255350 (S.D. Fla. Jan. 27, 2022). ECF No. 160. Robinhood also filed a
12 *Daubert* Motion to Exclude the opinions and testimony of Plaintiffs' brokerage operations expert,
13 Peter Vinella. ECF No. 159. At the class certification hearing, the Court stayed briefing on those
14 Motions pending the "hot tub" hearing with the parties' economists.

15 **Mediation**

16 28. On July 27, 2021, the parties attended a mediation session with Mr. Geronemus.
17 The parties fully briefed their positions in advance of the mediation. Although the mediation was
18 not successful, the parties continued to discuss settlement options with the assistance of Mr.
19 Geronemus in early 2022.

20 29. At all times, the settlement discussions were conducted at arms-length and were
21 informed by the complete fact and expert discovery record, the hearings and court rulings to date,
22 and applicable law. On May 10, 2022, the parties reached a settlement in principle that was then
23 commemorated into a written memorandum of understanding and a notice of settlement was filed
24 with the Court on May 26, 2022. The parties then proceeded to fully document the Settlement
25 Agreement now submitted for the Court's approval.
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Terms of the Settlement and Estimated Recovery

1
2 30. The Settlement provides substantial monetary relief in the form of a non-
3 reversionary \$9.9 million Settlement Fund that will be fully distributed to Settlement Class
4 Members according to the proposed Plan of Allocation discussed further below, and is inclusive of
5 all Settlement Payments and any award of Attorneys' Fees and Expenses, Service Awards to the
6 Class Representatives, and costs of Notice Administration. Plaintiffs will not seek Attorneys' Fees
7 in excess of 30% of the Settlement Fund and no more than \$1,120,000 in expense reimbursements,
8 and Service Awards of no more than \$2,500 per Plaintiff.

9 31. Importantly, this is not a claims-made settlement. Each Settlement Class Member
10 will receive notice of the Settlement informing them of their estimated Settlement Payment as well
11 as certain trading information pertinent to determining that Settlement Payment. The Settlement
12 Class Member will not have to file a claim to receive payment. If final approval is granted, the
13 Settlement Class Member will receive their Settlement Payment automatically via check unless
14 they elect to receive digital payment. The proposed Long Form Notice (Exhibit 1 to the Settlement
15 Agreement) provides this information and further detail on Plaintiffs' proposed notice plan, which
16 will include direct notice by U.S. Mail and email, social media targeting, and a publicly available
17 website is discussed in the accompanying Declaration of Cameron Azari, Esq. on Notice Plan and
18 Notices ("Azari Declaration"), the Senior Vice-President of Epiq Class Action and Claims
19 Solutions, Inc. ("Epiq"). Epiq is the proposed Notice Administrator, and was selected through a
20 competitive bidding process described below.

21 32. Settlement Class Members will retain all rights to object, comment on, or opt-out of
22 the Settlement pursuant to prevailing law and the Northern District's Procedural Guidelines for
23 Class Action Settlements.

Revised Settlement Class Definition

24
25 33. The proposed Settlement Class Members are defined as: "[A]ll Robinhood
26 accountholders in the United States who: (i) closed a position on March 3, 2020, at a loss relative
27 to the Volume Weighted Average Price ("VWAP") during the March 2 and 3, 2020 Outages; (ii)

1 held SPDR S&P 500 options expiring on March 2, 2020 and experienced a loss relative to the
2 VWAP during the March 2, 2020 Outage; (iii) who experienced a Failed Equity Trade during the
3 March 2 and 3 Outages at a loss relative to the price at the end of the March 2 and 3 Outages and/or
4 the transaction price obtained through March 4, 2020; or (iv) who experienced a Failed Equity
5 Trade during the March 9 Outage at a loss relative to the price at the end of the March 9 Outage
6 and/or the transaction price obtained through March 10, 2020. Excluded from the Settlement Class
7 are Defendants and their legal representatives, heirs, successors or assigns. Also excluded from the
8 Settlement Class are Persons who have entered into settlement agreements with Robinhood, outside
9 of the Goodwill Program, that include a release of claims related to the Outages.” Ex. 1 at ¶ 1.32.

10 34. The proposed Settlement Class Members are a subset of Robinhood customers in
11 March of 2020 who fall within one or more of three categories and were originally proposed as the
12 “VWAP Subclass,” the “SPY Option Subclass,” and the “Failed Trade Subclass” in Plaintiffs’ Class
13 Certification Motion. ECF No. 138 at 23. Each of these groups of traders were identified in the
14 “Ex Post” damages analysis of Plaintiffs’ damages expert report by Scott Walster based upon
15 trading information produced in the litigation. ECF No. 168-3.

16 35. Each of the three categories that establish Settlement Class Membership contain
17 common characteristics identified by their trading records. As set forth in the Long Form Notice
18 at Section 5, Settlement Class Members must have one or more Qualifying Trades in the following
19 three groups:

- 20 a. The first group, **VWAP Loss Trades**, includes any person who closed one or more
21 position(s) on March 3, 2020, at a loss relative to the Volume Weighted Average
22 Price (“VWAP”) of those positions during the March 2 and 3, 2020 Outages. The
23 proposed losses for this group look at what pricing movements took place during the
24 Outages and what trading activity occurred after the Outages to determine whether
25 Settlement Class Members had actual realized losses because of their inability to
26 close positions at better prices during the Outages. When Plaintiffs’ damages expert
27 performed his analysis on a sample of data produced for Robinhood customers, he
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1 estimated 103,844 accounts with this trading history with losses totaling
2 \$12,148,378. ECF No. 138-3, ¶ 71.

3 b. the Second Group, **SPY Options Trades**, includes any person who held a SPDR
4 S&P 500 (“SPY”) option position expiring on March 2, 2020, and experienced a
5 loss relative to the VWAP of those options during the March 2, 2020 Outage. When
6 Plaintiffs’ damages expert performed his analysis on a sample of Robinhood
7 customers, he estimated 6,022 accounts with this trading history with losses totaling
8 \$730,201. ECF No. 138-3, ¶ 72.

9 c. The Third Group, **Failed Marketable Trades**, includes any person who experienced
10 a Failed Equity Trade that became marketable during the March 2 and 3 Outages at
11 a loss relative to the price at the end of the March 2 and 3 Outages and/or the
12 transaction price obtained through March 4, 2020; or who experienced a Failed
13 Equity Trade that became marketable during the March 9 Outage at a loss relative
14 to the price at the end of the March 9 Outage and/or the transaction price obtained
15 through March 10, 2020. A “Failed Equity Trade” is defined in the Settlement
16 Agreement as an order to buy or sell equities that was accepted into Robinhood’s
17 system and became marketable but failed to execute during the Outages. When
18 Plaintiffs’ damages expert performed his analysis on a sample of Robinhood
19 customers, he estimated 46,793 accounts with this trading history with losses
20 totaling \$7,527,561. ECF No. 138-3, ¶ 72, Ex. 11, ¶¶ 74-77.

21 36. Accordingly, based on the sampled data produced by Robinhood, we anticipate that
22 there will be approximately 150,000 Settlement Class Members whose proposed losses under
23 Plaintiffs’ damages methodologies described above incurred approximately \$20.4 million in losses.
24 Given that sampling was used to determine these estimates, we submit these figures as very close
25 estimates but anticipate that the final numbers may differ.

26 37. To determine whether a Robinhood investor is a member of one of these categories
27 and eligible for a Settlement Payment, Robinhood will produce the Customer Trading Information
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1 set forth in Exhibit 4 to the Settlement Agreement to be analyzed by Plaintiffs' damages expert,
2 Mr. Walster, using the same methodologies as set forth in his report in this case (and as confirmed
3 in his accompanying Declaration of Scott E. Walster in Support of Preliminary Approval of
4 Proposed Class Settlement). The methods for determining a Settlement Class Member's eligibility
5 are further detailed in the proposed Plan of Allocation set forth in the Long Form Notice in Section
6 9.

7 38. We also note that under the Plan of Allocation, if a Settlement Class Members'
8 investment qualifies under more than one potential recovery, the Settlement Class Member shall be
9 entitled to the highest payment but not both. Additionally, the Plan of Allocation will reduce any
10 Settlement Class Members' proposed Settlement Payment by the amount already paid by
11 Robinhood as a result of its "Goodwill Program" in connection with the Outages. The Settlement
12 Class also fully excludes any person who has separately litigated and settled with Robinhood and
13 executed a release in connection with that proceeding.

14 39. Each Settlement Class Member will be issued a Long Form Notice identifying the
15 type of Qualifying Trade, the ticker symbols of the underlying investment, the calculated loss, the
16 amount of any credit from the Goodwill Program, and the resulting estimated Settlement Payment
17 that will be reduced *pro rata* based upon the available Net Settlement Fund.

18 40. Although Plaintiffs' Motion for Class Certification also sought to certify a broader
19 class of over 6 million Robinhood accountholders with one or more investments, Plaintiffs now
20 narrow the scope of the proposed class for settlement purposes after considering a number of
21 important factors. Because of the severity of the Outages resulting in the failure of Robinhood's
22 trading platform, Robinhood does not possess trading data for most accountholders that documents
23 the actions they attempted to undertake during the Outages. At class certification, Plaintiffs' theory
24 of recovery for the broader class was based on a "Discount for Lack of Marketability" (or "DLOM")
25 analysis under the theory that they incurred monetary losses associated with the lack of ability to
26 sell or change positions. While used in other legal contexts, the DLOM model had never been
27 employed in litigation for an unprecedented Outage such as this. While Plaintiffs still submit that
28

1 the DLOM model is an appropriate way to measure one theory of loss associated with the Outages,
2 Robinhood, its expert Allen Ferrell, and the Court raised questions about whether there may be
3 legal issues such as Article III standing that would render the analysis unsuitable to support class
4 certification.

5 41. Perhaps more important from a practical perspective is that even if Plaintiffs
6 prevailed in certifying the broader class under the DLOM theory, the proposed damages for over 6
7 million Robinhood accountholders was \$13,488,869. ECF No. 138-3, ¶ 65. The proposed DLOM
8 recovery would amount to approximately \$2 per person, making the costs of notice administration
9 excessive when compared to the potential settlement payment. As a result, the narrowed Settlement
10 Class focuses on traders who had limited trading data surrounding the Outages available that can
11 be analyzed for trading specific losses.

12 42. Importantly, Robinhood accountholders excluded from the Settlement are **not**
13 releasing any claims in this settlement against Robinhood in connection with the Outages. All of
14 those individuals can still file their own claim if they choose to do so, such as via a FINRA
15 arbitration, which we are informed and understand that some of Robinhood's accountholders have
16 been pursuing.

17 43. By contrast, the revised and narrowed Settlement Class is defined based on the
18 limited trading information available, making class membership an objective determination, and
19 permits their proposed losses and estimated Settlements Payments to be determined efficiently
20 using the models already developed in the course of the litigation. Under these methods we are
21 able to identify, calculate, and notice Settlement Class Members with the precise data used to
22 determine their proposed losses attributable to the Outages. This smaller Settlement Class has
23 exhibited common trading patterns that are objectively identifiable and supported by many of the
24 Plaintiffs' actual experiences. And, with a recovery of \$9.9 million on the \$20.4 million in
25 estimated losses, they will recover just under 50% of their calculated losses (before deductions for
26 Notice Administration, Attorneys' Fees and Costs). We submit that a 50% recovery in a complex
27 case involving an unprecedented Outage is a significant recovery that will meaningfully
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1 compensate Settlement Class Members for their proposed losses. And, if any Settlement Class
2 Member has already initiated other legal proceedings against Robinhood or is unhappy with the
3 Settlement Payment, they may opt-out and preserve their rights. There is no opt-out threshold by
4 which the Settlement will fail if it is exceeded.

5 44. We also note that the Plaintiffs' Motion for Class Certification also sought
6 certification of an injunctive relief class under Federal Rule of Civil Procedure 23(b)(2). While
7 Plaintiffs believe that injunctive relief is important in this matter, there is no injunctive relief as part
8 of this settlement for at least two reasons. First, concurrent with this litigation, FINRA was
9 investigating the Outages and other alleged regulatory violations at Robinhood that culminated in
10 a June 30, 2021, Letter of Acceptance, Waiver, and Consent ("AWC") to FINRA's findings of
11 violations and its order to pay \$69 million. ECF No. 139, Ex. 54. Robinhood's AWC with FINRA
12 requires a "Third-Party Consultant" to be retained to work with Robinhood on operational changes
13 that are to be reviewed by FINRA. ECF No. 139-4, Ex. 54 at 30-31. Second, Robinhood submitted
14 testimony and documents to the Court attesting to operational changes intended to redress the
15 Outages, prevent future occurrences, and upgrade customer service. *See, e.g.*, ECF No. 146-15 &
16 16. Accordingly, this Settlement Agreement focuses on obtaining and distributing compensation
17 for Settlement Class Members and to the extent that they are still accountholders at Robinhood,
18 they will receive the benefits of operational changes that Robinhood has undertaken or that are
19 required by regulators as part of its AWC process with FINRA.

20 **Attorneys' Fees and Expenses**

21 45. The Settlement Agreement also permits Plaintiffs to seek an award of Attorneys'
22 Fees and Expenses but does not contain any clear sailing provision and no undisclosed side
23 agreement exists with Robinhood not to oppose those requests up to a certain amount. Accordingly,
24 Plaintiffs intend to file a Motion for Attorneys' Fees and Expenses in connection with final approval
25 proceedings that will seek no more than 30% of the Settlement Fund (or no more than \$2,970,000)
26 in Attorneys' Fees and up to \$1,120,000 in unreimbursed expenses. This information is disclosed
27 in the Long Form Notice for review, comments, and objections by Settlement Class Members.

1 46. Pursuant to the T&E Protocol, we requested that all firms representing Plaintiffs in
2 the consolidated litigation submit all pre-consolidation time and expenses, which were reviewed
3 and for which we reduced and/or struck unnecessary, duplicative, or redundant time entries. The
4 T&E Protocol required monthly submissions, that we reviewed and edited as appropriate along with
5 Steve Lopez of the Gibbs Law Group, the Liaison Counsel.

6 47. After consolidation and implementation of the T&E Protocol, from August 1, 2020
7 through June 30, 2022, the Plaintiffs' Counsel in this matter have performed over 9000 hours of
8 billable work on this case for a lodestar of approximately \$5,136,662.75. Of that work,
9 approximately 76% was performed by the two Interim Co-Lead Counsel firms.

10 48. We endeavored at all times to manage the litigation efficiently, and our firms
11 undertook the bulk of the work in terms of communicating and negotiating with Robinhood on case
12 management and discovery issues; investigating, retaining, and working with experts and
13 consultants; taking and defending the parties' and experts depositions; attending court hearings;
14 drafting and filing all pleadings, briefs, and motions; and conducting all settlement negotiations.
15 The remaining work was performed by Plaintiffs' Counsel only at our direction, and with
16 consideration to their areas of expertise and levels of experience. In particular, members of the
17 Executive Committee interviewed and vetted proposed class representatives; performed discrete
18 legal and factual research assignments; and assisted heavily with reviewing the 50,000 documents
19 produced by Robinhood, which was critical given the compressed time frame for discovery and
20 depositions, and the depth and complexity of the documents—many of which were hundreds of pages
21 long Slack threads, were very technical, and contained large spreadsheets of information/data.
22 Additionally, Plaintiffs' Counsel assisted with collecting discovery from the various Plaintiffs and
23 preparing them for depositions.

24 49. A summary of the hours and lodestar figures by firm since consolidation is
25 included below:

Role	Firm Name	Hours	Lodestar Total
Interim Co-Lead Counsel	Kaplan Fox	2,530.50	\$1,743,895.50

1		CPM	4,275.12	\$2,192,468.75
2	Executive Committee & Liaison Counsel	Ahdoot & Wolfson	21.50	\$14,890.00
3				
4		Beasley Allen	146.05	\$102,102.50
5		Carlson Lynch	131.35	\$46,332.50
6		Gibbs Law Group	107.80	\$69,894.50
7		Lite DePalma &	333.80	\$207,365.00
8		Greenberg		
9		Meyer Wilson	306.50	\$118,900.00
10		Scott + Scott	268.40	\$138,523.50
11		Shumaker Loop &	751.10	\$209,416.00
12		Kendrick		
13		Wolf Haldenstein	69.60	\$33,551.00
14	Additional Plaintiffs’ Counsel	Andrus Anderson	0	\$0
15				
16		Bottini & Bottini	410.40	\$231,893.50
17		Graber Law Office	9.40	\$7,465.00
18		Guiliano Law Group	0	\$0
19		Mauriello Law Firm	0	\$0
20		Restis Law Firm	0	\$0
21		Rigrotsky & Long	0	\$0
22		Silver Law Group	0	\$0
23		Weiser Law Firm	27.80	\$19,965.00
24				
25	Total		9,389.32	\$5,136,662.75

26 We will submit additional detail on the work performed in connection with Plaintiffs’ anticipated
27 Motion for Attorneys’ Fees and Expenses.

1 50. Plaintiffs will also seek an award of reimbursement of expenses up to \$1,120,000.
2 Plaintiffs have incurred substantial costs litigating this case. Once appointed as Interim Co-Lead
3 Counsel, we established a litigation fund for common, shared expenses that each of our firms
4 contributed to, and that we asked Executive Committee firms, and Bottini & Bottini to contribute
5 to as well. Given the complexity of the issues in the case, the most significant expenditures have
6 been associated with the Plaintiffs' three experts, each of whom advised us on discovery,
7 depositions, prepared a report, and was deposed. The other significant expenditures are for the
8 costs of more than two dozen videoconference depositions and our ESI vendor, who housed the
9 voluminous document and data productions and assisted with collecting data that Robinhood
10 requested from Plaintiffs' cell phones/devices. The balance of the costs in this case are for smaller
11 line items such as legal research and filing fees.

12 51. We made sincere efforts to manage the costs of this litigation. Given that this case
13 was filed at the outset of the COVID-19 pandemic, all depositions took place remotely, saving the
14 parties the time and expense of travel. We even switched deposition vendors in the middle of the
15 case in order to save costs because we did not like some of the billing practices that firm employed
16 for the virtual depositions. Additionally, we took sincere efforts to interview and select experts
17 who would be cost efficient and encouraged them to assign tasks to junior assistants with lesser
18 billing rates (just as we did with certain litigation work) in order to preserve the resources of the
19 class. Once the settlement was reached, we asked our ESI vendor to put the documents and data
20 into "cold storage" in order to reduce costs until the litigation concludes. We also reviewed all
21 expert and vendor invoices and can provide them for Court review, if necessary.

22 52. In sum, Plaintiffs' Counsel have incurred and paid out over \$848,095.74 in expenses
23 from the litigation fund. We also currently have \$37,653.22 for an outstanding invoice for our ESI
24 vendor that has yet to be paid because the vendor agreed to waive payment until the case resolves.
25 Plaintiffs' Counsel have also collectively incurred \$84,485.35 in costs, such as those for filing and
26 service fees, legal research charges, and postage that were not paid out of the litigation fund. We
27 also anticipate incurring some additional expenses in connection with completing the case—namely
28

1 an estimate of up to \$100,000 to complete the analysis of Robinhood account data by Plaintiffs'
 2 damages expert that is necessary to implement the Plan of Allocation and determine Settlement
 3 Payments. A summary of the costs incurred to date and anticipated future costs is below:

4 Litigation Fund Costs Paid To Date	\$848,095.74
5 Litigation Fund Invoiced Costs (Unpaid)	\$37,653.22
6 Non-Litigation Fund Costs Incurred To Date	\$84,485.35
7 Estimated Costs to Complete Case	\$145,000
8 Total	\$1,115,234.31

9 Accordingly, we are making a request to seek up to \$1,120,000 in out-of-pocket expenses
 10 at the time of final approval, and that figure is disclosed in the Notice and will be further supported
 11 in the forthcoming Motion for Attorneys' Fees and Expenses. Notice Administration costs are
 12 discussed separately below.

13 **Plaintiffs' Service Awards**

14 53. The Settlement Agreement also permits Plaintiffs to seek Service Awards for their
 15 work on behalf of the Settlement Class. We intend to request no more than \$2,500 per Plaintiff in
 16 this case, which amounts to no more than \$37,500 for all Service Awards. Preliminarily, we submit
 17 that each Plaintiff has dutifully performed their class representative duties in this case, including
 18 retaining counsel, providing documents and information to counsel for investigatory and discovery
 19 purposes, and timely responding to inquiries from counsel. All of the Plaintiffs in this action
 20 responded to document requests and interrogatories, searched for and produced documents, and
 21 many of the Plaintiffs prepared for and sat for depositions and all had their cell phones/devices
 22 backed up and/or submitted to vendors to obtain certain data that Robinhood requested. As part of
 23 this case, each was also asked to provide sensitive and personal financial information, some of
 24 which had to be disclosed publicly in court filings and the experts' reports.

