

1 **KESSLER TOPAZ**
2 **MELTZER & CHECK, LLP**
3 Jennifer L. Joost (Bar No. 296164)
4 jjoost@ktmc.com
5 One Sansome Street, Suite 1850
6 San Francisco, CA 94104
7 Telephone: (415) 400-3000
8 Facsimile: (415) 400-3001

9 -and-

10 **KESSLER TOPAZ**
11 **MELTZER & CHECK, LLP**
12 Joseph H. Meltzer (*pro hac vice* forthcoming)
13 jmeltzer@ktmc.com
14 Ethan J. Barlieb (*pro hac vice* forthcoming)
15 ebarlieb@ktmc.com
16 280 King of Prussia Road
17 Radnor, PA 19087
18 Telephone: (610) 667-7706
19 Facsimile: (610) 667-7056

20 *Counsel for Plaintiff*

21 **UNITED STATES DISTRICT COURT**
22 **NORTHERN DISTRICT OF CALIFORNIA**
23 **SAN FRANCISCO DIVISION**

24 BASUDEB DEY, individually and on behalf of
25 all others similarly situated,

26 Plaintiff,

27 v.

28 ROBINHOOD MARKETS, INC.,
ROBINHOOD FINANCIAL, LLC and
ROBINHOOD SECURITIES, LLC,

Defendants.

Case No. 3:24-cv-07442

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Page

I. INTRODUCTION..... 1

II. JURISDICTION AND VENUE..... 2

III. PARTIES..... 3

 A. Plaintiff..... 3

 B. Defendants..... 3

IV. FACTUAL ALLEGATIONS..... 4

 A. Robinhood’s Deposit Sweep Program..... 4

 B. Robinhood’s Duties to Its Retail Investor Clients..... 5

 1. Robinhood’s Duties Under Regulation Best Interest 5

 2. Robinhood’s Duties Pursuant to Its Relationship with Deposit Sweep Program Customers 7

 C. The Deposit Sweep Program Fails to Pay Reasonable Interest Rates..... 8

 D. The Deposit Sweep Program Benefits Robinhood Rather Than Its Customers..... 11

 E. Robinhood’s Disclosures to Its Customers Contained Material Misrepresentations and Omissions..... 13

V. CLASS ACTION ALLEGATIONS..... 16

VI. CLAIMS FOR RELIEF..... 18

 COUNT I Breach of Fiduciary Duty 18

 COUNT II Gross Negligence..... 20

 COUNT III Negligent Misrepresentations and Omissions 21

 COUNT IV Breach of Implied Covenant of Good Faith and Fair Dealing 22

 COUNT V Violation of California Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* – Unfair or Fraudulent Business Practices..... 23

VII. PRAYER FOR RELIEF 25

VIII. DEMAND FOR JURY TRIAL 25

1 Plaintiff Basudeb Dey (“Plaintiff”) brings this class action against Robinhood Markets, Inc.,
 2 and its wholly-owned subsidiaries, Robinhood Financial, LLC, and Robinhood Securities, LLC,
 3 (collectively, “Robinhood,” and the “Defendants”), individually and on behalf of the Class (defined
 4 below).¹

5 I. INTRODUCTION

6 1. Plaintiff brings this action to recover damages arising out of Robinhood’s unlawful
 7 conduct related to its IntraFi Network Deposit Sweep Program (the “Deposit Sweep Program,” or the
 8 “Program”), by which Robinhood automatically transfers cash from its customers’ brokerage
 9 accounts into interest-bearing deposit accounts selected by Robinhood at other financial institutions,
 10 referred to as the “Program Banks.”²

11 2. Ostensibly, the purpose of the Deposit Sweep Program is to provide customers with
 12 Federal Deposit Insurance Corporation (“FDIC”) insurance and interest on their uninvested cash.

13 3. Robinhood used its Deposit Sweep Program to generate substantial returns on its
 14 customers’ cash, almost none of which was returned to its customers in the form of reasonable interest
 15 on their deposits. While asserting that it operates the Deposit Sweep Program as its customers’ agent,
 16 Robinhood retains *nearly all* the returns its customers’ cash generates. Robinhood does this by
 17 offering an unreasonably low interest rate on cash in its Deposit Sweep Program—currently 0.01%—
 18 to its customers, even as competing financial institutions offer interest rates more than 450 times
 19 higher on their own customers’ swept cash.

21 ¹ The allegations herein are based on personal knowledge as to Plaintiff’s own conduct, and are made
 22 on information and belief as to all other matters, based on an investigation by counsel, which included
 23 a review of documents created and distributed by Defendants; filings with the U.S. Securities and
 24 Exchange Commission (“SEC”); SEC rules and regulations; and other publicly available
 commentary, analysis, and information. Upon information and belief, Plaintiff submits that discovery
 will further support the allegations in this Class Action Complaint (“Complaint”).

25 ² The “Program Banks” include Goldman Sachs Bank USA, HSBC Bank USA, N.A., Wells Fargo
 26 Bank, N.A., Citibank, N.A., Bank of Baroda, U.S. Bank, N.A., Bank of India, Truist Bank, M&T
 27 Bank, First Horizon Bank, EagleBank, and CIBC Bank USA. On or after October 31, 2024, BNY
 28 Mellon, N.A. will be included as a Program Bank. On or after November 22, 2024, Morgan Stanley
 Bank, N.A. and Morgan Stanley Private Bank, N.A. will also be included as a Program Bank. *See*
 “Which banks are in our network?,” Robinhood,
[https://robinhood.com/us/en/support/articles/deposit-sweep-
 program/#Whichbanksareinyournetwork](https://robinhood.com/us/en/support/articles/deposit-sweep-program/#Whichbanksareinyournetwork) (last visited Oct. 22, 2024).

