

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

DAN DECHIRICO, ANGEL GUZMAN and
JOSHUA PALMER,

Plaintiffs,

v.

ALLY FINANCIAL INC., ALPACA
SECURITIES LLC, CASH APP INVESTING
LLC, SQUARE INC., MORGAN STANLEY
SMITH BARNEY LLC, E*TRADE
SECURITIES LLC, E*TRADE FINANCIAL
CORPORATION, E*TRADE FINANCIAL
HOLDINGS, LLC, ETORO USA
SECURITIES, INC., FREETRADE, LTD.,
INTERACTIVE BROKERS LLC, M1
FINANCE, LLC, OPEN TO THE PUBLIC
INVESTING, INC., ROBINHOOD
FINANCIAL, LLC, ROBINHOOD
MARKETS, INC., ROBINHOOD
SECURITIES, LLC, IG GROUP HOLDINGS
PLC, TASTYWORKS, INC., TD
AMERITRADE, INC., THE CHARLES
SCHWAB CORPORATION, CHARLES
SCHWAB & CO. INC., FF TRADE
REPUBLIC GROWTH, LLC, TRADING 212
LTD., TRADING 212 UK LTD., WEBULL
FINANCIAL LLC, FUMI HOLDINGS, INC.,
STASH FINANCIAL, INC., BARCLAYS
BANK PLC, CITADEL ENTERPRISE
AMERICAS, LLC, CITADEL SECURITIES
LLC, MELVIN CAPITAL MANAGEMENT
LP, SEQUOIA CAPITAL OPERATIONS LLC,
APEX CLEARING CORPORATION, THE
DEPOSITORY TRUST & CLEARING
CORPORATION,

Defendants.

Civil Action No.: 1:21-cv-00677

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiffs Dan Dechirico, Angel Guzman and Joshua Palmer (collectively, “Plaintiffs”), on behalf of themselves and all others similarly situated, bring this Class Action Complaint against Defendants, as defined below, for violations of Section 1 of the Sherman Act, 15 U.S.C. § 1, Section 16 of the Clayton Act, 15 U.S.C. § 26, state antitrust and consumer protection laws, and common law, and hereby allege as follows:

I. NATURE OF THE ACTION

1. This class action arises from a conspiracy to deprive individual investors, commonly referred to as retail investors, of their ability to invest in the open market in the midst of an unprecedented stock rise so that Defendants could shield themselves from incurring substantial losses as a result of their own high-risk short selling strategies.

2. In furtherance of this conspiracy, on or about January 28, 2021, the Brokerage Defendants,¹ willfully and intentionally restricted retail investors from purchasing the following securities on their websites and/or mobile applications by disabling all buy features, thereby manipulating the market: GameStop Corp. (GME), AMC Entertainment Holdings Inc. (AMC), American Airlines Group Inc. (AAL), Bed Bath & Beyond Inc. (BBBY), BlackBerry Ltd. (BB), Castor Maritime Inc. (CTRM), Express, Inc. (EXPR), Koss Corporation (KOSS), Naked Brand Group Ltd. (NAKD), Nokia Corp. (NOK), Sundial Growers Inc. (SNDL), Tootsie Roll Industries, Inc. (TR), or Trivago N.V. (TRVG) (collectively, hereinafter the “Relevant Securities”).

3. By conspiring to restrict retail investors from purchasing the Relevant Securities, Defendants created a one-way buy-sell situation thereby forcing retail investors to either hold or sell their rapidly declining stocks.

¹ “Brokerage Defendants” is defined *infra*, at Section III.B.

4. Notably, while the Brokerage Defendants placed restrictions on retail investors, no such restriction were placed on institutional investors (*i.e.*, the Fund Defendants).² As a result, the only entities which were permitted to purchase the Relevant Securities were institutional investors (*i.e.*, the Fund Defendants), many of whom were leveraged heavily “short”³ against the Relevant Securities and had a vested interest in seeing the Relevant Securities’ prices depressed so that they could cover their short sales at a lower cost.

5. As a result of Defendants’ unlawful and anticompetitive scheme, numerous retail investors (*i.e.*, Plaintiffs and other Class members) suffered significant losses.