25 54. We note that some of the original Plaintiffs will no longer be Settlement Class
 26 Members because they did not have one or more Qualifying Trades. These Plaintiffs – Gwaltney,
 27 Kuri, Leith, Mahrouyan, Russell, Ward, and Xia (as well as Plaintiff Withouski in the state court
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1 action) – will retain all rights to pursue their claims against Robinhood relating to the Outages
2 informally or via FINRA arbitration should they choose to do so. Exhibit 1 at § 7.1. We submit
3 that even though these Plaintiffs are going to be excluded from the Settlement Class, that they have
4 still performed valuable services to advancing the litigation and should be eligible for a Service
5 Award. We will provide further documentation and declarations in support of all requested Service
6 Awards in connection with final approval motions.

7 **Notice Administrator**

8 55. Plaintiffs engaged in a competitive bid process to select the proposed Notice
9 Administrator, Epiq, in this case. Plaintiffs prepared a written RFP that was submitted to seven
10 experienced class action notice providers. After having follow up calls with some of these
11 administrators, we also prepared an FAQ that was issued to each notice administrator with further
12 information so that the same information was provided to each company. We selected Epiq, who
13 had one of the two most cost-effective bids that also implemented the notice procedures that we
14 believe would be appropriate in this matter. After selecting Epiq we fine-tuned the notice plan,
15 including switching from a plan of mailed post-card notice to mailing of the long-form notice, with
16 attendant fixed postage cost increases. The ultimate notice plan was also informed by detailed
17 discussions with Robinhood’s counsel regarding the form and content of communications. We
18 estimate notice costs not to exceed \$400,000 – the most recent estimate received from Epiq was for
19 \$378,474; however, the final number will be dependent on Mr. Walster’s calculation of the exact
20 number of Class Members, which will affect mailing costs. While additional information on the
21 proposed notice plan is contained in the accompanying Declaration of Cameron Azari, in summary
22 we intend to provide each Settlement Class Member with direct notice via U.S. Mail and email.
23 Each of these notices will be personalized to identify the Settlement Class Members’ pertinent
24 trades and estimated Settlement Payment. Given that the Settlement Class have (or recently had) a
25 financial account with Robinhood, we expect to get robust, accurate contact information for these
26 Settlement Class Members with which to provide them notice. And, given that we have their email
27 addresses, we intend to employ social media targeting, that is intended to place notices of the
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1 settlement in their social media feeds. An example of one of these notices is attached as Exhibit 2
2 to the Azari Declaration. Additionally, there will be a publicly available settlement website found
3 at www.RobinhoodOutagesClassAction.com where Settlement Class Members can obtain
4 documents pertinent to the case, elect to receive their Settlement Payments digitally, and we will
5 have phone and email support via the Notice Administrator and through our offices. Per the
6 Northern District of California Settlement Guidelines, we have to disclose the use of Epiq by the
7 interim co-lead counsel firms within the past two years. Kaplan Fox reports that Epic has only been
8 used once in the past two years—to recently provide a class certification notice in *Junge v. Geron*
9 *Corp.*, 20-cv-547-WHA (N.D. Cal.). Cotchett, Pitre & McCarthy has used Epiq three times in the
10 following matters in the past two years: *In Re: Zoom Video Communications, Inc. Privacy*
11 *Litigation*, Case 3:20-cv-02155-LB (N.D. Cal.); *Pennington et al. v. Tetra Tech, Inc., et al.*, Case
12 No.: 3:18-cv-05330-JD (N.D. Cal.) and *Eventbrite: In Re Eventbrite, Inc. Shareholder Litigation*,
13 Civil Action No. 19CIV02798 (California State Superior Court, Cty. of San Mateo).

14 **Cy Pres Recipient**

15 56. Although we do not anticipate a large *cy pres* donation of unclaimed funds, Plaintiffs
16 have proposed the Howard University School of Law Investor Justice and Education Clinic
17 (“IJEC”). Available information reflects that the IJEC provides education and legal services to
18 investors as well as training to law students. The IJEC states that it “combines classroom instruction
19 with practical skill development while students work on investor client cases against securities
20 broker-dealers.” <http://law.howard.edu/content/investor-justice-and-education-clinic-ijec>. We
21 submit that this recipient is advancing the goals of investors’ rights while providing important
22 services to underrepresented communities who may not be able to pay for or secure representation.
23 We are in the process of reaching out to the IJEC to gather more information about the programs
24 and to fully vet them as an appropriate recipient. If IJEC does not appear appropriate, we intend to
25 evaluate other similar law school investor clinic programs.

26 **Reasonableness of the Settlement**

27 57. Each of us has significant experience litigating and settling complex class action
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1 cases throughout state and federal courts. This case presented all of the typical challenges a
2 complex class action case brings. We litigated against a well-resourced national corporation
3 implementing cutting edge technology that was represented by one of the county's most
4 sophisticated defense firms, Debevoise & Plimpton. The record is clear that Robinhood mounted
5 a vigorous defense in all aspects of the case. Not only did Robinhood file multiple dispositive
6 motions, but it also vigorously challenged class certification, retained well experienced experts, and
7 filed one summary judgment and two *Daubert* motions that were pending at the time of settlement.

8 58. While many of these challenges are typical in class action cases, there were
9 significant legal issues that were not typical and that presented real risks to Plaintiffs. First, there
10 has never been an outage of a securities trading platform of this scope and magnitude and there has
11 never been a putative class action that has laid a blueprint for litigation and resolution, which
12 differentiates this case from those arising from typical consumer or securities fraud cases predicated
13 on a failure to disclose. Second, given that the Outages obviated the majority of the trading records,
14 Robinhood had argued extensively that its own alleged misconduct obviated Plaintiffs' ability to
15 determine issues of Article III standing and damages on a class wide basis and the Court also raised
16 these questions to Plaintiffs at the hearings in the case. Third, Robinhood filed for summary
17 judgment alleging that its operative customer agreement exculpated it from any claims alleged in
18 this case an argument that had been successful at obtaining dismissal of other Robinhood investors'
19 claims in a putative class action concurrently litigated in multidistrict litigation in Florida. *See In*
20 *re January 2021 Short Squeeze Trading Litigation*, 2022 WL 255350 (S.D. Fla. Jan. 27, 2022).
21 Fourth, this case raised a number of legal questions of first impression (that are inherently risky),
22 such as whether Robinhood had common law or regulatory obligations to maintain contingency
23 plans for traders on an online-only securities trading platform and whether Plaintiffs' theories of
24 liability under California law would withstand Robinhood's contrary arguments. For example, does
25 Robinhood owe its customers a fiduciary duty to maintain an operable platform?; does the economic
26 loss doctrine bar Plaintiffs' common law claims?; and does the customer agreement exculpate
27 Robinhood from liability? We considered all of these issues and risks in weighing whether and
28

1 how to fairly settle this case.

2 59. Given the typical risks involved in continuing the case, chief among them—
3 obtaining class certification, defending the inevitable Rule 23(f) petition if class certification was
4 granted, defeating summary judgment, defeating multiple *Daubert* motions, and prevailing at
5 trial—all in a relatively untrodden area of the law increased the risks associated with this particular
6 matter. Despite these challenges, this is not a case that that was filed and then settled shortly
7 thereafter. All fact and expert discovery was completed, and the Plaintiffs had undertaken a
8 detailed, complete damages analysis based on the available trading data that is now being used to
9 inform the Plan of Allocation of the Settlement. All of the pertinent facts, discovery, witnesses,
10 experts, and documents had been vetted by the time the Settlement was reached, and significant
11 motion practice had occurred that guided the parties to the result. With all of that information in
12 mind, we negotiated at arms' length to achieve the result before the Court and we firmly believe
13 that the Settlement is appropriate because it guarantees a substantial monetary recovery now
14 without the risks of trial, potential appeals, and changes in the law. As further relevant background,
15 and as well publicized, Robinhood has struggled over the past year. Most recently, on August 2,
16 2022 Robinhood announced that 23% of its corporate head count would be laid off, this follows on
17 the heels of major layoffs in April 2022. Also, on August 2, 2022, the New York State Department
18 of Financial Services announced a \$30 million dollar fine against Robinhood's cryptocurrency
19 trading unit. Further, Robinhood's stock price has fallen sharply since its July 29, 2021, IPO (as of
20 last check shares were trading at \$10.26, down from the IPO price of \$38). In short, Robinhood's
21 future finances are uncertain, making years of additional litigation and potential appeals risky for
22 Class Members. Accordingly, we believe that the Settlement is a fair, reasonable, and adequate
23 resolution of this case and we recommend that the Court grant preliminary approval.

1 We declare under penalty of perjury that the foregoing is true and correct. Executed on this
2 5th day of August, 2022, by Anne Marie Murphy in Burlingame, California and Matthew B. George
3 in San Diego, California.

4
5 Dated: August 5, 2022

/s/Anne Marie Murphy

Anne Marie Murphy (SBN 202540)

6
7 Dated: August 5, 2022

/s/Matthew B. George

Matthew B. George (SBN 239322)

Interim Co-Lead Counsel for Plaintiffs

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SIGNATURE ATTESTATION

I am the ECF User whose identification and password are being used to file the foregoing Notice of Motion and Motion for Preliminary Approval of Proposed Class Action Settlement; Memorandum of Points and Authorities in Support Thereof. Pursuant to L.R 5-1(i)(3) regarding signatures, I, Anne Marie Murphy attest that concurrence in the filing of this document has been obtained.

DATED: August 5, 2022

/s/Anne Marie Murphy

Anne Marie Murphy

Exhibit 1

SETTLEMENT AGREEMENT

In re Robinhood Outage Litigation, No. 3:20-cv-01626-JD (N.D. Cal.)

This Settlement Agreement (“**Settlement Agreement**”), dated August 4, 2022, is entered into by and among the following parties: (i) Daniel Beckman, Joseph Gwaltney, Emma Jones, Leila Kuri, Jared Leith, Omeed Mahrouyan, Mahdi Heidari Moghadam, Howard Morey, Colin Prendergast, Raghu Rao, Michael Riggs, Kevin Russell, Jason Steinberg, Jared Ward and Mengni Xia (collectively, “**Plaintiffs**”), individually and on behalf of the putative Settlement Class (as defined below), (ii) Stanley Withouski (“Withouski”) and (iii) Robinhood Markets, Inc., Robinhood Financial LLC and Robinhood Securities, LLC. (collectively, “**Robinhood**” or “**Defendants**”). Each of Plaintiffs, Withouski, and Defendants shall be referred to herein as a “**Party**” and, collectively, as the “**Parties**.”

RECITALS

A. WHEREAS, between March 1, 2020 and June 30, 2020, the following actions against Robinhood were filed in, transferred or removed to the Federal District Court for the Northern District of California alleging the same or similar operative facts: *Beckman v. Robinhood Financial, LLC, et al.*, No. 3:20-cv-01626; *Riggs v. Robinhood Financial, LLC et al.*, No. 3:20-cv-01800-JD; *Prendergast v. Robinhood Financial, LLC et al.*, No. 3:20-cv-01877-JD; *Johann et al v. Robinhood Financial, LLC et al.*, No. 3:20-cv-01909-JD; *Metzler v. Robinhood Financial LLC et al.*, No. 3:20-cv-02286-JD; *Adame v. Robinhood Financial, LLC et al.*, No. 3:20-cv-01769-JD; *Steinberg v. Robinhood Markets, Inc. et al.*, No. 3:20-cv-02343-JD; *Xia v. Robinhood Financial, LLC et al.*, No. 3:20-cv-02352-JD; *Ferris v. Robinhood Securities, LLC et al.*, No. 3:20-cv-02594-JD; *Gwaltney v. Robinhood Markets, Inc. et al.*, No. 3:20-cv-02665-JD; *Taaffe v. Robinhood Markets, Inc. et al.*, No. 3:20-cv-02669-JD; and *Freedland et al. v. Robinhood Markets, Inc. et al.*, No. 3:20-cv-03218-JD (the “**Related Actions**”);

B. WHEREAS, on April 16, 2020, Stanley Withouski filed a putative class action in the Superior Court of California, County of San Mateo under the caption *Withouski v. Robinhood Financial LLC et al.*, No. 20-CIV-01730 (the “**Withouski Action**”), alleging liability based on the same theories of alleged conduct by Robinhood as alleged in this Action, which action was subsequently stayed by the San Mateo County Superior Court;

C. WHEREAS, on July 14, 2020, the Court ordered the Related Actions consolidated into No. 3:20-cv-01626-JD, and recaptioned as *In re Robinhood Outage Litigation* (Dkt. No. 59) (the “**Action**”);

D. WHEREAS, on July 22, 2020, the Court appointed Anne Marie Murphy of Cotchett, Pitre, & McCarthy LLP and Matthew B. George of Kaplan Fox & Kilsheimer LLP as interim co-lead class counsel in the Action as well as an executive committee and liaison counsel (Dkt. No. 65);

E. WHEREAS, on August 21, 2020, Plaintiffs filed the Amended Consolidated Class Action Complaint (Dkt. No. 74);

F. WHEREAS, on October 5, 2020, Robinhood filed the Motion to Dismiss for Lack of Subject Matter Jurisdiction and Failure to State a Claim and Motion to Strike the Class Allegations (Dkt. No. 76), which the Court granted in part and denied in part (Dkt. No. 95);

G. WHEREAS, on June 30, 2021, Plaintiffs filed the operative Second Amended Consolidated Complaint (Dkt. No. 120);

H. WHEREAS, between September 2020 and September 2021, the Parties completed fact and expert discovery into the claims and defenses, including written discovery, document productions, expert disclosures, and fact and expert depositions;

I. WHEREAS, on October 22, 2021, Plaintiffs filed a Motion for Class Certification (Dkt. No. 138), which was opposed by Robinhood (Dkt. No. 144);

J. WHEREAS, on December 3, 2021, Defendants filed a Motion to Exclude Portions of the Testimony of Scott E. Walster, Plaintiffs' economic expert (Dkt. No. 145), which was opposed by Plaintiffs (Dkt. No. 147);

K. WHEREAS, on February 18, 2022, Defendants filed a Motion for Summary Judgment (Dkt. No. 160);

L. WHEREAS, on February 25, 2022, the Plaintiffs and Defendants appeared before the Court for the Class Certification Hearing, at which the Court (i) stayed further briefing on Defendants' Motion for Summary Judgment pending a decision on Plaintiffs' Motion for Class Certification and (ii) ordered a concurrent expert evidence proceeding for the Plaintiffs' and Defendants' economic experts (Dkt. No. 161);

M. WHEREAS, starting in July 2021, the Parties and their respective counsel have participated in extensive settlement discussions mediated by David Geronemus of JAMS, including a full day of mediation on July 27, 2021, as well as numerous individual and joint conversations with Mr. Geronemus and conversations and email communications between counsel supervised by Mr. Geronemus;

N. WHEREAS, on May 26, 2022, after extensive arms-length negotiations, the Parties, with the assistance of their counsel, reached an agreement in principle to settle the Action and the *Withouski* Action (Dkt. No. 169);

O. WHEREAS, this Settlement Agreement reflects the final and binding agreement between the Parties;

P. WHEREAS, Plaintiffs believe that the claims asserted in the Action have merit and that the evidence developed to date supports their claims. However, Plaintiffs recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the litigation against Defendants, as well as the uncertain outcome and risk of any litigation. Plaintiffs and their counsel believe that the Settlement Agreement confers substantial benefits upon the Settlement Class and has determined that the Settlement Agreement is in the best interests of Plaintiffs and the Settlement Class; and

Q. WHEREAS, Defendants have denied, and continue to deny, that they have committed any act or omission giving rise to any liability or violation of law. Specifically, Defendants expressly have denied, and continue to deny, each and all of the claims alleged by Plaintiffs in the Action, along with all the charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action. Defendants have asserted, and continue to assert, that their conduct was at all times proper and in compliance with all applicable provisions of law, and believe that the evidence developed to date supports their position that they acted properly at all times and that the Action is without merit. In addition, Defendants maintain that they have meritorious defenses to all claims alleged in the Action, and that class treatment of the claims is not appropriate. Defendants are entering into this Settlement Agreement solely to eliminate the burden and expense of further litigation. Defendants have determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in this Settlement Agreement.

AGREEMENT

NOW THEREFORE, IT IS STIPULATED AND AGREED, by and among Plaintiffs (for themselves and the Settlement Class), Withouski, and Defendants, by and through their counsel or attorneys of record, that, subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, the Action and the Released Claims shall be finally and fully compromised, settled, and released, and the Action shall be dismissed with prejudice, upon and subject to the terms and conditions of this Settlement Agreement, as follows.

1. DEFINITIONS. As used herein, in addition to any definitions set forth elsewhere in this Settlement Agreement, the following terms shall have the meanings set forth below:

1.1 “**Class Counsel**” means Anne Marie Murphy and Matthew B. George, and their respective firms, Cotchett, Pitre, & McCarthy LLP and Kaplan Fox & Kilsheimer LLP.

1.2 “**Class Representatives**” mean Daniel Beckman, Emma Jones, Mahdi Heidari Moghadam, Howard Morey, Colin Prendergast, Raghu Rao, Michael Riggs, and Jason Steinberg.

1.3 “**Court**” means the United States District Court for the Northern District of California.

1.4 “**Defendants’ Counsel**” or “**Robinhood’s Counsel**” mean Debevoise & Plimpton LLP and Farella Braun + Martel LLP.

1.5 “**Effective Date**” means one business day after the date by which all of the events and conditions specified in ¶ 8.1 of the Settlement Agreement have been met and have occurred.

1.6 “**Escrow Agent**” means Huntington Bank.

1.7 “**Failed Equity Trade**” means an order to buy or sell equities that was accepted into Robinhood’s system and became marketable but failed to execute during the Outages.

1.8 “**Fee and Expense Award**” means the amount of attorneys’ fees and expenses awarded to Class Counsel by the Court to be paid out of the Settlement Fund.

1.9 “**Fairness Hearing**” means the hearing(s) before the Court where the Parties will request that the Final Approval Order and Judgment be entered by the Court approving the Settlement as fair, reasonable and adequate, approving any fees and expenses to Class Counsel, and approving any Service Awards to the Plaintiffs.

1.10 “**Final**” means when the last of the following with respect to the Final Approval Order and Judgment approving this Settlement Agreement, substantially in the form of Exhibit 3 attached hereto, shall occur: (i) the expiration of the time to file a motion to alter or amend the Final Approval Order and Judgment under Federal Rule of Civil Procedure 59(e) without any such motion having been filed; (ii) the time in which to appeal the Final Approval Order and Judgment has passed without any appeal having been taken; and (iii) if a motion to alter or amend is filed or if an appeal is taken, immediately after the determination of that motion or appeal so that it is no longer subject to any further judicial review or appeal whatsoever, whether by reason of affirmance by a court of last resort, lapse of time, voluntary dismissal of the appeal or otherwise in such a manner as to permit the consummation of the settlement, substantially in accordance with the terms and conditions of this Settlement Agreement. For purposes of this Section, an “appeal” shall include any petition for a writ of certiorari or other writ that may be filed in connection with approval or disapproval of this settlement. Any appeal or proceeding seeking subsequent judicial review pertaining solely to any Fee and Expense Award, Service Award(s) or the Plan of Allocation shall not in any way delay or affect the time set forth above for the Final Approval Order and Judgment to become Final, or otherwise preclude the Final Approval Order and Judgment from becoming Final.

1.11 “**Final Approval Order and Judgment**” means the final order and judgment to be entered by the Court after the Fairness Hearing, which approves the Settlement Agreement. The Final Approval Order and Judgment shall be substantially similar to the form attached hereto as Exhibit 3.

1.12 “**Net Settlement Fund**” means the Settlement Fund, plus any interest earned on the Settlement Fund, less any Fee and Expense Award, Service Awards to the Class Representatives, Taxes and Tax Expenses, and Settlement Administration Expenses.

1.13 “**Non-Profit Cy Pres Recipient**” means an appropriate non-sectarian, non-profit charitable organization serving the public interest selected by Class Counsel and approved by the Court.

1.14 “**Notice**” means the notice of this proposed Settlement Agreement and Fairness Hearing to be provided to the Settlement Class as approved and directed by the Court.

1.15 “**Notice Date**” means the last date on which the Notice is disseminated to the Settlement Class, which shall be 90 days after the Court enters the Preliminary Approval Order.

1.16 “**Notice Plan**” means the plan described in this Settlement Agreement for disseminating Notice to the Settlement Class Members of the terms of this Settlement Agreement and the Fairness Hearing.

1.17 “**Objection and Exclusion Deadline**” means the date by which a written objection to the Settlement or a Request for Exclusion by a person within the Settlement Class must be made. The Objection and Exclusion Deadline shall be set by the Court in the Preliminary Approval Order. The

Parties will propose an Objection and Exclusion Deadline that is sixty (60) days following the Notice Date.

1.18 “**Outage(s)**” means the incidents where Robinhood’s trading platform was inaccessible to Plaintiffs and the Settlement Class on March 2-3, 2020, and March 9, 2020.

1.19 “**Person(s)**” means any natural person, corporation, company, limited liability company, partnership, limited partnership, joint adventurers, firm, association, community, organization, business trust, trust, society, estate, syndicate, fiduciary, unincorporated association, and any other business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

1.20 “**Plaintiffs’ Counsel**” means Class Counsel and those law firms appointed as the executive committee and liaison counsel (Dkt. No. 65) and any other counsel of record for a plaintiff with an action consolidated in this Action and/or the *Withouski* Action.