1 4. The Deposit Sweep Program is primarily a source of income for Robinhood. While its
2 customers receive unreasonable, below-market interest rates on cash held in the Program, Robinhood
3 profits significantly. In 2023 alone, Robinhood earned \$120 million from the Deposit Sweep
4 Program.

5 5. Robinhood designed, implemented, and operated the Deposit Sweep Program to
6 benefit itself at the expense of its customers. Plaintiff, individually and on behalf of the Class, brings
7 this class action to remedy the significant financial harm caused by Robinhood's use of its Deposit
8 Sweep Program to enrich itself at the expense of its customers, and asserts claims against Robinhood
9 for breach of fiduciary duty, gross negligence, breach of the implied covenant of good faith and fair
10 dealing, negligent misrepresentations and omissions, and violation of the California Unfair
11 Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.*

12 **II. JURISDICTION AND VENUE**

13 6. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C.
14 § 1332(d)(2). The matter in controversy, exclusive of interest and costs, exceeds the sum or value of
15 \$5,000,000 and is a class action in which there are more than 100 Class members, Plaintiff is a citizen
16 of a different state than one or more Defendants, and greater than two-thirds of the Class reside in
17 states other than the state in which Defendant Robinhood Markets, Inc. is a citizen.

18 7. This Court has personal jurisdiction over each of the Defendants. Defendants
19 purposefully directed their business activity toward this District and maintained substantial contacts
20 in this District and throughout the United States. Defendants' conduct has had the intended effect of
21 causing injury to individuals and companies residing in or doing business throughout the United
22 States, including in this District. Additionally, at all relevant times, Defendant Robinhood Markets,
23 Inc. was headquartered in this District.

24 8. Venue is appropriate within this District under 28 U.S.C. § 1391. At all relevant times,
25 Defendants transacted business within this District and/or had agents in and/or that can be found in
26 this District and engaged in a substantial portion of the activity at issue in this Complaint in this
27 District.

1 9. No other forum would be more convenient for the parties and witnesses to litigate this
2 case.

3 **III. PARTIES**

4 **A. Plaintiff**

5 10. Plaintiff Basudeb Dey (“Plaintiff”) is a citizen of California and resides in Oakland,
6 California. Plaintiff has been a retail customer of Robinhood since 2018, when he initially opened a
7 brokerage account with Robinhood. At all relevant times, Robinhood automatically swept uninvested
8 cash balances from Plaintiff’s Robinhood brokerage account to a deposit account with a Program
9 Bank as part of the Deposit Sweep Program. When there was a balance in Plaintiff’s deposit account,
10 Robinhood paid interest to Plaintiff on his funds in the Deposit Sweep Program. Currently, Plaintiff
11 is receiving monthly interest payments at a rate of 0.01% on cash balances maintained in the Deposit
12 Sweep Program.

13 **B. Defendants**

14 11. Defendant Robinhood Markets, Inc. (“Robinhood Markets”) is a Delaware
15 corporation, with its principal executive offices located in Menlo Park, California. Robinhood
16 Markets facilitates the purchase and sale of options, cryptocurrencies, and equities through its mobile
17 application and its website by routing transactions through market makers who are responsible for
18 trade execution.

19 12. Defendant Robinhood Financial, LLC (“Robinhood Financial”), a wholly-owned
20 subsidiary of Robinhood Markets, is a Delaware corporation with its principal executive offices
21 located in Lake Mary, Florida. Robinhood Financial is a registered broker-dealer with the SEC, a
22 member firm of the Financial Industry Regulatory Authority (“FINRA”), and a member of the
23 Securities Investor Protection Corporation.

24 13. Defendant Robinhood Securities, LLC (“Robinhood Securities”), a wholly-owned
25 subsidiary of Robinhood Markets, is a Delaware corporation with its principal executive offices
26 located in Lake Mary, Florida. Robinhood Securities is a registered broker-dealer with the SEC, a
27 member firm of FINRA, and a member of the Securities Investor Protection Corporation.

1 **IV. FACTUAL ALLEGATIONS**

2 14. Robinhood operates a financial services platform through which it provides brokerage
3 services to retail customers through its wholly-owned subsidiaries Robinhood Financial and
4 Robinhood Securities. Robinhood’s brokerage services allow its customers to trade U.S.-listed stocks
5 and exchange traded funds, as well as related options and American Depository Receipts. Robinhood
6 provides those brokerage services through Robinhood Financial and Robinhood Securities, who are
7 each registered broker-dealers with the SEC.

8 15. Robinhood was founded “on the belief that everyone should be welcome to participate
9 in our financial system,” and has sought to make investing in securities and cryptocurrency accessible
10 to everyone “regardless of their wealth, income, or background.”³

11 16. Robinhood acknowledges that many of its customers are new users of brokerage
12 services, including “millions of . . . customers [who] have used Robinhood to enter the financial
13 markets for the first time.”⁴

14 17. When a customer signs up for an account with Robinhood, they enter into a customer
15 agreement with Robinhood (the “Customer Agreement”).⁵

16 18. The Customer Agreement contains a choice of law provision that provides, in relevant
17 part, that all aspects of the agreement shall be governed and enforced by the laws of the State of
18 California.