II. JURISDICTION AND VENUE

6. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1332(d)(2) because this is a class action in which the aggregate amount in controversy exceeds \$5,000,000, exclusive of interest and costs, and in which some members of the proposed class are citizens of a state different from some defendants.

7. This Court also has jurisdiction over this matter pursuant to 28 U.S.C. § 1331 in that Plaintiff brings claims under Section 1 of the Sherman Act, 15 U.S.C. § 1 and Section 16 of the Clayton Act, 15 U.S.C. § 26.

8. This Court has supplemental jurisdiction over Plaintiffs’ pendent state law claims pursuant to 28 U.S.C. § 1367.

9. Pursuant to 28 U.S.C. § 1391, venue is proper in this Court because Defendants transact business within this district, and/or have an agent and/or can be found in this district, and

² “Fund Defendants” is defined *infra*, at Section III.C.

³ Shorting, or short-selling, is when an investor borrows shares and immediately sells them, hoping he or she can purchase them later at a lower price, return them to the lender and profit from the difference.

the interstate trade and commerce, hereinafter described, is carried out, in substantial part, in this district.

III. PARTIES

A. Plaintiffs

10. Plaintiff Dan Dechirico (“Dechirico”) is a resident of Richmond County in the State of New York. Prior to January 28, 2021, Dechirico purchased and owned positions in AMC Entertainment Holdings Inc., Bed Bath & Beyond Inc., BlackBerry Ltd. and Express, Inc. through Robinhood.

11. On January 28, 2021, Plaintiff Dechirico was unable to purchase the Relevant Securities because Defendant Robinhood had deactivated the “buy” features on its applications due to the anticompetitive scheme.

12. Plaintiff Angel Guzman (“Guzman”) is a resident of New York County in the State of New York. Prior to January 28, 2021, Guzman purchased and owned positions in GameStop Corp., AMC Entertainment Holdings Inc., BlackBerry Ltd., Nokia Corp. and Express, Inc. through Robinhood.

13. On January 28, 2021, Plaintiff Guzman was unable to purchase the Relevant Securities because Defendant Robinhood had deactivated the “buy” features on its applications due to the anticompetitive scheme.

14. Plaintiff Joshua Palmer (“Palmer”) is a resident of Nassau County in the State of New York. Prior to January 28, 2021, Palmer purchased and owned positions in AMC Entertainment Holdings Inc. and Nokia Corp. through Robinhood.

15. On January 28, 2021, Plaintiff Palmer was unable to purchase the Relevant Securities because Defendant Robinhood had deactivated the “buy” features on its applications due to the anticompetitive scheme.

16. On January 29, 2021, Plaintiff Palmer sold positions in AMC Entertainment Holdings Inc. as a result of the anticompetitive scheme.

B. Brokerage Defendants

17. Defendant Ally Financial Inc. (“Ally”) is a Delaware corporation, with its headquarters located at Ally Detroit Center 500, Woodward Ave., Floor 10, Detroit, Michigan. Ally provides financial services including an electronic trading platform to trade financial assets. Ally sold and/or restricted the sale of Relevant Securities to members of the Class during the Class Period.

18. Defendant Alpaca Securities LLC (“Alpaca”) is a Delaware corporation, with its headquarters at 20 N. San Mateo Drive Suite 10, San Mateo, California. Alpaca provides financial services including an electronic trading platform to trade financial assets. Alpaca sold and/or restricted the sale of Relevant Securities to members of the Class during the Class Period.

19. Defendant Cash App Investing LLC (“Cash App Investing”) is a Delaware corporation headquartered at 920, SW 6th Avenue Ste. 1200, Portland, Oregon. Cash App Investing is a wholly owned subsidiary of Square Inc. Cash App Investing provides financial services including an electronic trading platform to trade financial assets. Cash App Investing sold and/or restricted the sale of Relevant Securities to members of the Class during the Class Period.

20. Defendant Square Inc. is a Delaware corporation with its headquarters located at 1455 Market Street, Suite 600, San Francisco, California. Square Inc. and Cash App Investing LLC are referred collectively as “Cash App.”

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