1.21 “**Plan of Allocation**” means a plan or formula for allocation of the Net Settlement Fund whereby the Net Settlement Fund shall be distributed to Settlement Class Members. Neither Defendants nor any of the Released Parties shall have any responsibility or liability with respect to the Plan of Allocation.

1.22 “**Preliminary Approval Order**” means an order preliminarily approving the Settlement and proposed Class Notice and Notice Plan. The Preliminary Approval Order shall be substantially similar to the form attached hereto as Exhibit 2.

1.23 “**Released Claims**” means all claims (including but not limited to Unknown Claims), demands, losses, rights, and causes of action of any nature whatsoever, that have been or could have been asserted in the Action or in the *Withouski* Action or could in the future be asserted in any forum, whether foreign or domestic, by the Releasing Parties, whether brought directly or indirectly against any of the Released Parties, which arise out of, are based on, or relate in any way to, directly or indirectly, any of the allegations, acts, transactions, facts, events, matters, occurrences, representations or omissions involved, set forth, alleged or referred to, in the Action, or which could have been alleged in the Action, and which arise out of, are based upon, or relate in any way, directly or indirectly, to the Outages to Robinhood’s trading platform, whether arising under federal, state, common or foreign law. For the avoidance of doubt, “Released Claims” does not include claims to enforce this Settlement Agreement.

1.24 “**Released Defendants’ Claims**” means all claims (including but not limited to Unknown Claims), demands, losses, rights, and causes of action of any nature whatsoever, that have been or could have been asserted in the Action by the Released Parties or any of them against any of the Releasing Parties, which arise out or relate in any way to the institution, prosecution, assertion, settlement or resolution of the Action. For the avoidance of doubt, “Released Defendants’ Claims” does not include claims to enforce this Settlement Agreement.

1.25 “**Released Parties**” means each and all of the Defendants, including past, present and future direct and indirect parent entities, subsidiaries, related entities and affiliates, and for each and all of those entities, their respective past and present general partners, limited partners, principals,

shareholders, investors (however denominated), joint ventures, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof.

1.26 “**Releasing Parties**” means each and all of the plaintiffs, consisting of Plaintiffs and members of the Settlement Class, and each of their respective family members, and their respective past, present and future contractors, consultants, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof.

1.27 “**Request for Exclusion**” is the written communication by a Person within the Settlement Class in which he or she requests to be excluded from the Settlement Class, pursuant to the procedures set forth in Section 5.2.

1.28 “**Service Award(s)**” means the amount of any remuneration to be paid to the Plaintiffs in recognition of their efforts on behalf of the Settlement Class, in an amount to be ordered by the Court.

1.29 “**Settlement**” means the resolution of the Action pursuant to the terms of this Settlement Agreement.

1.30 “**Settlement Administration Expenses**” means the expenses incurred by the Settlement Administrator in relation to this Settlement, including those arising from performing any duty or obligation created by this Settlement Agreement, providing Notice, effectuating the Notice Plan, responding to inquiries from Settlement Class Members, providing payment to the Settlement Class Members, related services, and the costs of the escrow account.

1.31 “**Settlement Administrator**” means Epiq Class Action and Claims Solutions, Inc., subject to approval of the Court.

1.32 “**Settlement Class**” means all Robinhood accountholders in the United States who: (i) closed a position on March 3, 2020, at a loss relative to the Volume Weighted Average Price (“**VWAP**”) during the March 2 and 3, 2020 Outages; (ii) held SPDR S&P 500 options expiring on March 2, 2020 and experienced a loss relative to the VWAP during the March 2, 2020 Outage; (iii) who experienced a Failed Equity Trade during the March 2 and 3 Outages at a loss relative to the price at the end of the March 2 and 3 Outages and/or the transaction price obtained through March 4, 2020; or (iv) who experienced a Failed Equity Trade during the March 9 Outage at a loss relative to the price at the end of the March 9 Outage and/or the transaction price obtained through March 10, 2020. Excluded from the Settlement Class are Defendants and their legal representatives, heirs, successors or assigns. Also excluded from the Settlement Class are Persons who have entered into settlement agreements with Robinhood, outside of the Goodwill Program, that include a release of claims related to the Outages.

1.33 “**Settlement Class Member**” means a Person who falls within the definition of the Settlement Class and who does not submit a timely and valid Request for Exclusion from the Settlement Class.

1.34 “**Settlement Amount**” means Nine Million Nine Hundred Thousand Dollars (\$9,900,000) in cash to be paid by wire transfer to the Escrow Account pursuant to Section 2.1(a) of this Settlement Agreement.

1.35 “**Settlement Fund**” means the Settlement Amount plus all interest earned thereon.

1.36 “**Settlement Payments**” means, after the Effective Date, the distribution of the Net Settlement Fund to Settlement Class Members as allowed by this Settlement Agreement, the Plan of Allocation, or orders of the Court.

1.37 “**Settlement Website**” means the Internet website, with the following URL address, www.RobinhoodOutagesClassAction.com, to be created, launched, and maintained by the Settlement Administrator, and provides access to relevant case documents including the Long Form Notice and other relevant documents (such as the operative complaint filed in the action, the Settlement Agreement, the Preliminary Approval Order, any application for the Fee and Expense Award and Service Award, briefs filed by Plaintiffs and Defendants in support of the Settlement, and the Final Approval Order and Judgment).

1.38 “**Tax**” or “**Taxes**” mean any and all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any governmental authority, including, but not limited to, any local, state, and federal taxes.

1.39 “**Unknown Claims**” means any and all claims, demands, rights, liabilities, and causes of action of every nature and description which Plaintiffs, members of the Settlement Class, or any Defendant does not know or suspect to exist in his, her or its favor at the time of their release of the Released Claims, and including, without limitation, those which, if known by him, her or it, might have affected his, her or its decision(s) with respect to the settlement or the releases. With respect to any and all Released Claims and Released Claims, the Parties shall stipulate and agree that, upon the effective date of the settlement, Plaintiffs and Defendants shall expressly waive, and each of the members of the Settlement Class shall be deemed to have waived, and by operation of the judgment shall have waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Parties acknowledge, and the members of the Settlement Class by operation of the judgment shall be deemed to have acknowledged, that the waivers contained in this paragraph, and the inclusion of

“Unknown Claims” in the definition of Released Claims and Released Defendants’ Claims, were separately bargained for and are material elements of the settlement.

2. MONETARY RELIEF

2.1 Settlement Fund / Escrow

- (a) *Deposit.* The Settlement Amount shall be deposited into an interest-bearing escrow account (“Escrow Account”) controlled by the Escrow Agent on or before thirty (30) calendar days after the later of: (i) the entry of the Preliminary Approval Order, and (ii) the provision to Defendants of all information necessary to effectuate a transfer of funds, including, but not limited to, the bank name and ABA routing number, account name and number, and a signed W-9 reflecting the taxpayer identification number for the Settlement Fund. Defendants and/or Defendants’ insurers shall pay the Settlement Amount as consideration for full and complete settlement of all of the Released Claims. If the entire Settlement Amount is not timely deposited into the Escrow Account, Class Counsel may terminate the Settlement Agreement but only if: (i) Class Counsel has notified Defendants’ counsel in writing of Class Counsel’s intention to terminate the Settlement Agreement, and (ii) the entire Settlement Amount is not transferred to the Escrow Account within three (3) calendar days after Class Counsel has provided such written notice.
- (b) *Custody of Settlement Fund.* The Settlement Fund shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the entirety of the Settlement Fund is distributed pursuant to this Settlement Agreement or returned to Defendants (and/or their insurers, pursuant to written instructions from Defendants’ counsel) in the event this Settlement Agreement is voided, terminated or cancelled.
- (i) In the event this Settlement Agreement is voided, terminated or cancelled, or the Effective Date otherwise fails to occur for any reason: (i) the Settlement Administrator, Plaintiffs, and Class Counsel, shall have no obligation to repay any of the Settlement Administration Expenses that have been paid or incurred in accordance with any term or condition of this Settlement Agreement or any costs or expenses incurred by Defendants in the furtherance of or related to this Settlement Agreement; (ii) any amounts remaining in the Settlement Fund, after payment of Administration Expenses paid or incurred in accordance with any term or condition of this Settlement Agreement, including all interest earned on the Settlement Fund net of any Taxes, shall be returned to Defendants (and/or their insurers, pursuant to written instructions from Defendants’ counsel); and (iii) no other person or entity shall have any further claim whatsoever to such amounts.
- (c) *Non-Reversionary.* This Settlement is not a reversionary settlement. As of the Effective Date, all rights of the Defendants in or to the Settlement Fund shall be

extinguished, except in the event this Settlement Agreement is voided, cancelled or terminated, as described in Section 8 of this Settlement Agreement. In the event the Effective Date occurs, no portion of the Settlement Fund shall be returned to the Defendants.

- (d) Use of the Settlement Fund. Subject to the terms and conditions of this Settlement Agreement, the Settlement Fund shall be used for: (i) Settlement Payments; (ii) Settlement Administration Expenses; (iii) Taxes and Tax Expenses; (iv) any Fee and Expense Award, if and to the extent approved by the Court; (v) any Service Award(s), if and to the extent approved by the Court; and (vi) payment to the Non-Profit *Cy Pres* Recipient.
- (e) Payment/Withdrawal Authorization. No amounts from the Settlement Fund may be withdrawn unless (i) expressly authorized by the Settlement Agreement or (ii) approved by the Court. Class Counsel may authorize the periodic payment of actual reasonable Settlement Administration Expenses from the Settlement Fund as such expenses are invoiced without further order of the Court. The Settlement Administrator shall provide Class Counsel with notice of any withdrawal or other payment the Settlement Administrator proposes to make from the Settlement Fund before the Effective Date at least three (3) business days prior to making such withdrawal or payment.
- (f) Payments to Class Members. The Settlement Administrator, subject to such supervision and direction of the Court and/or Class Counsel as may be necessary or as circumstances may require, shall administer and/or oversee distribution of Settlement Payments. The Settlement Administrator is responsible for communicating with Settlement Class Members regarding the distribution of Settlement Payments.
- (g) Accounting. The Settlement Administrator shall provide an accounting of any and all funds in the Settlement Fund, including any interest accrued thereon and payments made pursuant to this Settlement Agreement, upon request by any of the Parties.
- (h) Taxes. All (i) Taxes (including any estimated Taxes, interest or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Released Parties or their counsel with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes, and (ii) expenses and costs incurred in connection with the operation and implementation of this Settlement Agreement (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this Settlement Agreement (“**Tax Expenses**”)), shall be paid out of the Settlement Fund; in all events the Released Parties and their counsel shall have no liability or responsibility for the Taxes or the Tax Expenses. The Escrow Agent, through the Settlement Fund, shall

indemnify and hold each of the Released Persons and their counsel harmless for Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Settlement Administrator, as instructed by Class Counsel, out of the Settlement Fund without prior order from the Court and the Settlement Administrator shall be authorized (notwithstanding anything herein to the contrary) to withhold from distribution to Settlement Class Members any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(l)(2)). Plaintiffs and Defendants hereto agree to cooperate with the Settlement Administrator, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this Settlement Agreement. For the purpose of §1.468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the Settlement Administrator shall be the “administrator.” The Settlement Administrator shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund and the Escrow Account (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the election described in this Settlement Agreement) shall be consistent with this section and in all events shall reflect that all Taxes (including any estimated Taxes, interest or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in this Settlement Agreement. Plaintiffs and Defendants and their respective counsel have made no representation or warranty with respect to the tax treatment by any Plaintiff or any Settlement Class Member of any payment or transfer made pursuant to this Settlement Agreement or derived from or made pursuant to the Settlement Fund. Each Plaintiff, Settlement Class Member, Plaintiffs’ Counsel or any other Person receiving funds from the Settlement Fund pursuant to this Settlement Agreement shall be solely responsible for the federal, state, and local tax consequences to him, her or it of the receipt of such funds.

- (i) Other than the obligation of Defendants to pay or cause to be paid the Settlement Amount into the Escrow Account, Defendants shall have no obligation to make any other payment pursuant to this Settlement Agreement.

2.2 **Determination of Settlement Payments**

- (a) Within fourteen (14) days after the Preliminary Approval Order, Robinhood will provide Plaintiffs’ expert, Global Economics Group, with the account, trading, and/or other Robinhood customer data within Robinhood’s possession necessary to identify Settlement Class Members and aid in the determination of the potential settlement payment amounts to the Settlement Class Members (“Customer Trading Information”), including but not limited to, data or information relating to any compensation amount previously paid to Settlement

Class Members by Robinhood regarding the Outages (“Goodwill Program”), as well as information identifying persons who have entered into settlement agreements with Robinhood, outside of the Goodwill Program, that include a release of claims related to the Outages. The information provided to Global Economics Group will look substantially similar to the form attached hereto as Exhibit 4. The Customer Trading Information shall contain identifiers necessary for the Settlement Administrator to match Settlement Class Members with the Settlement Class Contact Information produced pursuant to Section 4.1.

- (b) Plaintiffs may also request market data from Robinhood to assist with allocating and administering the Settlement but Robinhood shall have no obligation to purchase or produce such information.
- (c) Within thirty (30) days of receiving the information set forth in Section 2.2(a) from Robinhood, Global Economics Group, at the direction of Plaintiffs, shall calculate the proposed Settlement Payments and communicate the results to Defendants and the Settlement Administrator.
- (d) The proposed Plan of Allocation will be submitted for preliminary approval by the Court as part of the Preliminary Approval Order.
- (e) Settlement Class Members will be notified of their estimated Settlement Payments in the Long Form Notice. The Settlement Payment set forth in the Long Form Notice shall state that it is an estimate and that the amount may change prior to payment.
- (f) Settlement Class Members will not have an opportunity to contest or challenge the determination of their Settlement Payments.
- (g) After final approval, the final Settlement Payments will be determined after all Requests for Exclusions are received and final payments for Fee, Expense, and Service Awards are determined.

2.3 **Distribution of the Settlement Fund**

- (a) Subject to the terms and conditions of this Settlement Agreement, the Settlement Fund shall be used for: (i) Settlement Payments; (ii) Settlement Administration Expenses; (iii) Taxes and Tax Expenses; (iv) attorneys’ fees and expenses to Class Counsel, if and to the extent approved by the Court; (v) service awards to Plaintiffs, if and to the extent approved by the Court; and (vi) payment to the Non-Profit *Cy Pres* Recipient.
- (b) After the Effective Date, and in accordance with the terms of this Settlement Agreement, the Plan of Allocation, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Settlement Class Members, subject to and in accordance with the following provisions of this Settlement Agreement.

- (c) Settlement Class Members shall have the option to receive their Settlement Payment pursuant to the terms of this Settlement Agreement *via* digital methods (i.e. PayPal, Venmo, digital payment card, *etc.*). In the event Settlement Class Members do not exercise this option, they will receive their Settlement Payment *via* a physical check sent by U.S. Mail.
- (d) Within forty-five (45) days after the Effective Date, or such other date as the Court may set, the Settlement Administrator shall send Settlement Payments from the Net Settlement Fund by physical check or digital payment (as described above), as elected by each Settlement Class Member.
- (e) Each payment issued to a Settlement Class Member via a physical check will state on the face of the check that it will become null and void unless cashed within ninety (90) days after the date of issuance.
- (f) Where the Settlement Administrator is aware that an electronic deposit or digital payment to a Settlement Class Member is unable to be processed, the Settlement Administrator shall attempt to contact the Settlement Class Member within thirty (30) days to correct the problem.
- (g) To the extent that a check issued to a Settlement Class Member is not cashed within ninety (90) days after the date of issuance or an electronic deposit is unable to be processed within ninety (90) days of the first attempt, such funds shall remain in the Settlement Fund and shall be apportioned *pro rata* to Settlement Class Member in a second distribution, if economically feasible. To the extent that any second distribution is not economically feasible, or second-distribution funds remain in the Settlement Fund after an additional ninety (90) days, such funds shall be paid to the Non-Profit *Cy Pres* Recipient.
- (h) The Released Parties shall have no responsibility for, interest in, or liability whatsoever with respect to the distribution of the Net Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of Settlement Payments, the payment or withholding of Taxes or Tax Expenses, or any losses incurred in connection therewith. No Person shall have any claim of any kind against the Defendants, the Released Parties or Defendants' Counsel with respect to the matters set forth in ¶¶ 2.3(a)-(g) hereof; and Settlement Class Members, Plaintiffs, and Class Counsel release the Released Parties from any and all liability and claims arising from or with respect to the administration or distribution of the Settlement Fund.
- (i) No Person shall have any claim against the Released Parties, Defendants' Counsel, Plaintiffs, Class Counsel or the Claims Administrator based on determinations or distributions made substantially in accordance with this Settlement Agreement, the Plan of Allocation, or further order(s) of the Court.
- (j) It is understood and agreed by the Parties that the proposed Plan of Allocation of the Net Settlement Fund is not a condition of this Settlement Agreement, and

any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel this Settlement Agreement or affect the finality of the Court's Final Approval Order and Judgment approving this Settlement Agreement and the settlement set forth herein.

3. SETTLEMENT ADMINISTRATION

3.1 The Settlement Administrator, at the direction of Class Counsel and subject to the supervision of the Court, shall administer the relief provided by this Settlement Agreement by providing Notice and distributing Settlement Payments in a reasonable, cost effective, and timely manner. The Settlement Administrator shall maintain reasonably detailed records of its activities under this Settlement Agreement. The Settlement Administrator shall also provide reports and other information to the Court as the Court may require, including those set forth in the Preliminary Approval Order. Without limiting the foregoing, the Settlement Administrator shall:

- (a) Obtain the Settlement Class Contact Information from Defendants;
- (b) Effectuate the Notice Plan in accordance with the procedures set forth in this Settlement Agreement;
- (c) Establish and maintain a post office box for mailed Requests for Exclusion;
- (d) Establish and maintain the Settlement Website;
- (e) Establish and maintain a toll-free telephone line for Settlement-related inquiries;
- (f) Respond to inquiries regarding the Settlement;
- (g) Respond to inquiries regarding the Plan of Allocation set forth in the Long Form Notice;
- (h) Receive and process requests from individuals seeking entry into the Settlement Class and promptly provide Class Counsel and Defendants' Counsel copies thereof;
- (i) Receive and process Requests for Exclusion from the Settlement Class and promptly provide Class Counsel and Defendants' Counsel copies thereof. If the Settlement Administrator receives any Requests for Exclusion after the deadline for the submission of such forms, the Settlement Administrator shall promptly provide copies thereof to Class Counsel and Defendants' Counsel;
- (j) In advance of the Fairness Hearing, prepare affidavits to submit to the Court that: (i) attest to implementation of the Notice Plan in accordance with the Preliminary Approval Order; and (ii) identify each Settlement Class Member who timely and properly provided a Request for Exclusion;
- (k) Distribute the Settlement Fund in accordance with the terms and conditions of this Settlement Agreement;

- (l) Provide weekly reports and a final report to Plaintiffs and Defendants that summarize the Notice Plan, the number of Objections and Requests for Exclusion, and other pertinent information as requested by Class Counsel and Defendants' counsel;
- (m) Maintain reasonably detailed records of its activities under this Settlement Agreement. The Settlement Administrator shall maintain all such records as required by applicable law in accordance with its business practices and such records will be made available to Class Counsel and Defendants' Counsel upon request. The Settlement Administrator shall also provide reports and other information to the Court as the Court may require. Upon request, the Settlement Administrator shall provide Class Counsel and Defendants' Counsel with information concerning the calculation of Settlement Payments, Notice, administration, and implementation of the Settlement;
- (n) Perform any function related to Settlement administration at the agreed-upon instruction of both Class Counsel and Defendants' Counsel, including, but not limited to, verifying that cash payments have been distributed in accordance with the terms and conditions of this Settlement Agreement;
- (o) Provide Class Counsel with Customer Trading Information and Settlement Class Contact Information as necessary for Class Counsel to respond to Settlement Class Members' inquiries about and/or objections to the Settlement. Any Settlement Class Contact and/or Customer Trading Information furnished to Class Counsel shall be treated as Confidential pursuant to the Protective Order entered in this matter, Dkt. Nos. 90-91, and shall be used only for purposes of responding to Settlement Class Members' inquiries and implementing the Settlement. If necessary, any Settlement Class Contact and/or Customer Trading Information shall be redacted and/or filed under seal pursuant the Protective Order and Local Rules of Court with any court filings in connection with obtaining approval of and/or implementing the settlement.

3.2 In the exercise of its duties outlined in this Settlement Agreement, the Settlement Administrator shall have the right to reasonably request additional information from the Plaintiffs and Defendants or any Settlement Class Member.

3.3 Because information about Settlement Class Members will be provided to the Settlement Administrator solely for purposes of providing the Notice, Settlement benefits, and processing Requests for Exclusion, the Settlement Administrator will execute a confidentiality and non-disclosure agreement with Defendants, Defendants' Counsel, and Class Counsel and will ensure that any information provided to it by Settlement Class Members, Class Counsel, Defendants' Counsel, or Defendants will be secure and used solely for the purpose of effecting this Settlement.

3.4 All costs incurred by the Settlement Administrator shall be borne by and paid by the Settlement Fund.

4. NOTICE PROGRAM

4.1 **Notice.** Subject to the Court entering the Preliminary Approval Order, the Settlement Class shall be provided with notice of the proposed Settlement by the following methods.