19 **A. Robinhood’s Deposit Sweep Program**

20 19. A sweep program is a “service provided by a broker or dealer where it offers to its
21 customer the option to automatically transfer free credit balances in the securities account of the
22 customer to either a money market mutual fund product . . . or an account at a bank whose deposits
23 are insured by the Federal Deposit Insurance Corporation.” *See* 17 C.F.R. § 240.15c3-3(a)(17) (2024).

24 20. Sweep deposits provide an important source of capital for banks. Banks can use the
25 deposits for general corporate purposes, including making loans or investing in government

26 ³ Robinhood Markets, Inc., Annual Report (Form 10-K) (Feb. 21, 2023).

27 ⁴ *Id.*

28 ⁵ Robinhood Financial LLC & Robinhood Securities, LLC Customer Agreement (revised July 22, 2024).

1 securities. The difference between the interest rate paid on a sweep account and the interest rate
2 earned by a bank contributes to the bank’s net interest income.

3 21. Robinhood operates a cash sweep program for its customers. Under the Program,
4 Robinhood automatically transfers uninvested cash balances in customers’ brokerage accounts into
5 interest-bearing deposit accounts at one or more of the Program Banks. Customers may enroll in the
6 Deposit Sweep Program upon opening a Robinhood account or at any time thereafter.

7 22. Once enrolled in the Deposit Sweep Program, customers rely on Robinhood to
8 negotiate the interest rates they receive on their swept cash and to open the deposit accounts where
9 the cash should be held at the Program Banks.

10 23. Robinhood operates the Deposit Sweep Program ostensibly to “provide[] additional
11 value to [its] brokerage customers by allowing them to earn interest on uninvested brokerage cash
12 swept to [its] [P]artner [B]anks” and to provide FDIC insurance to customers for cash held in the
13 Program.⁶

14 24. Under the Deposit Sweep Program, interest compounds daily on customers’ cash, and
15 Robinhood pays interest payments to customers monthly.

16 **B. Robinhood’s Duties to Its Retail Investor Clients**

17 25. Robinhood owes duties to its customers arising from federal regulations as well as
18 from its agency relationship with customers as defined by the IntraFi Network Deposit Sweep
19 Program Agreement (the “Deposit Sweep Program Agreement”) and the Customer Agreement,
20 (collectively, the “Account Agreements”).

21 **1. Robinhood’s Duties Under Regulation Best Interest**

22 26. Where Robinhood is acting in its capacity as a broker-dealer, as it does when it offers
23 brokerage services, it “shall act in the best interest of the retail customer at the time [a]
24 recommendation is made, without placing the financial or other interest of the broker, dealer . . .
25 ahead of the interest of the retail customer.” *See* Regulation Best Interest (“Reg. BI”), 17 C.F.R.
26 § 240.151-1 (2019).

27
28 ⁶ Robinhood Markets, Inc., Annual Report (Form 10-K) (Feb. 21, 2023).

1 27. Reg. BI incorporates “key principles underlying fiduciary obligations.” 84 Fed. Reg.
2 33318, 33320 (July 12, 2019). Reg. BI and common law principles of fiduciary obligations “generally
3 yield substantially similar results in terms of the ultimate responsibilities owed to retail investors.”⁷

4 28. Under Reg. BI, the investor “will be entitled to a recommendation . . . or advice . . .
5 that is in the best interest of the retail investor and that does not place the interests of the firm or the
6 financial professional ahead of the interests of the retail investor.” 84 Fed. Reg. 33318, 33321.

7 29. Reg. BI consists of a “General Obligation,” which states, “[w]hen making a
8 recommendation, a broker-dealer must act in the retail customer’s best interest and cannot place its
9 own interests ahead of the customer’s interests.” 84 Fed. Reg. 33318, 33320.

10 30. Within the General Obligation are more specific duties, including disclosure duties
11 and a duty to avoid and disclose conflicts of interest.

12 31. These specific duties require disclosure of “all material facts relating to conflicts of
13 interest. . . that might incline a broker-dealer to make a recommendation that is not disinterested,
14 including, for example, conflicts associated with proprietary products, payments from third parties,
15 and compensation arrangements.” 84 Fed. Reg. 33318, 33321.

16 32. One component of a broker-dealer’s duty to disclose conflicts of interest concerns
17 compensation. “The receipt of higher compensation for recommending some products rather than
18 others, whether received by the broker-dealer, the associated person, or both, is a fundamental and
19 powerful incentive to favor one product over another.” 84 Fed. Reg. 33318, 33364.

20 33. Pursuant to Reg. BI, Robinhood is and was required to act in the best interests of its
21 clients when recommending an account type—including a cash sweep account—to its clients,
22 including “understanding of the characteristics of a particular type of account [and] should consider,
23 without limitation, factors such as the services and products provided in the account (including
24 ancillary services provided in conjunction with an account type).”⁸

25
26 ⁷ *Staff Bulletin: Standards of Conduct for Broker-Dealers and Investment Advisers Care Obligations*,
27 SEC (Oct. 17, 2024), <https://www.sec.gov/about/divisions-offices/division-trading-markets/broker-dealers/staff-bulletin-standards-conduct-broker-dealers-investment-advisers-account-recommendations-retail>.

28 ⁸ *Staff Bulletin*, *supra* note 7.

1 34. The SEC recently reiterated that compensation, revenue, and other benefits from cash
2 sweep programs give rise to a conflict of interest for both broker-dealers and investment advisers.⁹

3 35. Under Reg. BI, Robinhood was and is prohibited from elevating its own interest above
4 their clients' interests, and was and is obligated to avoid conflicts with clients' interests and to
5 disclose material facts concerning any conflicts that may exist.

6 36. Robinhood's placement of uninvested cash from Plaintiff's and the Class's brokerage
7 accounts into deposit accounts at the Program Banks as a part of the Deposit Sweep Program
8 constitutes a "recommendation" within the scope of Reg. BI, and as a result, Robinhood was required
9 to act in the best interests of its client when making that recommendation, to adequately disclose the
10 fees it was receiving in connection with the Program, and to adequately disclose the benefit
11 Robinhood was receiving from holding customer cash in deposit accounts at Partner Banks as part of
12 the Program.

13 **2. Robinhood's Duties Pursuant to Its Relationship with Deposit Sweep**
14 **Program Customers**

15 37. The Deposit Sweep Program Agreement describes Robinhood's relationship with
16 customers for the purpose of operating the Deposit Sweep Program.

17 38. Under the Deposit Sweep Program Agreement, Robinhood agrees to act as its
18 customers' agent, stating that Robinhood "*as your agent* . . . will deposit the available cash in your
19 [brokerage account] into Deposit Accounts in each Program Bank[.]"¹⁰ (emphasis added).

20 39. Additionally, the Deposit Sweep Program Agreement explains:

21 You will not have a direct account relationship with the Program Banks.

22 Robinhood, as your agent, will establish the Deposit Accounts for you at each

23 Program Bank and make deposits to and withdrawals from the Deposit Accounts.¹¹

24
25 _____
⁹ *Staff Bulletin*, *supra* note 7.

26 ¹⁰ *Robinhood Securities, LLC & Robinhood Financial LLC Insured Network Deposit Sweep Program*
27 *Disclosures* at 1-2, https://assets.ctfassets.net/5ft2qdzfrz9o/gOU8DA8wKmlEyQRBNEB0C/d0d96aae60f8e247de68e40b5e53039/Insured_Network_Deposit_Sweep_Program_Disclosures.pdf
(last visited Oct. 22, 2024).

28 ¹¹ *Id.* at 2.

1 40. Moreover, the Deposit Sweep Program Agreement highlights the fact that Robinhood
2 exercises discretion with regard to the Deposit Sweep Program and the fees it retains for itself before
3 paying interest to customers using the Program:

4 Each Program Bank will pay Robinhood a fee equal to a percentage of the daily
5 deposit balance in your Deposit Accounts at the Program Bank. . . . In its discretion,
6 Robinhood may change the fee or range of fees, and may vary the amount of the
7 change among clients. The fee may vary from Program Bank to Program Bank. The
8 amount of the fee received by Robinhood will affect the interest rate paid by the
9 Program Bank on your Deposit Accounts.¹²

10 41. The Deposit Sweep Program Agreement further acknowledges that Robinhood is
11 merely a “custodian” for its customers with regard to their cash held in the Deposit Sweep Program,
12 with the customers being the beneficial owners of that cash.

13 42. Because Robinhood acts as its customers’ agent for the purposes of establishing
14 deposits accounts, making deposits, and making withdrawals under the Deposit Sweep Program and
15 exercises discretion in carrying out its duties as agent, Robinhood owes fiduciary duties to customers
16 enrolled in the Deposit Sweep Program.

17 43. Additionally, under California law a covenant of good faith and fair dealing is implied
18 in every contract and prevents one party from unfairly frustrating the other party’s right to receive
19 the benefits of the contract.

20 44. Accordingly, by entering into the Account Agreements, Robinhood established a
21 covenant of good faith and fair dealing with its customers.

22 **C. The Deposit Sweep Program Fails to Pay Reasonable Interest Rates**

23 45. Despite its duties to act in its customers’ best interest, Robinhood fails to pay to or
24 secure a reasonable rate of interest on cash balances in the Deposit Sweep Program.

25
26
27
28

¹² *Id.* at 6.

1 46. For example, as of October 24, 2024, the interest rates Robinhood paid or secured for
2 cash deposits in the Deposit Sweep Program were 0.01% for Robinhood customers, unless they paid
3 a monthly fee to obtain a Gold account.¹³

4 47. The interest rates Robinhood paid or secured for cash deposits in the Deposit Sweep
5 Program for non-Gold members have been consistently low:

From	To	Robinhood Annual Percentage Yield
June 2022	August 2022	1.00%
August 2022	May 2024	1.50%
May 2024	Present	0.01%

6
7
8
9
10 48. The interest rates that Defendants paid to or secured for its clients in its Deposit Sweep
11 Program during the period that Plaintiff maintained accounts with Robinhood were materially the
12 same as those set forth in the preceding paragraph.

13 49. The interest rates Robinhood pays to or secures for its clients in the Deposit Sweep
14 Program violate Robinhood's duties to its clients because the rates are unreasonably low, with
15 Robinhood pocketing a substantial fee from the interest earned on its customers' cash, constituting a
16 breach of Robinhood's fiduciary duties to its clients and falling below the standard of care set out in
17 Reg BI. Robinhood's practice further violates the covenant of good faith and fair dealing.