- (a) Settlement Class Contact Information. Within fourteen (14) days after receiving the list of proposed Settlement Payments from Global Economics Group pursuant to Section 2.2(c), Defendants shall provide to the Settlement Administrator the last known e-mail addresses, mailing addresses, and phone numbers for all Settlement Class Members (“Settlement Class Contact Information”). The Settlement Class Contact Information shall contain identifiers necessary for the Settlement Administrator to match Settlement Class Members with the Customer Trading Information produced pursuant to Section 2.2(a).
- (b) Long Form Notice by Electronic Mail and Mail. The Long Form Notice shall be in a form substantially similar to the document attached as Exhibit 1 hereto. After receipt of the Settlement Class Contact Information, the Settlement Administrator shall begin disseminating the Long Form Notice to Settlement Class Members as follows:
- (i) The Settlement Administrator shall e-mail the Long Form Notice to each Person for whom the Settlement Class Contact Information contains an e-mail address;
 - (ii) The Settlement Administrator shall send the Long Form Notice by U.S. mail, postage prepaid, to each Person for whom the Settlement Class Contact Information contains a physical mailing address;
 - (iii) If any Long Form Notice that has been emailed is returned as undeliverable, the Settlement Administrator shall attempt two other email executions;
 - (iv) For any Long Form Notice that has been mailed via U.S. mail and returned by the Postal Service as undeliverable, the Settlement Administrator shall re-mail the notice to the forwarding address, if any, provided by the Postal Service on the face of the returned mail or—if no forwarding address is provided on the returned mail—to the forwarding address, if any, in the United States Postal Service’s National Change of Address Database;
 - (v) The Settlement Administrator shall complete dissemination of the Long Form Notice by email and mail as set forth in this Section 4.1 by the Notice Date;
 - (vi) Neither the Parties nor the Settlement Administrator shall have any other obligation to re-email or re-mail individual notices that have been sent as provided in this Section 4.1.
- (c) Settlement Website. Prior to the dissemination of any Notice, the Settlement Administrator will complete the setup of the Settlement Website. The Settlement Website will include relevant information to the Settlement such as

copies of the: the Long Form Notice, Complaint, motions for preliminary and final approval, Preliminary Approval Order, Final Approval Order and Judgment, and include contact information through which Settlement Class Members may reach the Settlement Administrator directly. The website will be active until at least ninety (90) days after the Effective Date.

- (d) Notice by Publication. The Settlement Administrator will also provide the Notice in a digital media campaign prior to the Notice Date. Plaintiffs and Defendants shall have the right to approve the content, layout, and target audience for all digital media campaign postings and advertisements, with approval not to be withheld without good cause.

4.2 **Long Form Notice.** The Long Form Notice shall be in a form substantially similar to the document attached as Exhibit 1 hereto. The Long Form Notice shall (i) contain a description of the nature of the Action and the proposed Settlement, including information on the definition of the Settlement Class, the identity of Settlement Class Members, how the proposed Settlement would provide relief to Settlement Class Members, and other relevant information; (ii) contain a description of what claims are released under the proposed Settlement; (iii) advise the Settlement Class of the Action and that those Settlement Class Members who do not file valid and timely exclusion requests will be releasing their claims under the Action; (iv) inform Settlement Class Members of their right to opt out of the proposed Settlement and provide the deadlines and procedures for exercising this right; (v) inform Settlement Class Members of their right to object to the proposed Settlement, Fee and Expense Award, and/or Service Awards and to appear at the Fairness Hearing, and provide the deadlines and procedures for exercising these rights; (vi) inform Settlement Class Members that fees and expenses related to the Settlement Administrator will be deducted from the Settlement Fund, and set forth the maximum Fee and Expense Award and Service Award to be sought; and (vii) inform Settlement Class Members of the Plan of Allocation.

4.3 **Inquiries from the Settlement Class.** The Settlement Administrator will establish an email account and P.O. Box to which Settlement Class Members may submit questions regarding the Settlement. The Settlement Administrator will monitor the email account and P.O. Box and respond promptly to inquiries received from Settlement Class Members. The Settlement Administrator will also establish and maintain a toll-free telephone line for Settlement Class Members to call with Settlement-related inquiries and to answer the questions of Settlement Class Members who call with or otherwise communicate such inquiries.

4.4 All costs associated with providing all forms of notice, responding to inquiries from Settlement Class Members referenced in this Section 4, and performing all other of the Settlement Administrator's duties under this Settlement Agreement shall be paid out of the Settlement Fund.

4.5 The Notice approved by the Court may be adjusted by the Settlement Administrator in consultation and agreement with Class Counsel and Defendants' Counsel, as may be reasonable and necessary and not inconsistent with such approval.

4.6 Prior to the Fairness Hearing, Class Counsel shall cause to be filed with the Court an appropriate affidavit or declaration from the Settlement Administrator with respect to complying with the Court-approved Notice Plan set forth in this Section 4.

4.7 Defendants will serve the notice required by the Class Action Fairness Act of 2005, 28 U.S.C. § 1715 (“CAFA”), no later than ten (10) days after this Settlement Agreement is filed with the Court.

4.8 Settlement Class Members shall have no recourse as to the Released Persons with respect to any claims they may have that arise from any failure of the notice process.

5. OBJECTIONS AND EXCLUSIONS (OPT-OUTS)

5.1 **Objections.** Any Settlement Class Member who wishes to object to the fairness, reasonableness, or adequacy of the Settlement Agreement or the proposed Settlement, the Proposed Plan of Allocation, Class Counsel’s requested Fee and Expense Award, or any requested Service Awards for the Class Representatives must follow the following procedure:

- (a) Objections must be in writing and must be signed with the objector’s physical signature.
- (b) Objections must (i) clearly identify the case name and number (i.e., “*In re Robinhood Outage Litigation*, No. 3:20-cv-01626-JD), (ii) be submitted only to the Court either by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94012, or by filing them in person at any location of the United States District Court for the Northern District of California, and (iii) be filed or postmarked on or before Objection and Exclusion Deadline.
- (c) Objections must contain (i) the objector’s name, address, and email address; (ii) an explanation of the basis upon which the objector claims to be a Settlement Class Member; (iii) whether the objection applies only to the objector, a subset of the Settlement Class, or the entire Settlement Class; (iv) all grounds for the objection, including all citations of legal authority and evidence supporting the objection; (v) the name and contact information of any and all attorneys representing, advising, or in any way assisting the objector in connection with the preparation or submission of the objection or who may profit from the pursuit of the objection, who must enter an appearance with the Court in accordance with the Local Rules; and (vi) a statement indicating whether the objector intends to appear at the Fairness Hearing (either personally or through counsel).
- (d) Neither the Released Parties, nor the Settlement Class, shall be responsible for fees, costs, or expenses related to any Settlement Class Members who submit objections to the Settlement Agreement or related to any appeal by an objector arising from the Action for Fee and Expense Award, Service Awards, or expenses of any kind, unless ordered by a court.

5.2 **Exclusions (Opt-Outs).** A Settlement Class Member may request to be excluded from the Settlement Class by the following procedures:

- (a) Each Request for Exclusion must be in writing and signed with the requestor's physical signature.
- (b) Requests for Exclusion must be delivered to the Settlement Administrator by postal mail and must be postmarked by the Objection and Exclusion Deadline.
- (c) Requests for Exclusion must include (i) the requestor's name, address and email address; (ii) the requestor's physical signature; (iii) the name and number of this Action (i.e., "*In re Robinhood Outage Litigation*, No. 3:20-cv-01626-JD); and (iv) a statement that he or she wishes to be excluded from the Settlement Class for purposes of this Settlement. Each Request for Exclusion can only request exclusion for that one Person.
- (d) A Request for Exclusion that does not include all of this information, or that is sent to an address other than that designated in the Notice, or that is not emailed or postmarked within the time specified, shall be invalid, and the Person serving such a request remain a member of the Settlement Class and shall be bound as a Settlement Class Member by this Settlement Agreement, if approved. Any member of the Settlement Class who validly elects to be excluded from this Settlement Agreement shall not: (i) be bound by any orders including the Final Approval Order and Judgment; (ii) be entitled to relief under this Settlement Agreement; (iii) gain any rights by virtue of this Settlement Agreement; or (iv) be entitled to object to any aspect of this Settlement Agreement.

5.3 The Settlement Administrator shall serve on Class Counsel and Defendants' Counsel a list of all Persons who have timely and validly excluded themselves from the Settlement Class no later than ten (10) days after the Objection and Exclusion Deadline.

6. PRELIMINARY APPROVAL AND FINAL APPROVAL

6.1 Promptly after the execution of this Settlement Agreement, Class Counsel shall submit this Settlement Agreement together with its Exhibits to the Court and shall move the Court for preliminary approval of the settlement set forth in this Settlement Agreement by entry of a Preliminary Approval Order substantially in the form of Exhibit 2, which order shall, *inter alia*,

- (a) Preliminarily approve the Settlement Agreement;
- (b) Appoint Anne Marie Murphy of Cotchett, Pitre, & McCarthy LLP and Matthew B. George of Kaplan Fox & Kilsheimer LLP as Class Counsel;
- (c) Appoint Plaintiffs Daniel Beckman, Emma Jones, Mahdi Heidari Moghadam, Howard Morey, Colin Prendergast, Raghu Rao, Michael Riggs, and Jason Steinberg as Class Representatives;
- (d) Approve the Notice Plan and Long Form Notice, which shall include the general terms of this Settlement Agreement, the proposed Plan of Allocation, the general

terms of the requested Fee and Expense Award and Service Awards, and the date of the Fairness Hearing;

- (e) Approve the inclusion of the proposed Plan of Allocation in the Long Form Notice.
- (f) Approve the Objection and Exclusion Deadline;
- (g) Appoint the Settlement Administrator; and
- (h) Set a Fairness Hearing date.

6.2 Class Counsel shall request that the Court schedule the Fairness Hearing for a date that is not earlier than ninety (90) calendar days after the later of the dates on which the appropriate Federal official and the appropriate State officials are provided with notice pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. §1715, et seq. (“CAFA”). The Preliminary Approval Order shall also authorize the Parties, without further approval from the Court, to agree to and adopt such amendments, modifications and expansions of the Settlement Agreement and its implementing documents (including all exhibits to this Settlement Agreement) so long as they are consistent in all material respects with the terms of the Final Approval Order and Judgment and do not limit or impair the rights of the Settlement Class.

6.3 After Notice is given, Class Counsel shall request and seek to obtain from the Court a Final Approval Order and Judgment, which will (among other things):

- (a) Find that the Court has personal jurisdiction over all Settlement Class Members and that the Court has subject matter jurisdiction to approve the Settlement Agreement, including all exhibits thereto;
- (b) Approve the Settlement Agreement and the proposed settlement as fair, reasonable and adequate as to, and in the best interests of, the Settlement Class Members; direct the Parties and their counsel to implement and consummate the Settlement Agreement according to its terms and provisions; and declare the Settlement Agreement to be binding on, and have *res judicata* and preclusive effect in all pending and future lawsuits or other proceedings maintained by or on behalf of Plaintiffs and the Releasing Parties with respect to the Released Claims;
- (c) Approve the proposed Plan of Allocation;
- (d) Find that the Notice implemented pursuant to the Settlement Agreement (i) constituted the best practicable notice under the circumstances; (ii) constituted notice that is reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, their right to object to the Settlement or exclude themselves from the Settlement Class, and to appear at the Fairness Hearing; (iii) constituted notice that failure to exclude themselves from the Settlement Class will result in a release of any of their claims under the

Action; (iv) was reasonable and constituted due, adequate, and sufficient notice to all Persons entitled to receive notice; and (v) met all applicable requirements of the Federal Rules of Civil Procedure, the Due Process Clause of the United States Constitution, and the rules of the Court;

- (e) Find that the Class Representatives and Class Counsel adequately represented the Settlement Class for purposes of entering into and implementing the Settlement Agreement;
- (f) Dismiss the Action on the merits and with prejudice, without fees or costs to any party except as provided in the Settlement Agreement;
- (g) Incorporate the releases set forth in this Settlement Agreement, make such releases effective as of the Effective Date, and forever discharge the Released Parties from the Released Claims as set forth herein;
- (h) Without affecting the finality of the Final Approval Order and Judgment for purposes of appeal, retain jurisdiction as to all matters relating to administration, consummation, enforcement, and interpretation of the Settlement Agreement and the Final Approval Order and Judgment, and for any other necessary purpose; and
- (i) Incorporate any other provisions, as the Court deems necessary and just.

6.4 The Parties shall, in good faith, cooperate, assist and undertake all reasonable actions and steps in order to accomplish these required events on the schedule set by the Court, subject to the terms of this Settlement Agreement.

6.5 Within thirty (30) days after the Effective Date, counsel for Mr. Withouski will file a request for dismissal with prejudice of the *Withouski* Action in the Superior Court of California, County of San Mateo, pursuant to Rule 3.770 of the California Rules of Court, substantially in the form of Exhibit 5 attached hereto.

7. RELEASES

7.1 **Settlement Class Release.** Upon the Effective Date, the Releasing Parties shall be deemed to have, and by operation of the Final Approval Order and Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Parties (including Unknown Claims), whether or not such Settlement Class Member shares in the Net Settlement Fund. Claims to enforce the terms of this Settlement Agreement are not released. Upon the Effective Date, the Releasing Parties, and anyone claiming through or on behalf of any of them, will be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, or administrative forum, asserting any of the Released Claims against any of the Released Parties (including Unknown Claims).

7.1 **Reservation of Rights.** For avoidance of doubt, Plaintiffs Gwaltney, Kuri, Leith, Mahrouyan, Russell, Ward, Xia, and Withouski and any other Person who does not fall within the Settlement Class certified by the Court for settlement purposes shall reserve all rights to pursue claims and/or compensation arising from the Outages individually, whether informally with Robinhood or via FINRA arbitration and shall not be deemed to have released any claim. Plaintiffs Gwaltney, Kuri, Leith, Mahrouyan, Russell, Ward, Xia, and Withouski shall have the statutes of limitations on all claims that were or could have been asserted in this Action and/or the *Withouski* Action tolled from May 26, 2022 until the Effective Date.

7.2 **Release by Defendants.** Upon the Effective Date, the Released Parties shall be deemed to have, and by operation of the Final Approval Order and Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Defendants' Claims against the Releasing Parties (including Unknown Claims).

8. CONDITIONS OF SETTLEMENT AND EFFECT OF DISAPPROVAL OR TERMINATION

8.1 **Conditions of Settlement.** The Effective Date of the Settlement shall be conditioned on the occurrence of all of the following events:

- (a) the Court has entered the Preliminary Approval Order;
- (b) the Settlement Amount has been deposited into the Escrow Account;
- (c) the Court has entered the Final Approval Order and Judgment, or a judgment substantially in the form of Exhibit 3 attached hereto; and
- (d) the Final Approval Order and Judgment has become Final, as defined in Section 1.10 hereof.

8.2 **Effective Date.** Upon the Effective Date, any and all remaining interest or right of the Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished. If the conditions specified in Section 8.1 are not met, then the settlement shall be canceled and terminated subject to Section 8.3 and 8.4 unless Class Counsel and Defendants' Counsel mutually agree in writing to proceed with the settlement.

8.3 **Action Status if Settlement Not Approved or Otherwise Terminated.** This Settlement Agreement is being entered into for settlement purposes only. If the Court conditions its approval of either the Preliminary Approval Order, the Final Approval Order and Judgment on any modifications of this Settlement Agreement that are not acceptable to all Parties, or if the Court does not approve the Settlement or enter the Final Approval Order and Judgment, or if the Effective Date does occur for any reason, the Parties will be restored to their respective positions in the Action as of May 26, 2022. In such event: (a) the terms and provisions of this Settlement Agreement (except for Sections 1, 2.1(b), 2.1(c), and 8) shall have no further force and effect with respect to the Parties; (b) any judgment or order entered by the Court in accordance with the terms of this Settlement Agreement shall be treated as vacated, *nunc pro tunc*; and (c) (i) no term or draft of this Settlement Agreement, (ii) nor any part of the Parties' settlement discussions, negotiations, or documentation (including any

declaration or brief filed in support of the motion for preliminary approval or motion for final approval), (iii) nor any rulings regarding class certification for settlement purposes (including the Preliminary Approval Order and, if applicable, the Final Approval Order and Judgment), will have any effect or be admissible into evidence for any purpose in the Action or any other proceeding. No order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Allocation or the Fee and Expense Award, or the Service Award(s) awarded by the Court to Class Counsel or the Plaintiffs shall operate to terminate or cancel this Settlement Agreement or constitute grounds for cancellation or termination of this Settlement Agreement.

8.4 Treatment of Settlement Fund if Settlement Terminated. Unless otherwise ordered by the Court, in the event the Settlement Agreement is terminated for any reason, then within fourteen (14) days after the Parties have provided the Court with notice that they are invoking this Section 8, the Settlement Administrator shall return the Settlement Fund (including accrued interest), less Settlement Administration Expenses, Taxes and Tax Expenses, to Robinhood and/or Robinhood's insurers pursuant to written instructions from Robinhood's Counsel.

9. SERVICE AWARDS AND ATTORNEYS' FEES AND EXPENSES

9.1 Fee and Expense Award. Class Counsel may petition the Court for payment of Class Counsel's reasonable attorneys' fees and expenses incurred in the Action. The amount of the Fee and Expense Award shall be determined by the Court based on petition from Class Counsel. Class Counsel shall file any such motion for a Fee and Expense Award, along with any papers supporting the motion, with the Court on or before thirty-five (35) days before the Objection and Exclusion Deadline, or as otherwise ordered by the Court. Class Counsel's motion for a Fee and Expense Award shall be available on the Settlement Website.

- (a) Any Fee and Expense Award to Class Counsel shall be paid from the Settlement Fund within five (5) days after entry of the Court's order providing for an award of attorneys' fees and/or expenses via wire transfer to an account or accounts designated by Class Counsel after providing necessary information for electronic transfer, notwithstanding the existence of, or potential for, an appeal therefrom, or collateral attack on the settlement or any part thereof, subject to the obligation of Class Counsel, and any other law firms receiving any portion of any Fee and Expense Award, to make appropriate refunds or repayments to the Settlement Fund or (if the settlement is vacated or modified) to Robinhood and/or Robinhood's insurers, plus interest earned thereon at the same rate as earned by the Settlement Fund, if, and when, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the fee or expense award is reduced or disapproved or the judgment approving the settlement is vacated or modified. Each law firm receiving fees and expenses, as a condition of receiving such fees and expenses, on behalf of itself and each partner and/or shareholder of it, agrees that the law firm and its partners and/or shareholders are subject to the jurisdiction of the Court for the purpose of enforcing the provisions of this Section.
- (b) Unless otherwise ordered by the Court, Class Counsel shall have the sole and absolute discretion to allocate any approved Fee and Expense Award amongst

the Plaintiffs' Counsel and any other attorneys. Defendants and the Released Parties shall have no liability or responsibility whatsoever for the payment of any approved Fee and Expense Award or for the allocation of any such approved Fee and Expense Award.

9.2 **Service Awards.** Plaintiffs may petition the Court for Service Awards to be paid from the Settlement Fund. Plaintiffs shall file any motion for Service Awards along with any papers supporting the motion, with the Court on or before thirty-five (35) days prior to the Objection and Exclusion Deadline. Plaintiffs' motion for Service Awards shall be available on the Settlement Website once the Settlement Website becomes active, and the amount of Service Awards sought shall be disclosed in the Long Form Notice.

9.3 **Fee and Expense Award and Service Awards Not a Condition of the Settlement.** The procedure for and the allowance or disallowance by the Court of any applications for a Fee and Expense Award and Service Awards, to be paid out of the Settlement Fund, are not conditions of this Settlement Agreement, and any order or proceeding relating to the Fee and Expense Award or Service Awards, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Settlement Agreement, or affect or delay the finality of the Final Approval Order and Judgment approving this Settlement Agreement and the settlement set forth therein.

10. NO ADMISSION OF WRONGDOING

10.1 Neither the Settlement, this Settlement Agreement (whether or not consummated), including the Exhibits hereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of this Settlement Agreement and the Settlement, nor any proceedings, communications, drafts, documents or agreements taken pursuant to or in connection with this Settlement Agreement, and/or approval of the Settlement (including any arguments proffered in connection therewith):

- (a) shall be offered or received against or to the prejudice of any Defendant as evidence of or construed as or deemed to be evidence of any presumption, concession, or admission by any Defendant of the truth of any allegations by Plaintiffs or any Settlement Class Members or the validity of any claim that has been or could have been asserted in the Action, or the deficiency of any defense that has been or could have been asserted in the Action or in any other litigation, including, but not limited to, litigation of the Released Claims, or of any liability, negligence, fault, or wrongdoing of any kind of any of the Defendants or in any way referred to for any other reason as against any of the Defendants, in any civil, criminal, or administrative action or proceeding;
- (b) shall be offered or received against any Defendant as evidence of a presumption, concession, or admission of any liability, negligence, fault, or wrongdoing, or in any way referred to for any other reason as against any of the Parties, in any other civil, criminal, or administrative action or proceeding; provided, however, that if this Settlement Agreement is approved by the Court, the Released Parties may refer to it to effectuate the release granted them hereunder; or

- (c) shall be construed against Defendants, Plaintiffs, or the Settlement Class as evidence of a presumption, concession or admission that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial or in any proceeding other than this Settlement.