18 50. In 2003, the Department of Labor (the "DOL") provided the following definition of a
19 "reasonable" rate of interest when issuing an exemption to certain transaction restrictions. 68 Fed.
20 Reg. 34646, 34648 (June 10, 2003). The DOL explained that a reasonable rate of interest is
21 determinable by reference to, *inter alia*, short term rates "offered by other banks," "those available
22 from money market funds," "or by reference to a benchmark such as sovereign short-term debt (*e.g.*,
23 in the U.S., treasury bills)." *Id.*

24
25
26
27
28
¹³ Robinhood Gold is a monthly subscription service that customers may purchase for a flat recurring fee. In addition to providing high interest rates on swept cash, a Gold account provides customers with a higher match on IRA contributions, the ability to access larger deposits instantly, more favorable rates on margin investing, professional research, and market data. Approximately 8% of all Robinhood accountholders pay for Gold accounts.

1 51. The rates offered through the Deposit Sweep Program are significantly lower than
 2 sweep programs at other financial institutions. For example, the following chart compares
 3 Robinhood’s Deposit Sweep Program’s rates with those of three comparable programs:

4 Robinhood Sweep Rate¹⁴	5 Vanguard Sweep Rate¹⁵	6 Interactive Brokers Sweep Rate¹⁶	7 Fidelity Sweep Rate¹⁷
8 0.01%	9 4.15%	10 4.33%	11 4.56%

12 52. Thus, other financial institutions that use sweep programs pay or secure significantly
 13 higher rates than Robinhood—in some instances, even more than 450 times higher.

14 53. Likewise, money market fund rates also provide a benchmark for determining what
 15 constitutes a “reasonable rate” and / or a reasonable alternative investment for clients’ cash.

16 54. Some of Robinhood’s competitors automatically sweep any uninvested cash deposited
 17 in its clients’ accounts into money market funds that earn comparably high rates of interest. For
 18 example, by default, Fidelity sweeps uninvested cash in its retail clients’ accounts into a money
 19 market fund currently earning 4.56%.¹⁸

20 55. Robinhood’s interest rates for deposits in its Deposit Sweep Program are also
 21 astonishingly low in comparison to short term U.S. Treasury rates. For example, the 1-Month U.S.
 22 Treasury Rate on October 23, 2024 was 4.88%, compared to Robinhood’s rates under the Deposit
 23 Sweep Program of 0.01% that same day.

24 56. In fact, while Robinhood’s interest rates under the Deposit Sweep Program have
 25 ranged from 0.01% to 1.5% from June 2022 to present, the 1-Month U.S. Treasury Rate has exceeded
 26 1.5% and reached over 5% during that same period:

27 ¹⁴ See *What does it mean to earn more interest?*, Robinhood, <https://robinhood.com/us/en/support/articles/what-does-it-mean-to-earn-more-interest/> (last visited Oct. 24, 2024).

28 ¹⁵ See *Vanguard Cash Plus Account*, Vanguard, <https://investor.vanguard.com/accounts-plans/vanguard-cash-plus-account> (last visited Oct. 24, 2024).

¹⁶ See *Safeguard Your Assets with Our Insured Bank Deposit Sweep Program*, InteractiveBrokers, <https://www.interactivebrokers.com/en/accounts/sweep-program.php> (last visited Oct. 24, 2024); *Interest Rates*, InteractiveBrokers, <https://www.interactivebrokers.com/en/accounts/fees/pricing-interest-rates.php> (last visited Oct. 24, 2024).

¹⁷ *Help your cash work harder*, Fidelity, <https://www.fidelity.com/go/manage-cash-rising-costs> (last visited Oct. 24, 2024).

¹⁸ See *id.*



11 **Yield Curve**

12
13 57. Robinhood's Deposit Sweep Program interest rates are also far below the Federal
14 Reserve's benchmark federal funds rates, currently at 4.75% to 5.00%

15 58. Most egregiously, Robinhood itself pays a 4.5% interest rate on cash balances in the
16 Deposit Sweep Program to the approximately 8% of its customers who pay a monthly fee for Gold
17 accounts. The fact that it offers this interest rate on swept cash to a subset of its customer base
18 illustrates that Robinhood is able to secure much higher interest rates on funds deposited with the
19 Program Banks than it pays to Plaintiff and the Class and underscores the unreasonableness of the
20 interest rates it pays to Class members. And, as described in more detail below, Robinhood
21 improperly reaping substantial benefits from its Deposit Sweep Program at its customers' expense.

22 **D. The Deposit Sweep Program Benefits Robinhood Rather Than Its Customers**

23 59. The Deposit Sweep Program primarily benefits Robinhood at the expense of Plaintiff
24 and the Class.

25 60. Robinhood has devised a scheme by which it generates significant profits for itself
26 using clients' cash balances in the Deposit Sweep Program. The scheme is devised to maximize
27 profits for Robinhood while at the same time disregarding its clients' best interest.
28

1 61. Robinhood directs all accounts participating in the Deposit Sweep Program to its
2 Program Banks. The Program Banks earn interest revenue on the cash deposits held as part of the
3 Deposit Sweep Program. There is a significant difference, or “spread,” between what the Program
4 Banks earn on the deposits in the Deposit Sweep Program and the interest that Robinhood pays to
5 Plaintiff and the Class on those deposits. This spread is pocketed by the Robinhood and its Partner
6 Banks in the form of net interest income, despite the fact that Robinhood is acting as an agent and
7 fiduciary for Plaintiff and the Class.

8 62. Instead of exercising its discretion to benefit Plaintiff and the Class, Robinhood
9 exercises its discretion with regard to the operation of the Deposit Sweep Program to benefit itself.

10 63. While the Program Banks are not fiduciaries of those customers and can establish
11 whatever “spread” they could negotiate in arm’s length transactions with its depositors, Robinhood
12 is a fiduciary of those customers, and in that capacity is required to put its customers’ interests first
13 while negotiating and entering into transactions with Program Banks regarding the Deposit Sweep
14 Program.

15 64. Robinhood’s scheme allows Robinhood to boost its income by paying to Plaintiff and
16 the Class an unreasonably low interest rate that constitutes only a miniscule fraction of the return
17 produced by cash held in their deposit accounts as part of the Deposit Sweep Program.

18 65. Indeed, Robinhood’s net revenue is heavily impacted by its net interest income.

19 66. Robinhood’s SEC filings recognize the importance of net interest income on earnings.
20 In its annual report filed with the SEC on February 27, 2024, Robinhood clearly states that “[i]nterest
21 rates are the key driver of our net interest income” and as interest rates increase “interest income has
22 contributed an increasing share of our total net revenues, net income (loss), and cash flows.”¹⁹

23 67. Moreover, during earning calls with investors, Robinhood executives have admitted
24 that holding money in the cash sweep program has created a substantial benefit for the company.
25 Specifically, during an earnings call with investors on August 7, 2024, Robinhood’s Chief Financial
26 Officer Jason Warnick highlighted the amount of interest-earning assets in the program as a strength
27

28 ¹⁹ Robinhood Markets, Inc., Annual Report (Form 10-K) (Feb. 27, 2024).

1 in the face of interest rate cuts, explaining, “the spread we earn there is relatively fixed, which
2 minimizes the impact of changes in [interest] rates.”²⁰

3 68. In fact, in 2023, Robinhood earned \$123 million in revenue from cash held in the
4 Deposit Sweep Program, while Plaintiff and the Class were paid *de minimis* interest payments for this
5 cash. And, in the first half of 2024, Robinhood generated \$83 million in net interest revenue from
6 cash held in the Deposit Sweep Program.

7 69. The rates paid by Robinhood to its customers pursuant to the Deposit Sweep Program
8 violate Robinhood’s duties to its customers because these rates are not reasonable, which constitutes
9 a breach of Robinhood’s duties to its customers.

10 70. Robinhood’s continual sweep of Plaintiff’s and the Class’s cash into the Deposit
11 Sweep Program constitutes a continuing wrong and was a continuing breach of Robinhood’s duties
12 to Plaintiff and the Class. Each time Robinhood places Plaintiff’s and the Class’s cash into the Deposit
13 Sweep Program, Robinhood newly injures Plaintiff and the Class.

14 **E. Robinhood’s Disclosures to Its Customers Contained Material**
15 **Misrepresentations and Omissions**

16 71. The Robinhood Customer Agreement, Deposit Sweep Program Agreement, the
17 Robinhood Customer Relationship Summary, and Regulation Best Interest Disclosure (together, the
18 “Deposit Sweep Disclosures”) apply to the Deposit Sweep Program.

19 72. For example, pursuant to the Deposit Sweep Program Agreement, “[t]he interest rates
20 paid with respect to the Deposit Accounts at a Program Bank *may be* higher or lower than the interest
21 rates available to depositors making deposits directly with the Program Bank or other depository
22 institutions in comparable accounts, or other options in which you can invest free credit balances.”²¹
23 (emphasis added). This statement is false and misleading because, as Robinhood knew at the time,
24
25

26 ²⁰ Swayta Shah, *Will Interest Rate Cuts Hurt Robinhood and Halt HOOD Stock Rally?*, yahoo!finance
27 (Sept. 30, 2024), <https://finance.yahoo.com/news/interest-rate-cuts-hurt-robinhood-123700504.html>.

28 ²¹ *IntraFi Network Deposit Sweep Program Agreement* at 8, Robinhood, <https://cdn.robinhood.com/assets/robinhood/legal/IntraFi%20Network%20Deposit%20Sweep%20Program%20Agreement.pdf> (last visited Oct. 22, 2024).

1 the interest rate paid to Plaintiff and Class members will be lower than yields on essentially any other
2 available cash alternatives.

3 73. Similarly, the same agreement states that “the interest rates on the Deposit Accounts
4 will be determined by the amount the Program Banks are willing to pay on the Deposit Accounts
5 minus the fees, if any, paid to Robinhood.”²² This statement is false and misleading because, it
6 indicates that the customer should expect the interest rate to be an amount determined by a reasonable
7 arms-length negotiation between Robinhood and the Partner Banks based on the prevailing interest
8 rate environment. It further implies that Robinhood would reduce the amount Partner Banks were
9 willing to pay by reasonable “fees,” rather than significantly depress the amount of interest ultimately
10 paid to customers to keep the lion’s share for itself.

11 74. The fact that customers with Gold accounts currently receive 4.5% interest on swept
12 cash demonstrates that Program Banks are willing to pay hundreds of times more interest than
13 Plaintiff and the Class receive and also demonstrate that the interest rates received by Plaintiff and
14 Class in reality bear almost no relation to “the amount the Program Banks are willing to pay.”²³

15 75. The Deposit Sweep Disclosures also fail to disclose the interest rates that the Deposit
16 Sweep Program offers, instead only directing clients to their website.

17 76. Moreover, in the Deposit Sweep Program Agreement, Robinhood states that “interest
18 rates on the Deposit Accounts *will vary based upon prevailing economic and business conditions.*”²⁴
19 (emphasis added). This statement is false and misleading because it indicates that the customer should
20 expect the rates they are paid to be driven by the economic and business climate, including prevailing
21 market interest rates. In reality even as prevailing interest rates climbed to their highest in over twenty
22 years, Plaintiff and Class members were paid significantly below-market interest rates, as the rates
23 paid to them were instead based on Robinhood’s ability to generate revenue for itself.