11. ADDITIONAL PROVISIONS

11.1 **Notices.** All notices and other communications between Plaintiffs and Defendants that are required to be provided herein shall be in writing and shall be sent by e-mail and overnight FedEx or other commercial carrier to the respective representatives and addresses indicated below. For avoidance of doubt, this Section 11.1 does not apply to Requests for Exclusions, Objections or other communications by the Settlement Class Members.

If to Plaintiffs or Class Counsel:

Kaplan Fox & Kilsheimer LLP
Attention: Matthew B. George
1999 Harrison Street, Suite 1560
Oakland, CA 94612
mgeorge@kaplanfox.com

-and-

Cotchett, Pitre & McCarthy, LLP
Attention: Anne Marie Murphy
San Francisco Airport Office Center
840 Malcolm Road, Suite 200
Burlingame, CA 94010
amurphy@cpmlegal.com

If to Defendants or Defendants' Counsel:

Debevoise & Plimpton LLP
Attention: Maeve L. O'Connor and Elliot Greenfield
919 Third Avenue
New York, NY 10022
moconnor@debevoise.com

egreenfield@debevoise.com

11.2 Representation and Warranties. Each signatory to this Settlement Agreement represents and warrants (a) that he, she, or it has all requisite power and authority to execute, deliver and perform this Settlement Agreement and to consummate the transactions contemplated herein, (b) that the execution, delivery and performance of this Settlement Agreement and the consummation by it of the actions contemplated herein have been duly authorized by all necessary corporate action on the part of each signatory, (c) that there are no liens or claims of lien or assignments, in law or equity, against any of the claims or causes of action released by this Settlement Agreement and that he, she, or it has not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims or causes of action released by this Settlement Agreement, and (d) that this Settlement Agreement has been duly and validly executed and delivered by each signatory, and constitutes its legal, valid and binding obligation.

11.3 No Admission of Liability. The Settlement resolves claims that are contested and shall not be deemed an admission by any Party as to the merits of any claim or defense. Each of the Defendants expressly preserves any and all defenses to any claims that have been or may be filed by any Person. No Releasing Party or Released Party shall assert or pursue any action or claim that any Releasing Party or Released Party violated any provision of Rule 11 of the Federal Rules of Civil Procedure during the course of the Action.

11.4 Arm's Length Negotiations. The Parties have negotiated all of the terms and conditions of this Settlement Agreement at arm's length, after consultation with competent legal counsel, and with the assistance of an experienced, neutral mediator from JAMS.

11.5 Change of Time Periods. All time periods and dates described in this Settlement Agreement are subject to the Court's approval. These time periods and dates may be changed by the Court or by the Parties' written agreement without notice to the Settlement Class. Plaintiffs and Defendants reserve the right, subject to the Court's approval, to make any reasonable extensions of time that might be necessary to carry out any provisions of this Settlement Agreement.

11.6 Continuing Jurisdiction. The Court shall retain continuing and exclusive jurisdiction over the Parties to this Settlement Agreement, including all Settlement Class Members, for the purpose of the administration and enforcement of this Settlement Agreement.

11.7 Voluntary Agreement. The Parties executed this Settlement Agreement voluntarily and without duress or undue influence.

11.8 Binding on Successors. This Settlement Agreement binds and benefits respective successors, assigns, legatees, heirs, and personal representatives of Plaintiffs, the Settlement Class Members and the Released Parties. Except as expressly provided herein, this Agreement is not intended to and shall not confer any rights upon any third parties.

11.9 Parties Represented by Counsel. The Parties acknowledge that: (a) they have been represented by independent counsel of their own choosing during the negotiation of this Settlement and

the preparation of this Settlement Agreement; (b) they have read this Settlement Agreement and are fully aware of its contents; and (c) their respective counsel fully explained to them the Settlement Agreement and its legal effect. This Settlement Agreement will be deemed fully executed when signed by Interim Class Counsel, Counsel for Robinhood, and Counsel for Withouski.

11.10 Entire Agreement. This Settlement Agreement and attached exhibits contain the entire agreement between the Parties and constitute the complete, final, and exclusive embodiment of their agreement with respect to the Action. This Settlement Agreement is executed without reliance on any promise, representation, or warranty by any Party or any Party's representative other than those expressly set forth in this Settlement Agreement and any such prior promises, representations, or warranties relating to this Action are null and void. For avoidance of doubt, nothing in this Settlement Agreement shall affect the continuing validity and enforceability of all agreements made and orders entered during the course of the Action relating to the confidentiality of information.

11.11 Construction and Interpretation. Neither Party nor any of the Parties' respective attorneys will be deemed the drafter of this Settlement Agreement for purposes of interpreting any provision in this Settlement Agreement in any judicial or other proceeding that may arise between them. This Settlement Agreement has been, and must be construed to have been, drafted by all the Parties to it, so that any rule that construes ambiguities against the drafter will have no force or effect.

11.12 Headings and Formatting of Definitions. The various headings and subheadings used in this Settlement Agreement and the formatting of defined terms and phrases are solely for the Parties' convenience, have no legal effect, and may not be used to interpret this Settlement Agreement. The headings and the formatting of defined terms and phrases do not define, limit, extend, or describe the Parties' intent or the scope of this Settlement Agreement.

11.13 Exhibits. The exhibits to this Settlement Agreement are integral parts of the Settlement Agreement and the Settlement and are incorporated into this Settlement Agreement as though fully set forth in the Settlement Agreement.

11.14 Modifications and Amendments. No amendment, change, or modification to this Settlement Agreement will be valid unless in writing signed by the Parties or their counsel.

11.15 Governing Law. The Settlement Agreement shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the State of California, and the rights and obligations of the Parties shall be construed in accordance with, and governed by, the internal, substantive laws of California without giving effect to its choice-of-law principles, and shall be litigated, if necessary, in the Court.

11.16 Further Assurances. The Parties agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of this Settlement Agreement.

11.17 Counterparts. This Settlement Agreement may be executed in counterparts, each of which constitutes an original, but all of which together constitute one and the same instrument. Several signature pages may be collected and annexed to one or more documents to form a complete counterpart. Photocopies, facsimiles, and PDFs of executed copies of this Settlement Agreement may

be treated as originals. Each Party agrees that this Settlement Agreement and any other documents to be delivered in connection herewith may be electronically signed, including by DocuSign, and that any electronic signatures appearing on this agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility, to the fullest extent permitted by law.

11.18 **Recitals.** The Recitals are incorporated by this reference and are part of the Settlement Agreement.

11.19 **Severability.** If any provision of this Settlement is held to be invalid, void, or unenforceable, in whole or in part, (i) such holding shall not affect the validity and enforceability of the remainder of this Agreement, including any other provision, section, paragraph or subparagraph, and (ii) the Parties agree to attempt in good faith to reform such void or unenforceable provision to the extent necessary to render such provision enforceable and to carry out its original intent.

11.20 **Inadmissibility.** This Settlement Agreement and any evidence of proceedings or discussions related to this Settlement Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever in any Court or tribunal in any state, territory, or jurisdiction. Further, neither this Settlement Agreement, nor the Settlement contemplated by it, nor any proceedings taken under it, will be construed or offered or received into evidence as an admission, concession, or presumption that class certification is appropriate, except to the extent necessary to consummate this Settlement Agreement and the binding effect of the Final Approval Order and Judgment. The Released Parties may file this Settlement Agreement, or any order and final judgment related thereto, in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

11.21 **No Waiver of Attorney-Client Privilege.** Nothing in this Settlement Agreement, the negotiations, and the mediation relating thereto is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including without limitation the attorney-client privilege or work product immunity, by any Party.

11.22 **No Conflict Intended.** Any inconsistency between this Settlement Agreement and the attached exhibits will be resolved in favor of this Settlement Agreement.

11.23 **Deadlines.** If any of the dates or deadlines specified herein falls on a weekend or legal holiday, the applicable date or deadline shall fall on the next business day. All reference to “days” in this Settlement Agreement shall refer to calendar days, unless otherwise specified. The Parties reserve the right, subject to the Court’s approval, to agree to any reasonable extensions of time that might be necessary to carry out any of the provisions of this Settlement Agreement.

11.24 **Dollar Amounts.** All dollar amounts are in United States dollars, unless otherwise expressly stated.

IN WITNESS WHEREOF, each of the Parties hereto has caused this Settlement Agreement to be executed on its behalf by its duly authorized counsel of record, all as of the day set forth below:

INTERM CLASS COUNSEL, ON BEHALF OF THE SETTLEMENT CLASS:

Dated: 8/5/2022

COTCHETT, PITRE & McCARTHY, LLP

By:



Anne Marie Murphy

Dated: 8/5/2022

KAPLAN FOX & KILSHEIMER LLP

By:



Matthew George (Aug 5, 2022 14:22 PDT)

Matthew B. George

EXECUTIVE COMMITTEE AND LIAISON COUNSEL, ON BEHALF OF THE SETTLEMENT CLASS:

Dated: 8/5/2022

MEYER WILSON

By:



Courtney M. Werning

Dated: 8/5/2022

BEASLEY ALLEN

By:

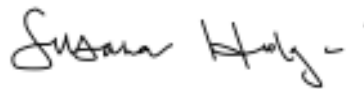


Leslie Pescia

Dated: Aug 4, 2022

LITE DEPALMA & GREENBERG

By:



Susana Cruz Hodge

Dated: August 5, 2022

WOLF HALDENSTEIN

By: Rachele R. Byrd
Rachele Byrd

Dated: 8/5/2022

CARLSON LYNCH

DocuSigned by:
By: Jamisen Etzel
DC1FB2D5CE924DB...
Jamisen Etzel

Dated: August 5, 2022

SCOTT + SCOTT

By: Erin Green Comite
Erin Comite

Dated: 8/5/2022

SHUMAKER LOOP & KENDRICK

By: Brandon Taaffe
Brandon Taaffe

Dated: 8/5/2022

AHDOOT & WOLFSON

By: Tina Wolfson
Tina Wolfson

Dated: 8/5/22

GIBBS LAW GROUP

By: Steve A. Lopez (Liaison Counsel)
Steve A. Lopez (Liaison Counsel)

**COUNSEL FOR ROBINHOOD MARKETS, INC., ROBINHOOD FINANCIAL LLC
AND ROBINHOOD SECURITIES, LLC:**

Dated: **FARELLA BRAUN + MARTEL LLP**

By: *Karen Kimmey*
Karen P. Kimmey

Dated: **DEBEVOISE & PLIMPTON LLP**

By: *Maeve L. O'Connor*
Maeve L. O'Connor

PLAINTIFFS:

Dated: August 5, 2022

By: *Daniel Beckman*
Daniel Beckman (Aug 5, 2022 01:16 EDT)
Daniel Beckman

Dated: 8/5/2022

By: *Joseph Gwaltney*
Joseph Gwaltney

Dated:

By: _____
Emma Jones

Dated: 8/5/2022

By: DocuSigned by:
Leila Kuri
Leila Kuri


Dated:

By: _____
Jared Leith

Dated: By: _____
Omeed Mahrouyan

Dated: By: _____
Mahdi Heidari Moghadam

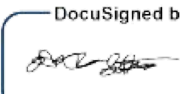
Dated: By: _____
Howard Morey

Dated: Aug 4, 2022 By: 
Colin Prendergast (Aug 4, 2022 15:19 PDT)
Colin Prendergast

Dated: By: _____
Raghu Rao

Dated: 8/5/2022 By: 
BA6E8B914481420
Michael Riggs

Dated: 8/4/2022 By: 
E940CCB9D185491
Kevin Russell

Dated: 8/5/2022 By: 
3F0E7A77B1E94341B
Jason Steinberg

Dated: By: _____
Jared Ward

Dated: 8/4/2022 By: 
E20C99A1D1B8C1
Mengni Xia

WITHOUSKI:

Dated: 08/04/2022

By: 

Stanley Withouski

Dated: *August 4, 2022*

BOTTINI & BOTTINI, INC.

By: 

Albert Y. Chang

EXHIBIT 1

QUESTIONS? VISIT www.RobinhoodOutagesClassAction.com or call toll-free at [number]

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

[TRANSLATION LANGUAGE WITH LINK TO SPANISH VERSION]

If you experienced trading losses in connection with outages to Robinhood’s trading platform on March 2-3, 2020 and/or March 9, 2020, a proposed class-action settlement may affect your rights.

*The United States District Court for the Northern District of California authorized this notice.
This is not a solicitation from a lawyer.*

- Plaintiffs and Class Representatives (“Plaintiffs”) and Robinhood Markets, Inc., Robinhood Financial LLC and Robinhood Securities, LLC. (“Robinhood”) have reached a proposed settlement in a class action lawsuit (the “Action”) entitled *In re Robinhood Outage Litigation*, No. 3:20-cv-01626-JD (the “Settlement”).
- Under the proposed Settlement, Robinhood will pay \$9,900,000 to settle claims related to certain alleged trading losses in connection with outages to Robinhood’s trading platform on March 2-3, 2020 and March 9, 2020 (the “Outages”).
- **THE COURT HAS NOT RULED AS TO WHETHER DEFENDANTS ARE LIABLE TO PLAINTIFFS OR TO THE SETTLEMENT CLASS. THIS NOTICE IS NOT INTENDED TO BE AN EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THIS LITIGATION OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PROPOSED SETTLEMENT OF THIS LITIGATION AND YOUR RIGHTS IN CONNECTION WITH THAT SETTLEMENT.**
- This Notice summarizes the terms of a proposed Class Action Settlement. If you wish to participate in this Settlement and receive benefits, you do NOT need to take any action. This Notice, which has been approved by the Court, describes what you may receive from the Settlement, how to object to the Settlement, and how to exclude yourself from the Settlement.
- You may be entitled to benefits under the Settlement. Information on your eligibility for the Settlement and any compensation you may receive is contained below. For more information about the lawsuit, you can visit the settlement website at www.RobinhoodOutagesClassAction.com or call toll free 1-###-####.
- Your legal rights are affected whether you act or do not act. Please read this notice carefully.

QUESTIONS? VISIT www.RobinhoodOutagesClassAction.com or call toll-free at [number]

OPTIONS	EXPLANATION	DEADLINE
DO NOTHING	If you wish to participate in this Settlement and receive a payment, you do not need to take any action. If you do not exclude yourself from the Settlement, you may receive a Settlement check or digital payment. The estimated amount of your Settlement payment and how it was determined is discussed below in Sections 8-10.	N/A
EXCLUDE YOURSELF	Receive no payment. This option allows you to be a part of any other lawsuit or arbitration against Robinhood regarding the Outages.	[TBD], 2022
OBJECT TO SETTLEMENT, PLAN OF ALLOCATION, ATTORNEYS' FEES, SERVICE AWARDS	Write to the Court about why you don't like the Settlement, the proposed Plan of Allocation, Class Counsel's request for attorneys' fees and expenses and/or service awards for Plaintiffs	[TBD], 2022
PARTICIPATE IN THE "FAIRNESS HEARING"	Ask to speak in court about the Settlement, the Plan of Allocation or Class Counsel's request for attorneys' fees and expenses and/or service awards for Plaintiffs.	[TBD], 2022

IMPORTANT NOTE: The dates and deadlines may be changed without further notice to the Settlement Class, so please check the Settlement Website, www.RobinhoodOutagesClassAction.com, or the Court's Public Access to Court Electronic Records (PACER) website at <https://ecf.cand.uscourts.gov> to confirm that the dates have not been changed.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this case still must decide whether to approve the Settlement. Settlement payments will be made **only if** the Court approves the Settlement and after any appeals are resolved. Please be patient.

1. Why did I get a notice?

You are receiving this Notice because Robinhood's records show that you placed certain trade orders or held certain positions ("Qualifying Trades") before, during or after the Outages – see Section 5 below.

The Court ordered this notice because you have a right to know about a proposed Settlement of a class action lawsuit against Robinhood relating to the Outages. You have a right to know about your options before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after any appeals are resolved, an administrator will make the payments that the Settlement allows. If the Court approves the Settlement and after any appeals are resolved, you will be bound by the Judgment and terms of the Settlement, unless you timely exclude yourself ("opt out") from the Settlement.

QUESTIONS? VISIT www.RobinhoodOutagesClassAction.com or call toll-free at [number]

This notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Northern District of California, and the case is known as *In re Robinhood Outages Litigation*, No. 3:20-cv-01626-JD. The people who sued are Plaintiffs, and the Robinhood companies they sued are the Defendants.

2. What is this lawsuit about?

Robinhood's electronic securities trading platform experienced Outages that caused it to be inaccessible during certain time periods on March 2-3, 2020 and March 9, 2020. During the Outages, certain trade orders failed to be received and/or executed.

In this lawsuit pending against Robinhood, Plaintiffs claim the Outages occurred due to the failure of Robinhood's technology infrastructure on March 2, 3, and 9, 2020, and that Plaintiffs suffered monetary losses as a result. Robinhood denies all allegations of wrongdoing and is entering into this Settlement because it would be beneficial to avoid the burden, inconvenience, and expense associated with continuing the litigation, and the uncertainty and risks inherent in any litigation. This Settlement is *not* an admission of wrongdoing by Robinhood.

3. Why is this a class action?

In a class action, one or more people, called Plaintiffs, sue on behalf of all people who purportedly have similar claims (called "Settlement Class Members"). Together, the Plaintiffs and the other Settlement Class Members make up the "Settlement Class." One court resolves the dispute for the entire Settlement Class, except for those who exclude themselves from the Settlement Class using the opt-out process. United States District Court Judge James Donato, in San Francisco, is overseeing this class action.

4. Why is there a Settlement?

The Court did not decide the case in favor of Plaintiffs or Robinhood. Instead, both sides agreed to a Settlement. That way, they avoid the cost of a trial, and Settlement benefits go to the Settlement Class Members. The Plaintiffs and their attorneys ("Class Counsel") think the Settlement is in the best interests of the Settlement Class Members.

WHO IS IN THE SETTLEMENT

5. Who are the Settlement Class Members?

The Settlement Class Members include Robinhood accountholders in the United States who engaged in one of the following three (3) categories of Qualifying Trades:

(1) VWAP Loss Trades: This group includes any person who closed one or more position(s) on March 3, 2020, at a loss relative to the Volume Weighted Average Price ("VWAP") of those positions during the March 2 and 3, 2020 Outages. An analysis of Robinhood's trading data has been undertaken to identify these traders and determine the potential compensation they would receive under this methodology.

QUESTIONS? VISIT www.RobinhoodOutagesClassAction.com or call toll-free at [number]

(2) SPY Options Trades: This group includes any person who held a SPDR S&P 500 (“SPY”) option position expiring on March 2, 2020, and experienced a loss relative to the VWAP of those options during the March 2, 2020 Outage. An analysis of Robinhood’s trading data has been undertaken to identify these traders and determine the potential compensation they would receive under this methodology.

(3) Failed Marketable Trades: This group includes any person who experienced a Failed Equity Trade that became marketable during the March 2 and 3 Outages at a loss relative to the price at the end of the March 2 and 3 Outages and/or the transaction price obtained through March 4, 2020; or who experienced a Failed Equity Trade that became marketable during the March 9 Outage at a loss relative to the price at the end of the March 9 Outage and/or the transaction price obtained through March 10, 2020. A “Failed Equity Trade” is defined as an order to buy or sell equities that was accepted into Robinhood’s system and became marketable but failed to execute during the Outages. An analysis of Robinhood’s trading data has been undertaken to identify these traders and determine the potential compensation they would receive under this methodology.

Please review Section 9 for the Plan of Allocation and Section 10 for your estimated Settlement Payment. Please note that for Settlement Class Members with multiple investments and/or trades in the same underlying security, the net gain/loss for the investments across the underlying security will be the determinative net gain/loss for establishing whether a Settlement Class Member may be eligible for a Settlement Payment. You will not be able to recover any amounts that Robinhood has already paid to you after the Outages as part of its “Goodwill Program.”

Only the Qualifying Trades identified above are eligible for payment in this Settlement. If you did not engage in a Qualifying Trade your legal rights are not affected by the Settlement.

6. Are there exceptions to being included?

The Settlement Class *excludes* Robinhood, their affiliates and subsidiaries, and their officers, directors, partners, employees, and agents. The Settlement Class also excludes Class Counsel, the employees of the law firms involved (Class Counsel and defense counsel) as well as their immediate family members. The Settlement Class also excludes any individuals who entered into settlement agreements with Robinhood, outside of the Goodwill Program, that include a release of claims related to the Outages. Finally, the Settlement Class excludes the judge, his staff, and his immediate family members.

7. I’m still not sure if I am included.

If you are still not sure whether you are a member of the Settlement Class, you can review your trading and account history with Robinhood for March of 2020 and speak with Class Counsel, whose contact information is below in Section 18. For further information, you can also visit the Settlement Website at www.RobinhoodOutagesClassAction.com or call toll free 1-####-####.