24 77. Additionally, the Deposit Sweep Program Agreement explains that the “fee paid to
25 Robinhood, if any, will affect the interest rate paid” to deposit accounts and that the fees “will affect

26
27 ²² *Id.* at 7.

28 ²³ *Id.*

²⁴ *Id.* at 3.

1 the interest rate paid by the Program Bank[s]” to Robinhood clients participating in the Deposit
2 Sweep Program.²⁵

3 78. These disclosures omit the amount of fees paid to Robinhood as well as the proportion
4 of any interest earned retained by Robinhood and/or the Program Banks. Rather than disclosing the
5 details of the fee arrangements it had negotiated with the Program Banks, Robinhood only directs
6 that customers may request information about its compensation arrangements with Program Banks.

7 79. Similarly, Robinhood discloses that “[e]ach Program Bank will pay Robinhood a fee
8 equal to a percentage of the daily deposit balance in your Deposit Accounts at the Program Bank
9 The amount of the fee received by Robinhood will affect the interest rate paid by the Program Bank
10 on your Deposit Accounts,” but omits the actual proportions of the returns that Robinhood receives
11 as opposed to the customer.²⁶

12 80. Additionally, in its Regulation Best Interest Disclosure, Robinhood recognizes that
13 “[w]hen Robinhood makes a Recommendation to you, it is doing so as a broker-dealer, and the
14 Recommendation will be made in your best interest, without placing the interest of Robinhood ahead
15 of your interests.”²⁷ This statement is false and misleading because, when making the
16 recommendations to allocate customer funds to the Deposit Sweep Program generally as well as to a
17 given deposit account at a Program Bank, Robinhood places its interests ahead of its’ customers’
18 interest by placing customers’ money into an account that allows Robinhood and/or its Partner Banks
19 to collect virtually all of the spread made from the customer’s deposit.

20 81. Unbeknownst to Robinhood’s customers enrolled in the Deposit Sweep Program, their
21 agent, Robinhood, enabled the Deposit Sweep Program to function as a highly profitable arbitrage
22 operation, with the Program Banks taking advantage of the nearly free cash funneled to them by
23 Robinhood as agent of its customers, and Robinhood and its Program Banks retaining the vast
24 majority of the profits they generate with that cash rather than providing customers with reasonable
25 interest rates.

26 ²⁵ *Id.* at 3, 10.

27 ²⁶ *Id.* at 10.

28 ²⁷ *Regulation Best Interest Disclosure: Investment Recommendations* at 1, Robinhood,
<https://cdn.robinhood.com/assets/robinhood/legal/reg-bi-disclosure.pdf> (last visited Oct. 22, 2024).

1 **V. CLASS ACTION ALLEGATIONS**

2 82. Plaintiff brings this action pursuant to Federal Rules of Civil Procedure 23(a) and
3 23(b)(2), and (b)(3) on behalf of the following Class (the “Class”):

4 All persons holding Robinhood accounts who had cash deposits in one or more
5 Program Banks pursuant to Robinhood’s Deposit Sweep Program, excluding
6 persons with Robinhood Gold accounts.

7 83. Excluded from the Class are Defendants and their parents, subsidiaries, and corporate
8 affiliates; governmental entities. Plaintiff reserves the right to revise the definition of the Class based
9 upon subsequently discovered information and reserve the right to establish Sub-Classes where
10 appropriate.

11 84. Members of the Class are so numerous that joinder of all members is impracticable.
12 The precise number of Class members and their identities are unknown to Plaintiff at this time.
13 Plaintiff believes that there are at least millions of proposed members of the Class throughout the
14 United States. As of October 3, 2024, Robinhood has 24.2 million funded customers. The Class may
15 be identified from Defendants’ business records.

16 85. Common questions of law and fact exist as to all the Class members and predominate
17 over any issues solely affecting individual Class members. The common and predominating questions
18 of law and fact, each of which may also be certified under Rule 23(c)(4), include, but are not limited
19 to:

- 20 a. Whether Robinhood owed fiduciary duties to Plaintiff and the Class in connection
21 with the Deposit Sweep Program;
- 22 b. Whether Robinhood owed duties to the Class pursuant to Reg BI in connection
23 with the Deposit Sweep Program;
- 24 c. Whether Robinhood breached its duties to Plaintiff and the Class in establishing,
25 maintaining, and/or operating the Deposit Sweep Program;
- 26 d. Whether Robinhood’s disclosures about the Deposit Sweep Program contained
27 material misrepresentations and/or omissions;
- 28

- e. Whether Robinhood breached the implied covenant of good faith and fair dealing with Plaintiff and the Class regarding the Deposit Sweep Program;
- f. Whether Robinhood violated the California Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200;
- g. Whether this case may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure;
- h. Whether damages, restitution, equitable, injunctive, compulsory, or other relief is warranted;
- i. Whether and to what extent Plaintiff and the Class are entitled to recover attorneys' fees and costs.

86. Plaintiff's claims are typical of the claims of the Class that Plaintiff seeks to represent. As alleged herein, Plaintiff and the Class sustained damages arising out of the same unlawful actions and conduct by Defendants.

87. Plaintiff is willing and prepared to serve the Class in a representative capacity with all of the obligations and duties material thereto. Plaintiff will fairly and adequately protect the interests of the Class and have no interests adverse to or in conflict with the interests of the other the Class.

88. Plaintiff's interests are co-extensive with and are not antagonistic to those of absent members within the Class. Plaintiff will undertake to represent and protect the interests of absent members within the Class and will vigorously prosecute this action.