SETTLEMENT PAYMENTS—WHAT YOU GET

8. What does the Settlement provide?

Robinhood will pay nine million nine hundred thousand dollars (\$9,900,000.00). This amount will be divided among all eligible Settlement Class Members after paying settlement administration costs, the award of attorneys’ fees and expenses to Class Counsel by the Court, and any Service Awards ordered by

QUESTIONS? VISIT www.RobinhoodOutagesClassAction.com or call toll-free at [number]

the Court. The proposed attorneys' fees will not be higher than 30% of the proposed Settlement (or no more than \$2,970,000), the proposed expense to reimburse the attorneys for expenses will not be more than \$1,120,000, the proposed costs of administering the settlement will be no more than \$400,000, and proposed Service Awards will not be more than \$2,500 per Plaintiff (or up to \$37,500 in total for all Plaintiffs). After these proposed deductions, there will be approximately \$5,372,500 for distribution of Settlement Payments to Class Members (the "Net Settlement Fund"). Each eligible Settlement Class Member may be eligible for a Settlement Payment. Each Settlement Payment will be subject to a *pro rata* adjustment relative to the estimated Net Settlement Fund. Your estimated Settlement Payment is discussed in Section 10.

9. What is the Plan of Allocation of Settlement Payments?

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Settlement Class Members who engaged in Qualifying Trades based on their respective alleged economic losses under Plaintiffs' damages theories.

To determine each Settlement Class Members' Settlement Payment, Plaintiffs' expert(s), Global Economics Group, will use the data provided by Robinhood to calculate Settlement Payments in accordance with the methods set forth in the Ex-post Economic Losses section of the expert report of Scott E. Walster (Dkt. No. 136-67) as outlined and modified below:

1. For Settlement Class Members who closed all or a portion of a Position on March 3, 2020, the VWAP(s) for the corresponding security(s) on March 2-3, 2020 will be determined from available market data. A "Position" is defined as a Settlement Class Members' combined equity and option holdings in the same underlying security. The Settlement Class Member's loss/gain for each security shall be determined as the difference between the price of the trade and the VWAP multiplied by the number of shares traded or the number of underlying shares represented by the option contract(s) traded.
2. For Settlement Class Members who held a SPDR S&P 500 ("SPY") option Position expiring on March 2, 2020, the loss/gain for each option shall be calculated as the value of the investment based on the VWAP during the March 2, 2020 Outage less any loss/gain resulting from the difference between the strike price and the underlying SPY price for in-the-money options at expiration on March 2, 2020.
3. For Settlement Class Members who experienced a Failed Equity Trade of a marketable order during the March 2 and 3 Outages the loss/gain shall be calculated as the difference between the price obtained when executing the transaction once the Outage ended through March 4, 2020 and the price of the failed transaction once it became marketable multiplied by the number of shares traded or the number of underlying shares represented by the option contract(s) traded. For Settlement Class Members who experienced a Failed Equity Trade of a marketable order during the March 9 Outage the loss/gain shall be calculated as the difference between the price obtained when executing the transaction once the Outage ended through March 10, 2020 and the price of the failed transaction once it became marketable multiplied by the number of shares traded or the number of underlying shares represented by the option contract(s) traded. If a new price for the failed transaction was not obtained through March 4, 2020 or March 10, 2020, respectively, the loss/gain shall be determined as the difference between the price of the security once the corresponding Outage ended and the price of the failed transaction multiplied by the number of shares traded or the number of underlying shares represented by the option contract(s) traded.

QUESTIONS? VISIT www.RobinhoodOutagesClassAction.com or call toll-free at [number]

4. For Settlement Class Members that held multiple investments or experienced multiple Failed Equity Trades pertaining to the same underlying security, the Settlement Payment will be based on the net loss/gain for eligible activity calculated under 1, 2, or 3. Only Settlement Class Members with a net loss with 1, 2, or 3 are eligible for a Settlement Payment.
5. In the event that minute-by-minute market pricing data is not available for a particular security, including over-the-counter securities (“OTC Securities”), the Settlement Payment shall be determined using the daily VWAP price for March 2, 2020.
6. Should any specific trade be eligible for a Settlement Payment under 1 or 2 and 3 specified above, the Settlement Class Member shall be entitled to the highest payment but not both.
7. All Settlement Payments will be offset to any credits payments made to the Settlement Class Member paid by Robinhood as a result of its Goodwill Program pertaining to the March 2020 Outages. The offset may extinguish a Settlement Class Members’ Settlement Payment.
8. After the calculation of Settlement Payment set forth above, all Settlement Payments will be reduced *pro rata* relative to the estimated Net Settlement Fund.

10. What is my Settlement Payment?

You must have experienced a monetary loss in connection with the Qualifying Trades described in Section 5 to receive a Settlement Payment. An analysis of Robinhood’s records indicate that you engaged in one or more Qualifying Trades identified below:

QUALIFYING TRADE(S)	VWAP LOSS TRADE(S)	SPY OPTIONS TRADE	FAILED TRADE(S)	TOTALS
TICKER(S)	[TBD]	SPDR S&P 500	[TBD]	N/A
CALCULATED LOSS	[TBD]	[TBD]	[TBD]	[TBD]
GOODWILL PROGRAM CREDIT				[TBD]
CALCULATED LOSS MINUS GOODWILL PROGRAM CREDIT				[TBD]
ESTIMATED SETTLEMENT PAYMENT AFTER PRO RATA REDUCTION				[TBD]

Your proposed estimated Settlement Payment is [TBD]. **Please note that these are estimates and that your final Settlement Payment may be slightly higher or lower than this amount.**

11. What are the requirements to receive a Settlement Payment?

You must have experienced a monetary loss under Plaintiffs’ damages theories in connection with the Qualifying Trades described in Section 5 that is greater than the amount of any Goodwill Program Credit you already received from Robinhood.

QUESTIONS? VISIT www.RobinhoodOutagesClassAction.com or call toll-free at [number]

HOW YOU GET A SETTLEMENT PAYMENT

12. How can I get a Settlement Payment?

Check Payments: You have been identified as a Settlement Class Member and received a Notice of the Settlement via email and/or U.S. Mail. If you do nothing, a check will be sent to your address for your Settlement Payment. The Robinhood account holder will be named on the check.

Digital Payments: You may also elect to receive your Settlement Payment via electronic deposit to your Venmo or Paypal account. If you would like to choose that option please make that election by visiting www.RobinhoodOutagesClassAction.com.

Address Changes: If you would like the check sent to an address other than the address at which you received this Notice, you can contact the Claims Administrator toll free at ###-###-#### or update your mailing address by visiting www.RobinhoodOutagesClassAction.com.

Please note that you are solely responsible for the payment of taxes, if applicable, on your Settlement Payments. Class Counsel are not tax attorneys and cannot advise you on the tax implications of your Settlement Payment, if any.

13. When would I get my Settlement Payment?

The Settlement Payments will not be distributed until the Court approves the Settlement. The Court will hold a Fairness Hearing on [DATE] at 10 a.m., to decide whether to approve the Settlement. The Fairness Hearing will either take place in Courtroom 11 on the 19th Floor of the San Francisco Federal Courthouse located at 450 Golden Gate Ave, San Francisco, CA 94102, or it will be held by video conference. If Judge Donato approves the Settlement, there may be appeals. The appeal process can take time, perhaps more than a year. If there is no appeal, your Settlement Payment will be distributed promptly. Please be patient. The date or location of the Fairness Hearing may change without further notice. You should check the Settlement website or the Court's Public Access to Court Electronic Records (PACER) site at <https://ecf.cand.uscourts.gov> to confirm that the date and location have not been changed.

14. What am I giving up to get a Settlement Payment?

Unless you submit a valid request to be excluded from the Settlement Class, you will be a Settlement Class Member. If you remain a Settlement Class Member, you will be eligible for a Settlement Payment, but you can't sue, continue to sue, or be part of any other lawsuit against the Robinhood about the claims and allegations in this case arising from the March 2020 Outages. A detailed description of the released claims is set forth in the Settlement Agreement. Remaining a Settlement Class Member also means that all of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

15. How do I get out of the Settlement?

If you don't want a payment from this Settlement, but you want to keep the right to sue, or continue to sue, Robinhood on your own regarding the claims and allegations in this case arising from the March 2020

QUESTIONS? VISIT www.RobinhoodOutagesClassAction.com or call toll-free at [number]

Outages, then you must take steps to get out of the Settlement Class. This is what it means to request to be excluded from or “opt out” of the Settlement Class.

To request to be excluded from the Settlement, you must send a letter stating that you want to be excluded from the Settlement Class in *In re Robinhood Outages Litigation*, No. 3:20-cv-01626-JD. Any request for exclusion must be individually and personally signed by the Settlement Class Member submitting it and must include: (1) your name, address and email address; (2) your physical signature; (3) the name and case number of this Action (i.e., “*In re Robinhood Outage Litigation*, No. 3:20-cv-01626-JD); and (4) a statement that you wish to be excluded from the Settlement Class for purposes of this Settlement. Each Request for Exclusion can only request exclusion for that one individual. Your exclusion request must be postmarked by no later than [DATE], 2022. You must send your exclusion request to: [TBD- NOTICE ADMIN]

If you are excluded, you will not receive any Settlement Payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Robinhood in the future about the claims and allegations in this case.

16. If I don’t out opt, can I sue Robinhood for the same thing later?

No. Unless you request to be excluded, you give up the right to sue Robinhood for the claims that this Settlement resolves. Any Class Member that does not request to be excluded will be bound by the class judgment.

17. If I do opt out, can I get a Settlement Payment?

No. If you request to be excluded, you will not receive a Settlement Payment. But you will not lose any right you may have to sue, continue to sue, or be part of a different lawsuit or FINRA arbitration against Robinhood about the claims and allegations in this case.

THE LAWYERS REPRESENTING YOU

18. Do I have a lawyer in this case?

The Settlement Class is represented by Co-Lead Class Counsel for the Settlement Class:

Matthew B. George
Kaplan Fox & Kilsheimer LLP
1999 Harrison Street, Suite 1560
Oakland, CA 94612
415-772-4700
mgeorge@kaplanfox.com

Anne Marie Murphy
Cotchett Pitre & McCarthy LLP
840 Malcolm Road, Suite 200
Burlingame, CA 94010
650-697-0577
amurphy@cpmlegal.com

If you want to be represented by your own lawyer, you may hire one at your own expense.

19. How will the lawyers be paid?

Class Counsel, who have been prosecuting this litigation since its inception in 2020, have not received any payment of attorneys’ fees for their representation of the Settlement Class and have advanced all expenses

QUESTIONS? VISIT www.RobinhoodOutagesClassAction.com or call toll-free at [number]

necessarily incurred in order to prosecute the Action. Class Counsel will ask for attorneys' fees in an amount not to exceed 30% of the Settlement Fund or \$2,970,000. Class Counsel will also apply for reimbursement of expenses paid on behalf of the Class in an amount not to exceed \$1,120,000. A copy of Class Counsel's Motion for Attorneys' Fees and Expenses will be available at www.RobinhoodOutagesClassAction.com after the motion is filed with the Court.

OBJECTING TO THE SETTLEMENT

20. How do I tell the Court that I don't like the Settlement?

You can ask the Court to deny approval of the Settlement by filing an objection. You can't ask the Court to order a different Settlement; the Court can only approve or reject the Settlement. If the Court denies approval of the Settlement, no Settlement payments will be sent out and the lawsuit will continue. You can also tell the Court that you don't agree with the proposed Plan of Allocation or Class Counsel's request for attorneys' fees and expenses and/or Service Awards.

Any objection must be individually and personally signed by the Settlement Class Member submitting it (if the Settlement Class Member is represented by counsel, the objection must also be signed by such counsel), and must include: (i) your name, address, and email address; (ii) an explanation of the basis upon which you claim to be a Settlement Class Member; (iii) whether the objection applies only to you, a subset of the Settlement Class, or the entire Settlement Class; (iv) all grounds for the objection, including all citations of legal authority and evidence supporting the objection; (v) the name and contact information of any and all attorneys representing, advising, or in any way assisting you in connection with the preparation or submission of the objection or who may profit from the pursuit of the objection, who must enter an appearance with the Court in accordance with the Local Rules; and (vi) a statement indicating whether you intend to appear at the Fairness Hearing (either personally or through counsel).

All written objections and supporting papers must be submitted to the Court and identify the case name and number *In re Robinhood Outage Litigation*, No. 3:20-cv-01626-JD either by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94012, or by filing them in person at any location of the United States District Court for the Northern District of California on or before [DATE].

If you file a timely written objection, you may, but are not required to, appear at the Fairness Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. You may also write to the Class Action Clerk of the Court at the address above to express your support for the Settlement.

21. What's the difference between objecting and requesting exclusion?

If you object, you are telling the Court that you disagree with something in the Settlement. You can object only if you *stay in* the Settlement Class. If you object but the Court still approves the Settlement, you will be bound by the Settlement and can receive the benefits it provides. If you request exclusion, you are telling the Court that you don't want to be part of the Settlement Class. You would then have no basis to object because the Settlement would no longer affect you.

QUESTIONS? VISIT www.RobinhoodOutagesClassAction.com or call toll-free at [number]

THE COURT'S FAIRNESS HEARING

22. When and where will the Court decide whether to approve the Settlement?

The Court is scheduled to hold a Fairness Hearing at 10 a.m. on [DATE], at the United States District Court for the Northern District of California, San Francisco Division, Courtroom 11 on the 19th Floor of the San Francisco Federal Courthouse located at 450 Golden Gate Ave, San Francisco, CA 94102. If the Court holds the hearing by video conference, instructions to join the conference will be found at www.RobinhoodOutagesClassAction.com.

At the Fairness Hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Donato will listen to Settlement Class Members who have asked to speak at the hearing. The Court will also consider how much money to award Class Counsel in fees and expenses and Plaintiffs in Service Awards. At or after the Fairness Hearing, the Court will decide whether to approve the Settlement and will rule on Class Counsel's Motion for Attorneys' Fees and Expenses and Service Awards. We do not know how long these decisions will take. The date of the Fairness Hearing can change without further notice. Please check www.RobinhoodOutagesClassAction.com for further updates.

23. Do I need to come to the Fairness Hearing?

No. Class Counsel will answer questions about the Settlement that Judge Donato may have. But you are welcome to come at your own expense. If you send an objection, you don't need to come to the Fairness Hearing to talk about it. As long as your written objection was received on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

24. May I speak at the Fairness Hearing?

You may speak at the Fairness Hearing. To do so, you should send a notice stating that you intend to appear and speak at the Fairness Hearing in *In re Robinhood Outage Litigation*, No. 3:20-cv-01626-JD. You should include the case name and number, your name, mailing address, email address, and your signature. Your notice should be filed with the Clerk of the Court either by mailing it to the Class Action Clerk, United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94012, or by filing it in person at any location of the United States District Court for the Northern District of California. Your notice of intention to appear must be filed or postmarked on or before [DATE]. You cannot speak at the Fairness Hearing if you requested to be excluded from the Settlement Class.

GETTING MORE INFORMATION

25. Are there more details about the Settlement?

This Class Notice summarizes the proposed Settlement. More details are found in the Settlement Agreement. Copies of the Settlement Agreement and the pleadings and other documents relating to the case, including motions for approval of the Settlement and awards of Attorneys' Fees and Expenses, are on file at the United States District Court for the Northern District of California, San Francisco Division. The Settlement Agreement and other important documents are also available on the Settlement Website at www.RobinhoodOutagesClassAction.com.

QUESTIONS? VISIT www.RobinhoodOutagesClassAction.com or call toll-free at [number]

In addition, you can access the Court docket in this case, for a fee, through the Court's PACER system at <https://ecf.cand.uscourts.gov>. You can also visit the office of the Clerk of the Court for the United States District Court for the Northern District of California, San Francisco Division, located at 450 Golden Gate Avenue, 16th Floor, San Francisco, California, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. You should contact them by phone at 415-522-2000 to verify that the building is open on the day you intend to visit.

26. How do I get more information?

You can visit the Settlement Website at www.RobinhoodOutagesClassAction.com where you will find answers to common questions about the Settlement and other information, or call toll free to 1-###-####. If you have further questions, you may contact Class Counsel Matthew B. George from Kaplan Fox & Kilsheimer LLP at 415-772-4700 or Anne Marie Murphy from Cotchett, Pitre & McCarthy at 650-697-6000.

PLEASE DO NOT TELEPHONE THE COURT, THE COURT CLERK'S OFFICE, OR DEFENDANTS TO INQUIRE ABOUT THIS SETTLEMENT OR ABOUT THE CLAIM PROCESS.

EXHIBIT 2

COTCHETT, PITRE & MCCARTHY, LLP

Anne Marie Murphy (SBN 202540)
Mark C. Molumphy (SBN 168009)
Tyson C. Redenbarger (SBN 294424)
Julia Q. Peng (SBN 318396)
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840 Malcolm Road, Suite 200
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Telephone: (650) 697-6000
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KAPLAN FOX & KILSHEIMER LLP

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kherkenhoff@kaplanfox.com
lking@kaplanfox.com

Interim Co-Lead Counsel for Plaintiffs

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

In Re: Robinhood Outage Litigation

Master File No. 3:20-cv-01626-JD

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
PLAINTIFFS' PROPOSED CLASS
ACTION SETTLEMENT AND
APPROVING FORM AND CONTENT OF
CLASS NOTICE**

Date: September 1, 2022
Time: 10:00 a.m.
Judge: Hon. James Donato
Ctrm: 11, 19th Floor

1 **WHEREAS**, Daniel Beckman, Joseph Gwaltney, Emma Jones, Leila Kuri, Jared Leith,
2 Omeed Mahrouyan, Mahdi Heidari Moghadam, Howard Morey, Colin Prendergast, Raghu Rao,
3 Michael Riggs, Kevin Russell, Jason Steinberg, Jared Ward and Mengni Xia (“Plaintiffs”), Stanley
4 Withouski, and Robinhood Markets, Inc., Robinhood Financial LLC and Robinhood Securities,
5 LLC (“Robinhood” or “Defendants”) (together, the “Parties”), have applied for an order, pursuant
6 to Rule 23(e) of the Federal Rules of Civil Procedure, preliminarily approving the settlement of the
7 above-captioned action (the “Action”), in accordance with a Settlement Agreement, dated August
8 4, 2022 (the “Settlement Agreement”), which, together with the Exhibits annexed thereto, sets
9 forth the terms and conditions for a proposed Settlement of the Action and for its dismissal with
10 prejudice;

11 **WHEREAS**, the Court having read and considered (1) the Motion for Preliminary
12 Approval of the Class Action Settlement and (2) the Settlement Agreement and Exhibits annexed
13 thereto; and

14 **WHEREAS**, unless otherwise defined, all terms used herein have the same meanings as set
15 forth in the Settlement Agreement.

16 **NOW, THEREFORE, IT IS HEREBY ORDERED:**

17 1. The Court preliminarily approves the Settlement Agreement and the Settlement set
18 forth therein as sufficiently fair, reasonable, and adequate to allow dissemination of the Long Form
19 Notice to the members of the Settlement Class under Rule 23(e) of the Federal Rules of Civil
20 Procedure (“Rule 23”), subject to further consideration at the Fairness Hearing. This
21 determination is not a final finding that the Settlement Agreement is fair, reasonable and adequate.

22 2. The Court preliminarily finds that the proposed Settlement does not improperly
23 grant preferential treatment to any individual or segment of the Settlement Class and falls within
24 the range of reasonableness warranting final approval.

25 3. The Court hereby appoints Daniel Beckman, Emma Jones, Mahdi Heidari
26 Moghadam, Howard Morey, Colin Prendergast, Raghu Rao, Michael Riggs, and Jason Steinberg
27 as Class Representatives for purposes of this Settlement.

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1 4. The Court hereby appoints the law firm of Cotchett, Pitre & McCarthy, LLP and
2 Kaplan Fox & Kilsheimer LLP as Co-Lead Class Counsel for purposes of this Settlement. Solely
3 for the purposes of effectuating the Settlement, Class Counsel are authorized to act on behalf of the
4 Class Representatives, and all other Settlement Class Members with respect to all acts or consents
5 required by or that may be given pursuant to the Settlement Agreement, including all acts that are
6 reasonably necessary to consummate the Settlement, subject to final approval by the Court of the
7 Settlement.

8 5. Pursuant to Rule 23, the Court conditionally certifies the following Class for
9 purposes of the Settlement only:

10
11 All Robinhood accountholders in the United States who: (i) closed a position on
12 March 3, 2020, at a loss relative to the Volume Weighted Average Price
13 (“VWAP”) during the March 2 and 3, 2020 Outages; (ii) held SPDR S&P 500
14 options expiring on March 2, 2020 and experienced a loss relative to the VWAP
15 during the March 2, 2020 Outage; (iii) who experienced a Failed Equity Trade
16 during the March 2 and 3 Outages at a loss relative to the price at the end of the
17 March 2 and 3 Outages and/or the transaction price obtained through March 4,
18 2020; or (iv) who experienced a Failed Equity Trade during the March 9 Outage
19 at a loss relative to the price at the end of the March 9 Outage and/or the
20 transaction price obtained through March 10, 2020. Excluded from the
21 Settlement Class are Defendants and their legal representatives, heirs, successors
22 or assigns. Also excluded from the Settlement Class are Persons who have
23 entered into settlement agreements with Robinhood, outside of the Goodwill
24 Program, that include a release of claims related to the Outages.

25 6. For purposes of this settlement the Court further finds that the prerequisites to
26 certifying a settlement class under Rule 23(a) are satisfied in that:

- 27 a. There are approximately 156,659 Settlement Class Members, making joinder of all
28 members impracticable;
- b. There are questions of law or fact common to the Settlement Class;
- c. The claims or defenses of the Class Representatives are typical of the claims or
defenses for the Class Members; and
- d. The Class Representatives and Class Counsel will fairly and adequately protect the
interests of the Class Members.

1 7. For purposes of effectuating the proposed Settlement only, the Court finds, pursuant
2 to Rule 23(e)(1), that the prerequisites for class certification under Federal Rule of Civil Procedure
3 23(b)(3) are likely to be found satisfied as: the questions of law or fact common to the Settlement
4 Class predominate over individual questions and class action litigation is superior to other
5 available methods for the fair and efficient adjudication of this controversy.

6 8. The Court retains exclusive jurisdiction over this action to consider all further
7 matters arising out of or connected with the Settlement.

8 9. All funds held by the Escrow Agent shall be deemed and considered to be in
9 *custodia legis*, and shall remain subject to the jurisdiction of the Court, until such time as such
10 funds shall be distributed pursuant to the Settlement Agreement and/or further order(s) of the
11 Court.

12 **Administration and Notice to the Settlement Class**

13 10. The Court appoints Epiq Class Action and Claims Solutions, Inc. to serve as the
14 Settlement Administrator. The Settlement Administrator shall supervise and administer the notice
15 procedures, establish and operate the Settlement Website, distribute cash payments according to
16 the processes and criteria set forth in the Settlement Agreement, and perform any other duties that
17 are reasonably necessary and/or provided for in the Settlement Agreement.

18 11. All reasonable costs of notice and costs of administering the Settlement shall be
19 paid from the Settlement Fund as contemplated by Section 3.4 of the Settlement Agreement.

20 12. The Court approves, as to form and content, the proposed Long Form Notice which
21 is attached to the Settlement Agreement as Exhibit 1, and finds that its dissemination substantially
22 in the manner and form set forth in the Settlement Agreement meets the requirements of Federal
23 Rule of Civil Procedure 23 and due process, constitutes the best notice practicable under the
24 circumstances, and shall constitute due and sufficient notice to all Persons entitled thereto of the
25 pendency of the Action, the effect of the proposed Settlement (including the releases contained
26 therein), the anticipated Motion for Attorneys' Fees and Expenses and Service Awards, the
27 proposed Plan of Allocation, and Class Members' rights to participate in, opt out of, or object to
28

1 any aspect of the proposed Settlement.

2 13. The Court has reviewed the proposed Plan of Allocation and approves its inclusion
3 in the Long Form Notice.

4 14. Pursuant to Section 4 of the Settlement Agreement, the Settlement Administrator
5 shall complete dissemination of the Notice on or before the Notice Date, defined in the Settlement
6 Agreement as 90 calendar days from the entry of this Preliminary Approval Order. On or before
7 the Notice Date, the Settlement Administrator shall complete the distribution of the Long Form
8 Notice (via email and mail), complete Notice by publication in a digital campaign, establish the
9 Settlement Website which shall contain relevant documents relating to the settlement such as the
10 Long Form Notice, and other relevant documents (such as the Spanish translation of the Long
11 Form Notice, the operative complaint filed in the Action, the Settlement Agreement, the
12 Preliminary Approval Order, any application for Attorneys' Fees and Expenses and Service
13 Awards, any briefs filed by Plaintiffs and Defendants in support of the Settlement, and the Final
14 Approval Order and Judgment).

15 **Participation in the Settlement, Requests for Exclusion and Objections**

16 15. Settlement Class Members who wish to object to the Settlement must provide:
17 (1) the objector's name, address, and email address; (2) an explanation of the basis upon which the
18 objector claims to be a Settlement Class Member; (3) whether the objection applies only to the
19 objector, a subset of the Settlement Class, or the entire Settlement Class; (4) all grounds for the
20 objection, including all citations of legal authority and evidence supporting the objection; (5) the
21 name and contact information of any and all attorneys representing, advising, or in any way
22 assisting the objector in connection with the preparation or submission of the objection or who
23 may profit from the pursuit of the objection, who must enter an appearance with the Court in
24 accordance with the Local Rules; and (6) a statement indicating whether the objector intends to
25 appear at the Fairness Hearing (either personally or through counsel). Each objection must (a) be
26 in writing and must be signed with the objector's physical signature, (b) clearly identify the case
27 name and number (i.e., "*In re Robinhood Outage Litigation*, No. 3:20-cv-01626-JD) and (b) must
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1 be mailed to the Court (or filed with the Court in person) at the following address, and (c) filed or
2 postmarked on or before the Objection and Exclusion Deadline, hereby set as _____ :

Court
Class Action Clerk
United States District Court for the Northern District of California
450 Golden Gate Avenue
San Francisco, CA 94012

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8 16. Any member of the Settlement Class who does not submit a valid and timely
9 written objection in accordance with these procedures and the procedures detailed in the
10 Settlement Agreement Section 5.1 shall be deemed to have waived any objection and shall forever
11 be foreclosed from making any objection to the fairness, adequacy or reasonableness of the
12 proposed Settlement, this Order and the Final Approval Order and Judgment to be entered
13 approving the Settlement, any Fee and Expense Award and/or any Service Awards.

14 17. Any putative member of the Settlement Class who seeks to be excluded from the
15 Settlement Class must submit a Request for Exclusion and include: (1) the requestor’s name,
16 address and email address; (2) the requestor’s physical signature; (3) the name and number of this
17 Action (i.e., “*In re Robinhood Outage Litigation*, No. 3:20-cv-01626-JD”); and (4) a statement that
18 the requestor wishes to be excluded from the Settlement Class for purposes of this Settlement.
19 Each Request for Exclusion can only request exclusion for that one Person. The Request for
20 Exclusion must be (a) in writing and signed with the requestor’s physical signature, (b) mailed to
21 the Settlement Administrator at the following address, and (c) postmarked on or before the
22 Objection and Exclusion Deadline.

Claims Administrator
<i>In re Robinhood Outage Litigation</i>
ATTN: Claims Administrator
Address

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City State Zip

Any Settlement Class Member who does not submit a valid and timely Request for Exclusion shall be bound by the terms of the Settlement Agreement upon entry of the Final Approval Order and Judgment.

Fairness Hearing

18. The Fairness Hearing shall be held by the Court on _____, beginning at 10:00 a.m., in Courtroom 11, 19th Floor, of the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102.

19. At or after the Fairness Hearing, the Court will determine whether: (1) the requirements for certification of the Settlement Class have been met; (2) the proposed Settlement of the Action on the terms set forth in the Settlement should be approved as fair, reasonable, adequate, and in the best interests of the Settlement Class Members; (3) Class Counsel’s Motion for Attorneys’ Fees and Expenses and Service Awards should be approved; (4) the Plan of Allocation should be approved; and (5) the Final Approval Order and Judgment approving the Settlement and dismissing the Action on the merits with prejudice should be entered. The Court reserves the right to enter the Order and Final Approval Order and Judgment approving the Settlement regardless of whether it has approved the Plan or Allocation or awarded Attorneys’ Fees and Expenses or Service Awards.

20. The Court may continue or adjourn the Fairness Hearing without further notice to the Settlement Class Members. The Court may approve the Settlement, with such modifications as may be agreed to by Plaintiffs and Defendants, if appropriate, without further notice to Settlement Class Members.

21. On or before _____, sixty (60) days after the Notice Date, Settlement Class Members shall submit any Objections or Requests or Exclusion, in accordance with paragraphs 15 and 17 of this Order (the “Objection and Exclusion Deadline”).

22. On or before _____, thirty-five (35) days prior to the Objection and Exclusion

1 Deadline, Class Counsel shall file all papers in support of the Motion for Final Approval of the
 2 Settlement, Motion for Approval of the Plan of Allocation, and/or Motion for Attorneys’ Fees and
 3 Expenses and Service Awards.

4 23. On or before _____, thirty (30) days after the Objection and Exclusion Deadline,
 5 Class Counsel shall file responses to any objections to the Motion for Final Approval of the
 6 Settlement, Motion for Approval of the Plan of Allocation, and/or Motion for Attorneys’ Fees and
 7 Expenses and Service Awards.

8 24. Objections by any Settlement Class Member to the Motion for Final Approval of
 9 the Settlement, Motion for Approval of the Plan of Allocation, and/or Motion for Attorneys’ Fees
 10 and Expenses and Service Awards shall be considered by the Court at the Fairness Hearing only if
 11 such Settlement Class Member files with the Court a notice of his or her objections in accordance
 12 with paragraph 15 of this Order and states the basis for such objections, by the Objection and
 13 Exclusion Deadline.

14 25. The following timeline summarizes the deadlines set by the Court:

Event	Deadline
Settlement Administrator to complete Notice Plan (“Notice Date”)	Ninety (90) days after entry of the Preliminary Approval Order on _____.
Deadline to submit Objections or Requests for Exclusion	Sixty (60) days after the Notice Date on _____.
Deadline to file Motion for Final Approval of the Settlement, Motion for Approval of the Plan of Allocation, and Motion for Attorneys’ Fees and Expenses and Service Awards	Thirty-Five (35) days prior to the Objection and Exclusion Deadline on _____.
Deadline to respond to Objections to the Motion for Final Approval of the Settlement, Motion for Approval of the Plan of Allocation, and Motion for Attorneys’ Fees	Thirty (30) days following the Objection and Exclusion Deadline on _____.

Event	Deadline
and Expenses and Service Awards	
Fairness Hearing	On _____.

26. The Released Parties shall have no responsibility for the Plan of Allocation, any Motion for Attorneys' Fees and Expenses submitted by Class Counsel, and any application for Service Awards, and such matters will be considered by the Court separately from the fairness, reasonableness, and adequacy of the Settlement. Any appeal from any order or judgment relating solely to Class Counsel's Motion for Attorneys' Fees and Expenses and Service Awards or Motion for Approval of the Plan of Allocation, or any reversal or modification of any such order or judgment, shall not operate to terminate, vacate, or cancel the Settlement.

27. All proceedings and deadlines in this matter, except those necessary to implement this Order and the Settlement, are hereby stayed and suspended until further order by the Court.

28. Neither this Order nor the Settlement Agreement, nor any of their respective terms or provisions, nor any of the negotiations, discussions, proceedings connected with them, nor any act performed or document executed pursuant to or in furtherance of the Settlement Agreement, the Settlement or this Order may be construed as an admission or concession by the Defendants or any other Released Parties of the truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind, or offered or received in evidence, or otherwise used by any person in the Action, or in any other action or proceeding, whether civil, criminal, or administrative, in any court, administrative agency, or other tribunal, except in connection with any proceeding to enforce the terms of the Settlement Agreement or this Order. The Released Parties, Plaintiffs, Settlement Class Members, and each of their counsel may file the Settlement Agreement, this Order and/or the Final Approval Order and Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

29. If the Court conditions its approval of either the Preliminary Approval Order, the

1 Final Approval Order and Judgment on any modifications of the Settlement Agreement that are not
2 acceptable to all Parties, or if the Court does not approve the Settlement or enter the Final
3 Approval Order and Judgment, or if the Settlement fails to become effective as defined in the
4 Settlement Agreement or is terminated, then, in any such event, the Settlement Agreement,
5 including any amendment(s) thereof, except as expressly provided in the Settlement Agreement,
6 and this Order shall be null and void, of no further force or effect, and without prejudice to any
7 Party, and may not be introduced as evidence or used in any actions or proceedings by any person
8 or entity against the Parties, and the Parties shall be deemed to have reverted to their respective
9 litigation positions as of May 26, 2022.

10 **IT IS SO ORDERED.**

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12 Dated: _____

13 Hon. James Donato
14 United States District Judge

EXHIBIT 3

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

In Re: Robinhood Outage Litigation

Master File No. 3:20-cv-01626-JD

CLASS ACTION

**[PROPOSED] FINAL ORDER AND
JUDGMENT APPROVING CLASS ACTION
SETTLEMENT**

1 **WHEREAS**, the Court held a Fairness Hearing to consider approval of this class action
2 Settlement on _____. The Court has considered the Settlement Agreement (Dkt. No. _____), all
3 pleadings filed in relation to the Settlement, all matters submitted to it at the Fairness Hearing, the
4 relevant law, and all other files, records, and proceedings in this Action.

5 **GOOD CAUSE APPEARING, IT IS HEREBY ORDERED AS FOLLOWS:**

6 1. This Final Approval Order and Judgment incorporates by reference the definitions in
7 the Settlement Agreement, and all terms used herein shall have the same meanings as set forth in the
8 Settlement Agreement, unless otherwise set forth herein.

9 2. The Court has jurisdiction over the subject matter of this Action and all matters
10 relating to the Settlement, as well as personal jurisdiction over Class Representatives, the Settlement
11 Class Members, and Defendants.

12 3. The Court finds that the Long Form Notice and the Notice Plan, including a
13 combination email and physical mail to Settlement Class Members based on Robinhood’s records, a
14 social media campaign, and a dedicated website, was implemented in accordance with the
15 Preliminary Approval Order and (a) constituted the best practicable notice under the circumstances;
16 (b) constituted notice that is appropriate, in a manner, content and format reasonably calculated,
17 under the circumstances, to apprise the Settlement Class of the pendency of the Action and the effect
18 of the Settlement (including the releases contained therein); their right to object to any aspect of the
19 Settlement, the Plan of Allocation, and/or Class Counsel’s Motion for Attorneys’ Fees and Expenses
20 and Service Awards; their right to exclude themselves from the Settlement Class; and their right to
21 appear at the Fairness Hearing; (c) was reasonable and constituted due, adequate, and sufficient
22 notice to all Persons entitled to receive notice; and (d) met all applicable requirements of the Federal
23 Rules of Civil Procedure, the Due Process Clause of the United States Constitution, and the rules of
24 the Court.

25 4. The Court finds that, for purposes of the Settlement only, all prerequisites for
26 maintenance of a class action set forth in Federal Rules of Civil Procedure 23(a) and (b)(3) are
27 satisfied. The Court certifies the following Settlement Class for purposes of Settlement only:
28

1 All Robinhood accountholders in the United States who: (i) closed a position on
2 March 3, 2020, at a loss relative to the Volume Weighted Average Price
3 (“VWAP”) during the March 2 and 3, 2020 Outages; (ii) held SPDR S&P 500
4 options expiring on March 2, 2020 and experienced a loss relative to the VWAP
5 during the March 2, 2020 Outage; (iii) who experienced a Failed Equity Trade
6 during the March 2 and 3 Outages at a loss relative to the price at the end of the
7 March 2 and 3 Outages and/or the transaction price obtained through March 4,
8 2020; or (iv) who experienced a Failed Equity Trade during the March 9 Outage at
9 a loss relative to the price at the end of the March 9 Outage and/or the transaction
10 price obtained through March 10, 2020. Excluded from the Settlement Class are
11 Defendants and their legal representatives, heirs, successors or assigns. Also
12 excluded from the Settlement Class are Persons who have entered into settlement
13 agreements with Robinhood, outside of the Goodwill Program, that include a
14 release of claims related to the Outages.

15 5. Plaintiffs Daniel Beckman, Emma Jones, Mahdi Heidari Moghadam, Howard Morey,
16 Colin Prendergast, Raghu Rao, Michael Riggs, and Jason Steinberg (“Class Representatives”) have
17 adequately represented the Settlement Class and are hereby appointed, for settlement purposes only,
18 as representatives for the Settlement Class for purposes of Federal Rule of Civil Procedure 23.

19 6. Anne Marie Murphy of Cotchett, Pitre, & McCarthy LLP and Matthew B. George of
20 Kaplan Fox & Kilsheimer LLP have adequately represented the Settlement Class and are hereby
21 appointed as counsel for the Settlement Class pursuant to Federal Rule of Civil Procedure 23.

22 7. In evaluating a proposed class action settlement under Federal Rule of Civil Procedure
23 23(e), the standard is whether the settlement “is fundamentally fair, adequate, and reasonable.”
24 When the parties negotiate a settlement agreement before the class has been certified, the Court
25 conducts a more probing inquiry to assure the settlement meets the heightened fairness standard.
26 Pursuant to Federal Rule of Civil Procedure 23(e)(2), and following a hearing and rigorous scrutiny
27 of the Settlement, the Court hereby grants final approval of the Settlement set forth in the Settlement
28 Agreement and finds that the Settlement is fair, reasonable, and adequate and in the best interests of
the Settlement Class Members based on the following factors, among others:

a. **Adequate Representation (F.R.C.P. 23(e)(2)(A)).** The Class Representatives
and Class Counsel have adequately represented the class, without conflicts, and including active
participation in investigation, pleadings, motion practice, discovery and settlement negotiations.
Based on the stage of the proceedings—including completion of fact discovery, exchange of expert

1 reports, and that Class Representatives’ certification motion has been fully briefed—and the amount
2 of investigation and discovery conducted, Class Representatives and Class Counsel had a well-
3 developed perspective on the strengths and weaknesses of their respective cases in order to “make an
4 informed decision about settlement.” *In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 459 (9th Cir.
5 2000) (quoting *Linney v. Cellular Alaska P’ship*, 151 F.3d 1234, 1239 (9th Cir. 1998)).

6 b. **Arms’ Length Negotiation (F.R.C.P. 23(e)(2)(B))**. There is no fraud or
7 collusion underlying this Settlement, and it was reached as a result of extensive arm’s length
8 negotiations, occurring over the course of almost a year, and mediation with a respected mediator.
9 *See, e.g., In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 948 (9th Cir. 2011) (presence of
10 a neutral mediator is a factor weighing in favor of a finding of non-collusiveness). Moreover, there is
11 no “clear sailing” agreement, and the Settlement is non-reversionary. *Id.* at 947.

12 c. **Adequate Settlement Relief. (F.R.C.P. 23(e)(2)(C))**. The relief provided for
13 the Settlement Class Members is adequate, taking into account the complexity, costs, risk, and likely
14 duration of the litigation, including trial and appeal. The Settlement provides meaningful cash relief
15 to Settlement Class Members on a much shorter time frame than otherwise possible. *See, e.g., Lane*
16 *v. Facebook, Inc.*, 696 F.3d 811, 820 (9th Cir. 2012) (affirming the district court’s approval of a
17 settlement where class counsel “reasonably concluded that the immediate benefits represented by the
18 Settlement outweighed the possibility—perhaps remote—of obtaining a better result at trial”); *Class*
19 *Plaintiffs v. City of Seattle*, 955 F.2d 1268, 1276 (9th Cir. 1992) (the Ninth Circuit has a “strong
20 judicial policy that favors settlements, particularly where complex class action litigation is
21 concerned”). The non-reversionary \$9.9 million fund falls within the range of possible recoveries by
22 the Settlement Class Members, taking into account the theories of liability and damages.

23 d. **Equitable Treatment of Settlement Class Members. (F.R.C.P.**
24 **23(e)(2)(D))**. The Court finds that the Settlement is fair, reasonable, and adequate, and provides
25 equitable treatment to all Settlement Class Members. The Settlement Payments are calculated based
26 on Settlement Class Members’ trading activity and adjusted on a uniform *pro rata* basis.

27 8. The Court authorizes and directs implementation and performance of all the terms and
28 provisions of the Settlement Agreement.

1 9. The Releases set forth in Section 7 of the Settlement Agreement are expressly
2 incorporated herein in all respects. The Releases are effective as of the Effective Date.

3 10. Upon the Effective Date, the Releasing Parties shall be deemed to have, and by
4 operation of this Final Approval Order and Judgment shall have, fully, finally, and forever waived,
5 released, relinquished, and discharged all Released Claims against the Released Parties (including
6 Unknown Claims), and the Releasing Parties, and anyone claiming through or on behalf of any of
7 them, shall forever be barred and enjoined from commencing, instituting, prosecuting, or continuing
8 to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, or
9 administrative forum, asserting any of the Released Claims against any of the Released Parties
10 (including Unknown Claims), whether or not such Person shares in the Net Settlement Fund. The
11 Releasing Parties and their successors, assigns, executors, administrators, representatives, attorneys
12 and agents in their capacity as such, are bound by this Order, including, without limitation, the
13 release of claims as set forth in the Settlement Agreement. The Released Claims are hereby
14 compromised, settled, released, discharged, and dismissed as against the Released Parties on the
15 merits and with prejudice by virtue of the proceedings herein and this Final Approval Order and
16 Judgment. Claims to enforce the terms of the Settlement Agreement are not released.

17 11. Upon the Effective Date, the Released Parties shall be deemed to have, and by
18 operation of the Final Approval Order and Judgment shall have, fully, finally, and forever waived,
19 released, relinquished, and discharged all Released Defendants' Claims against the Releasing Parties
20 (including Unknown Claims). Claims to enforce the terms of the Settlement Agreement are not
21 released.

22 12. The Releasing Parties and their successors, assigns, executors, administrators,
23 representatives, attorneys and agents in their capacity as such, are bound by this Order, including,
24 without limitation, the release of claims as set forth in the Settlement Agreement.

25 13. The individuals identified in Exhibit __ attached hereto and incorporated by this
26 reference, submitted timely and valid Requests for Exclusion, are not Settlement Class Members, are
27 not releasing any claims, and are not bound by the terms of the Settlement Agreement or this Order.

28

1 These individuals shall not share in the monetary benefits of the Settlement, and this Order does not
2 affect their legal rights to pursue any claims they may have against Defendants.

3 14. Further, the Settlement Class does not include Plaintiffs Gwaltney, Kuri, Leith,
4 Mahrouyan, Russell, Ward, Xia, and Withouski and/or any Person who does not fall within the
5 Settlement Class certified by the Court for settlement purposes. Plaintiffs Gwaltney, Kuri, Leith,
6 Mahrouyan, Russell, Ward, Xia, and Withouski shall have the statutes of limitations on all claims that
7 were or could have been asserted in this Action and/or the *Withouski* Action tolled from May 26,
8 2022 until the Effective Date.

9 15. Defendants have denied, and continue to deny, any and all allegations and claims
10 asserted in the Action, and Defendants have represented that they entered into the Settlement because
11 it would be beneficial to avoid the burden, inconvenience, and expense associated with continuing the
12 Litigation and the uncertainty and risks inherent in any litigation. Neither this Final Approval Order
13 and Judgment, the Settlement Agreement, nor any of their respective terms and provisions, nor any of
14 the negotiations, discussions, or proceedings connected with them, nor any act performed or
15 document executed pursuant to or in furtherance of the Settlement Agreement or the Settlement, nor
16 any of the documents or statements referred to therein, nor any payment or consideration provided for
17 therein, shall be: (a) offered or received against or to the prejudice of any Defendant as evidence of
18 or construed as or deemed to be evidence of any presumption, concession, or admission by any
19 Defendant of the truth of any allegations by Plaintiffs or any Settlement Class Members or the
20 validity of any claim that has been or could have been asserted in the Action, or the deficiency of any
21 defense that has been or could have been asserted in the Action or in any other litigation, including,
22 but not limited to, litigation of the Released Claims, or of any liability, negligence, fault, or
23 wrongdoing of any kind of any of the Defendants or in any way referred to for any other reason as
24 against any of the Defendants, in any civil, criminal, or administrative action or proceeding; (b)
25 offered or received against any Defendant as evidence of a presumption, concession, or admission of
26 any liability, negligence, fault, or wrongdoing, or in any way referred to for any other reason as
27 against any of the Parties, in any other civil, criminal, or administrative action or proceeding;
28 provided, however, that the Parties may refer to it to effectuate the releases granted them hereunder;

1 or (c) construed against Defendants, Class Representatives, or the Settlement Class as evidence of a
2 presumption, concession or admission that the consideration to be given hereunder represents the
3 amount which could be or would have been recovered after trial or in any proceeding other than this
4 Settlement.

5 16. The Released Parties may file the Settlement Agreement and/or this Final Approval
6 Order and Judgment in any action in order to support a defense, claim, or counterclaim based on
7 principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or
8 reduction, or any other theory of claim preclusion or issue preclusion or similar defense or
9 counterclaim.

10 17. The Court finds that Defendants' financial obligations under the Settlement
11 Agreement have been satisfied through the payment of \$9,900,000.00 to the Settlement Fund, in
12 accordance with the Settlement Agreement.

13 18. Any Plan of Allocation submitted by Class Counsel or any order entered regarding any
14 application for Fee and Expense Award and Service Awards shall in no way disturb or affect this
15 Final Approval Order and Judgment and shall be considered separate from this Final Approval Order
16 and Judgment. Separate orders shall be entered regarding approval of a Plan of Allocation, Fee and
17 Expense Award, and Service Awards. Any appeal or any challenge affecting the approval of the Plan
18 of Allocation, Fee and Expense Award, and Service Awards, shall in no way disturb or affect the
19 finality of the other provisions of this Order nor the Effective Date of the Settlement.

20 19. Without affecting the finality of this Order in any way, the Court reserves jurisdiction
21 over the subject matter and each Party to the Settlement Agreement with respect to the interpretation
22 and implementation of the Settlement Agreement for all purposes, including enforcement of any of
23 the terms thereof at the instance of any Party and resolution of any disputes that may arise relating to
24 the implementation of the Settlement or this Order. This Order applies to and is binding upon the
25 Parties, the Settlement Class Members, and their respective heirs, successors, and assigns.

26 20. In the event that the Effective Date does not occur in accordance with the terms of the
27 Settlement Agreement, then the Settlement Agreement, including any amendment(s) thereof, except
28 as expressly provided in the Settlement Agreement, and this Order shall be null and void, of no

1 further force or effect, and without prejudice to any Party, and may not be introduced as evidence or
2 used in any actions or proceedings by any person or entity against the Parties, and the Parties shall be
3 deemed to have reverted to their respective litigation positions as of May 26, 2022.

4 21. Defendants have provided notification to all appropriate federal and state officials
5 regarding the Settlement as required by 28 U.S.C. § 1715.

6 22. The Action, including all actions consolidated into the Action, and all Released
7 Claims are dismissed on the merits with prejudice.

8 23. There is no just reason for delay in the entry of judgment. Immediate entry by the
9 Clerk is expressly directed.

10
11 **IT IS SO ORDERED.**

12
13 Dated: _____, 2022

14 Hon. James Donato
United States District Judge

EXHIBIT 4

EXHIBIT 4
CUSTOMER TRADING INFORMATION

Pursuant to Section 2.2 of the Settlement Agreement, Robinhood will produce the data sought in connection with Request Nos. 1-5 in the format previously produced and/or agreed upon by Plaintiffs and Defendants within fourteen (14) days after the Preliminary Approval Order. The information shall be provided to Global Economics Group.

- 1.) For Robinhood customers who executed one or more trades on March 3, 2020; provide the following information for investment symbols in which the executed trades took place:

Data	Time Period	Description
Account Positions	End of the day February 28, 2020	Bulk electronic data (delimited text file) of Robinhood customers' investments as of the end of the day on February 28, 2020 (the trading day immediately before the March 2, 2020 Outage), including investment identifier information (name, symbol, option characteristics), quantity, value per share/contract/unit, and total value.
Account Transaction Activity	March 2-3, 2020	Bulk electronic data (delimited text file) of Robinhood customers' trade executions, including investment identifier information (name, symbol, option characteristics), order ID, order type, buy/sell indicator (i.e., buy to open, buy to close, sell to open, sell to close), executed quantity, execution price, execution date/time. This includes transactions from option exercises/assignments.

- 2.) For Robinhood customers who a.) as of the end of the day February 28, 2020 held a position in SPDR S&P 500 options expiring on March 2, 2020 (SPY March 2, 2020 Options) or b.) who executed a trade in a SPY March 2, 2020 Options on March 2, 2020; provide:

Data	Time Period	Description
Account Positions	End of the day February 28, 2020	Bulk electronic data (delimited text file) of Robinhood customers' investments in SPY March 2, 2020 Options as of the end of the day on February 28, 2020 (the trading day immediately before the March 2, 2020 Outage), including investment identifier information (name, symbol, option characteristics), quantity, value per share/contract/unit, and total value.
Account Transaction Activity	March 2, 2020	Bulk electronic data (delimited text file) of Robinhood customers' SPY March 2, 2020 Option trade executions, including investment identifier information (name, symbol, option characteristics), order ID, order type, buy/sell indicator (i.e., buy to open, buy to close, sell to open, sell to close), executed quantity, execution price, execution date/time. This includes transactions from option exercises/assignments.

EXHIBIT 4
CUSTOMER TRADING INFORMATION

- 3.) For Robinhood customers who experienced a failed trade on March 2-3, 2020; provide the following information for investment symbols in which the failed trades took place:

Data	Time Period	Description
Account Positions	End of the day February 28, 2020	Bulk electronic data (delimited text file) of Robinhood customers' investments as of the end of the day on February 28, 2020 (the trading day immediately before the March 2, 2020 Outage), including investment identifier information (name, symbol, option characteristics), quantity, value per share/contract/unit, and total value.
Account Order and Transaction Activity	March 2-4, 2020	Bulk electronic data (delimited text file) of Robinhood customers' trade orders (messages), executions, cancellations, including investment identifier information (name, symbol, option characteristics), order ID, order type, buy/sell indicator (i.e., buy to open, buy to close, sell to open, sell to close), order quantity, executed quantity, canceled quantity, order price, execution price, order date/time, execution date/time, cancel date/time, and time in force. This includes transactions from option exercises/assignments.

- 4.) For Robinhood customers who experienced a failed trade on March 9, 2020; provide the following information for investment symbols in which the failed trades took place:

Data	Time Period	Description
Account Positions	End of the day March 6, 2020	Bulk electronic data (delimited text file) of Robinhood customers' investments as of the end of the day on March 6, 2020 (the trading day immediately before the March 9, 2020 Outage), including investment identifier information (name, symbol, option characteristics), quantity, value per share/contract/unit, and total value.
Account Order and Transaction Activity	March 9-10, 2020	Bulk electronic data (delimited text file) of Robinhood customers' trade orders (messages), executions, cancellations, including investment identifier information (name, symbol, option characteristics), order ID, order type, buy/sell indicator (i.e., buy to open, buy to close, sell to open, sell to close), order quantity, executed quantity, canceled quantity, order price, execution price, order date/time, execution date/time, cancel date/time, and time in force. This includes transactions from option exercises/assignments.

EXHIBIT 4
CUSTOMER TRADING INFORMATION

5.) For all Robinhood customers that fall under data requests 1.), 2.), 3.), and 4.) provide:

Data	Time Period	Description
Account Credits	Complete History	Bulk electronic data (delimited text file) sufficient to identify Robinhood customers that received credits paid by Robinhood as part of the Goodwill Program in connection with the March 2-3 and 9, 2020 Outages and the amount of each credit.
Settlement Agreements	Complete History	Bulk electronic data (delimited text file) sufficient to identify Robinhood customers who have entered into settlement agreements with Robinhood, outside of the Goodwill Program, that include a release of claims related to the Outages.
Unique Identification Number	N/A	The information provided shall identify each customer with a unique identification number such that the data can later be linked to the Settlement Class Contact Information provided to the Settlement Administrator.

Within fourteen (14) days after receiving the list of proposed Settlement Payments from Plaintiffs pursuant to Section 2.2(c) of the Settlement Agreement, Robinhood shall provide the following information to the Settlement Administrator:

Data	Time Period	Description
Customer Contact Information	N/A	Bulk electronic data (delimited text file) sufficient to identify the names of the customers reflected in the list of proposed Settlement Payments and their last known e-mail addresses and mailing addresses.
Unique Identification Number	N/A	The information provided shall identify each customer with a unique identification number such that the Settlement Class Contact Information can be linked to the Customer Trading Information provided to Global Economics Group.

EXHIBIT 5

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Attorneys for Plaintiff Stanley Withouski

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN MATEO
COMPLEX CIVIL LITIGATION

STANLEY WITHOUSKI, Individually and
on Behalf of All Others Similarly Situated,
Plaintiff,

vs.

ROBINHOOD FINANCIAL LLC;
ROBINHOOD MARKETS, INC.;
ROBINHOOD SECURITIES, LLC; and
Does 1 through 20, inclusive,
Defendants.

Case No. 20-CIV-01730

**Plaintiff's Unopposed Request for
Dismissal of the Action with
Prejudice**

Honorable Danny Y. Chou

Department: 22
Action Filed: April 20, 2020
Trial Date: None Set

1 Pursuant to Rule 3.770 of the California Rules of Court, plaintiff Stanley Withouski
2 respectfully requests that this putative class action (the “*Withouski* Action”) be dismissed
3 with prejudice on the basis that all claims asserted in this action have been resolved as
4 part of the global settlement in the related class action pending in the United States
5 District Court for the Northern District of California (the “Federal Court”). Defendants
6 Robinhood Financial LLC, Robinhood Markets, Inc., and Robinhood Securities, LLC
7 (together, “Robinhood”) do not oppose this request.

8 In support of this unopposed request, Mr. Withouski submits the accompanying
9 declaration of his counsel, Albert Y. Chang, and states as follows:

10 **I. THE COURT’S AUTHORITY TO DISMISS THIS ACTION**

11 1. Rule 3.770(a) allows dismissal of an entire class action with court approval.
12 Where “the court has not ruled on class certification” and no prior notice of the pendency
13 of the class action has been provided, the dismissal may be “without notice to the class
14 members if the court finds that the dismissal will not prejudice them.” CAL. R. CT.
15 3.770(c).

16 2. Here, for the reasons set forth below and in the accompanying Declaration
17 of Albert Y. Chang (“Chang Decl.”), dismissal with prejudice of this putative class action
18 and without notice to the class is appropriate.

19 **II. PROCEDURAL BACKGROUND**

20 **A. Multiple Class Actions Are Filed Against Robinhood in Federal Court
and in This Court, and This Action Is Stayed**

21 3. Between March 1, 2020, and June 30, 2020, a dozen actions against
22 Robinhood were filed in, transferred to, or removed to the Federal Court alleging the same
23 or similar legal theories and operative facts relating to outages to Robinhood’s electronic
24 trading platform in March 2020.¹

25
26 ¹ These actions include: *Beckman v. Robinhood Financial, LLC*, No. 3:20-cv-01626
27 (N.D. Cal.); *Riggs v. Robinhood Financial, LLC*, No. 3:20-cv-01800-JD (N.D. Cal.);
28 *Prendergast v. Robinhood Financial, LLC*, No. 3:20-cv-01877-JD (N.D. Cal.); *Johann v.*
Robinhood Financial, LLC, No. 3:20-cv-01909-JD (N.D. Cal.); *Metzler v. Robinhood*
Financial LLC, No. 3:20-cv-02286-JD (N.D. Cal.); *Adame v. Robinhood Financial, LLC*,

1 4. On April 16, 2020, Mr. Withouski filed a putative class action in this Court,
2 alleging liability based on the same theories of alleged conduct by Robinhood as alleged
3 in the federal actions. While the plaintiffs in the federal actions purported to act on behalf
4 of a nationwide class of Robinhood users, Mr. Withouski sought to represent a class of
5 Robinhood users residing in California.

6 5. On July 14, 2020, the Federal Court consolidated the federal actions into *In*
7 *re Robinhood Outage Litigation*, Lead Case No. 3:20-cv-01626-JD (N.D. Cal.) (the
8 “Federal Consolidated Action”).

9 6. On July 22, 2020, the Federal Court appointed Ann Marie Murphy of
10 Cotchett, Pitre & McCarthy, LLP and Matthew B. George of Kaplan Fox & Kilsheimer LLP
11 as Interim Lead Class Counsel and established a plaintiffs’ Executive Committee and
12 Liaison Counsel consisting of nine other law firms, to lead the prosecution of the Federal
13 Consolidated Action.

14 7. On December 17, 2020, this Court approved the stipulation between Mr.
15 Withouski and Robinhood to stay this action pending resolution of the Federal
16 Consolidated Action.

17 8. On February 18, 2021, the Federal Court granted in part and denied in part
18 Robinhood’s motion to dismiss the Amended Consolidated Class Action and to strike the
19 class allegations in the Federal Consolidated Action.

20 9. On June 30, 2021, plaintiffs in the Federal Consolidated Action filed the
21 operative Second Amended Consolidated Complaint.

22 **B. The Parties Conducted Discovery, Engaged in Motion Practice, and**
23 **Negotiated the Settlement in Federal Court**

24 10. Between September 2020 and September 2021, the parties in the Federal
25 _____
26 No. 3:20-cv-01769-JD (N.D. Cal.); *Steinberg v. Robinhood Markets, Inc.* No. 3:20-cv-
27 02343-JD (N.D. Cal.); *Xia v. Robinhood Financial, LLC*, No. 3:20-cv-02352-JD (N.D.
28 Cal.); *Ferris v. Robinhood Securities, LLC*, No. 3:20-cv-02594-JD (N.D. Cal.); *Gwaltney*
v. Robinhood Markets, Inc., No. 3:20-cv-02665-JD (N.D. Cal.); *Taaffe v. Robinhood*
Markets, Inc., No. 3:20-cv-02669-JD (N.D. Cal.); and *Freedland v. Robinhood Markets,*
Inc., No. 3:20-cv-03218-JD (N.D. Cal.).

1 Consolidated Action completed fact and expert discovery into the claims and defenses,
2 including written discovery, document productions, expert disclosures, and fact and
3 expert depositions.

4 11. Mr. Withouski and his counsel participated in the discovery in the Federal
5 Consolidated Action under the direction of Interim Lead Class Counsel.

6 12. Starting in July 2021, while several motions, including the federal plaintiffs'
7 motion for class certification and Robinhood's motion for summary judgment, were
8 pending in the Federal Consolidated Action, the parties and their respective counsel
9 participated in extensive settlement discussions mediated by David Geronemus of JAMS,
10 including a full day of mediation on July 27, 2021, as well as numerous individual and
11 joint conversations with Mr. Geronemus and conversations and email communications
12 between counsel supervised by Mr. Geronemus. Mr. Withouski's counsel participated in
13 the mediation.

14 **C. The Parties, Including Mr. Withouski, Reached an Agreement to Settle
15 All Related Actions**

16 13. On May 26, 2022, after extensive arm's-length negotiations, the parties,
17 with the assistance of their counsel and counsel for Mr. Withouski, reached an agreement
18 in principle to settle the Federal Consolidated Action and the *Withouski* Action.

19 14. The settlement provides for a monetary payment of \$9.9 million by
20 Robinhood and/or its insurers in exchange for the release of certain claims. A true and
21 correct copy of the Settlement Agreement, executed by all parties, including Mr.
22 Withouski, is attached as Exhibit A to the Chang Declaration.

23 15. The settlement provides that plaintiffs may apply for payment of attorneys'
24 fees and expenses to counsel for the plaintiffs (the "Fee-and-Expense Award"), including
25 Mr. Withouski, and for payment of service awards to the named plaintiffs. Under the
26 terms of the settlement, Interim Lead Class Counsel has sole discretion in allocating any
27 court-approved Fee-and-Expense Award among plaintiffs' counsel, including Mr.
28 Withouski's counsel.

1 16. The settlement requires that within 30 days of the judgment granting final
2 approval of the settlement becoming effective, Mr. Withouski make a request (the
3 “Request for Dismissal”) in this Court to dismiss the *Withouski* Action with prejudice.
4 The form of the Request for Dismissal is an exhibit to the Settlement Agreement.

5 **D. The Federal Court Granted Preliminary Approval of the Settlement,
6 Provided Notice to the Settlement Class Members, Granted Final
7 Approval to the Settlement, and Entered Final Judgment**

8 17. On _____, 2022, the Federal Court entered an order granting preliminary
9 approval of the settlement.

10 18. Notice was distributed to all Settlement Class Members (as defined in the
11 Settlement Agreement) consistent with the terms of the settlement. The notice provides
12 details regarding plaintiffs’ anticipated application for the Fee-and-Expense Award and
13 service awards, as well as the Interim Lead Class Counsel’s discretion in allocating the
14 Fee-and-Expense Award among plaintiffs’ counsel.

15 19. Before the _____, 2022 final approval hearing, the Federal Court
16 received _____ objections to the proposed settlement.

17 20. On _____, 2022, following the final approval hearing, the Federal Court
18 entered judgment granting final approval of the settlement and granting reimbursement
19 of litigation expenses, an award of attorneys’ fees, as well as service awards to all plaintiffs.

20 21. The Federal Court granted a Fee-and-Expense Award of \$_____, to be
21 allocated among plaintiffs’ counsel by the Interim Lead Class Counsel, as well as a service
22 award of \$_____ to each plaintiff. No other consideration is being provided to Mr.
23 Withouski by Robinhood in exchange for the dismissal of the action.

24 **III. REQUEST FOR DISMISSAL**

25 22. As demonstrated above and in counsel’s declaration, the *Withouski* Action
26 has been resolved as a part of the global settlement in the Federal Consolidated Action.

27 23. Since December 2020, no proceedings have taken place in this Court, as the
28 *Withouski* Action has been stayed since then, pending resolution of the Federal
Consolidated Action.

1 24. No class certification was sought in this action; no class was certified in this
2 Court.

3 25. Notice to the putative class members of the settlement, including the
4 anticipated application for the Fee-and-Expense Award to plaintiffs' counsel (including
5 to Mr. Withouski's counsel) and payment of service awards to the named plaintiffs, was
6 disseminated on _____, 2022, consistent with the Federal Court's order granting
7 preliminary approval of the settlement.

8 26. No additional notice is necessary in this action because notice of the
9 settlement has already been distributed to all Settlement Class Members, consistent with
10 the notice program approved and administered by the Federal Court and, therefore,
11 dismissal of this action without notice would not prejudice the putative class. See CAL.
12 Ct. R. 3.770(c).

13 IV. CONCLUSION

14 For the foregoing reasons, the Court should grant this Request for Dismissal and
15 dismiss this action with prejudice and without further notice to the class.

16 Dated: _____, 202__

17 Respectfully submitted,
18 BOTTINI & BOTTINI, INC.
19 Francis A. Bottini, Jr. (SBN 175783)
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20 DRAFT

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