89. Plaintiff has engaged the services of the undersigned counsel. Counsel is experienced in complex class action litigation, will adequately prosecute this action and will assert and protect the rights of, and otherwise represent, Plaintiff and the absent Class members.

90. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy. Plaintiff knows of no difficulty to be encountered in the management of this litigation that would preclude its maintenance as a class action.

91. The damages or other financial detriment suffered by individual Class members are small compared with the burden and expense that would be entailed by individual litigation of their claims against Defendants. It would thus be virtually impossible for the Class members, on an

1 individual basis, to obtain effective redress for the wrongs done them. Individualized litigation would
2 also increase the delay and expense to all parties and the court system from the issues raised by this
3 action. By contrast, the class action device provides the benefits of adjudication of these issues in a
4 single proceeding, economies of scale, and comprehensive supervision by a single court, and presents
5 no unusual management difficulties under the circumstances here.

6 92. Superiority is particularly satisfied in these circumstances, where the law of a single
7 state will apply to all state law claims. Under the uniform contract terms with Robinhood, the law of
8 California will apply to each Class member's claims, allowing the Court to adjudicate the claims of
9 all Class under a single state analysis.

10 93. Class action status is warranted under Rule 23(b)(3) because questions of law or fact
11 common to the Class predominate over any questions affecting only individual members, and a class
12 action is superior to other available methods for the fair and efficient adjudication of this controversy.

13 94. The Class may also be certified under Rule 23(b)(2) because Defendants have acted
14 on grounds generally applicable to the Class, thereby making it appropriate to award final injunctive
15 relief or corresponding declaratory relief with respect to the Class.

16 95. The interest of members within the Class individually controlling the prosecution of
17 separate actions is theoretical and not practical. The Class have a high degree of similarity and are
18 cohesive, and Plaintiff anticipates no difficulty in the management of this matter as a class action.

19 96. The nature of notice to the proposed Class is contemplated to be by direct mail upon
20 certification of the Class or, if such notice is not practicable, by the best notice practicable under the
21 circumstance including, *inter alia*, email, publication in major newspapers, and/or on the internet.

22 VI. CLAIMS FOR RELIEF

23 COUNT I

24 Breach of Fiduciary Duty

25 97. Plaintiff incorporates by reference and re-alleges the allegations contained in the
26 preceding paragraphs of this Complaint.

27 98. Plaintiff brings this cause of action individually and on behalf of all Class members
28 against all Defendants.

1 99. At all relevant times, Robinhood owed fiduciary duties to Plaintiff and the Class in
2 connection with the Deposit Sweep Program. Such duties independently arose out of (1) the agency
3 relationship between Robinhood, on one hand, and Plaintiff and the Class on the other hand, as to the
4 Program; (2) Robinhood's exercise of control and discretion over funds that belonged to its
5 customers, related to their cash sweep balances; and/or (3) the applicable industry standards.

6 100. For the purpose of the maintaining and managing the Deposit Sweep Program,
7 Robinhood acted as an agent of Plaintiff and the Class.

8 101. Additionally, under Reg. BI, Robinhood owed duties to Plaintiff and the Class by
9 nature of its broker-dealer relationship with Plaintiff and the Class, and those duties are tantamount
10 to fiduciary obligations for the purposes of this litigation.

11 102. As their fiduciary, Robinhood had a continuing duty to act exclusively for the benefit
12 of Plaintiff and the Class in connection with establishing, maintaining, and/or operating the Deposit
13 Sweep Program.

14 103. As a fiduciary to Plaintiff and the Class, at all relevant times, Robinhood's duties to
15 Plaintiff and the Class included, but were not limited to:

- 16 a. a duty of undivided loyalty;
- 17 b. a duty to act in the best interests of its clients;
- 18 c. a duty of care;
- 19 d. a duty not to place Robinhood's interests above those of its clients;
- 20 e. a duty to avoid conflicts of interest; and
- 21 f. a duty to disclose any conflicts of interest.

22 104. Plaintiff and the Class were fully dependent upon Robinhood's ability, skill,
23 knowledge, and goodwill with respect to the Deposit Sweep Program.

24 105. Robinhood violated each of the foregoing duties when it (1) allocated Plaintiff and the
25 Class's cash into deposit accounts that benefited Robinhood's interests about its customers' interests;
26 and (2) set and paid an unreasonably low rate of interest on Plaintiff and the Class's cash balances in
27 the Deposit Sweep Program through Robinhood's collection of unreasonable fees.

- d. a duty not to place Robinhood's interests above those of its clients;
- e. a duty to avoid conflicts of interest; and
- f. a duty to disclose any conflicts of interest.

114. Plaintiff and the Class were fully dependent upon Robinhood's ability, skill, knowledge, and goodwill with respect to the Deposit Sweep Program.

115. Defendants were not merely negligent; as more fully shown above, they were grossly negligent because their self-serving conduct showed the want of even scant care and/or was an extreme departure from the ordinary standard of conduct.

116. As a direct and proximate consequence of Defendants' conduct as alleged herein, Plaintiff and the Class suffered damages in an amount to be determined at trial and seek disgorgement of any undue and unjust gains of Defendants, punitive damages, as well as all other equitable relief deemed just and proper.

COUNT III

Negligent Misrepresentations and Omissions

117. Plaintiff incorporates by reference and re-alleges the allegations contained in the preceding paragraphs of this Complaint.

118. Plaintiff brings this cause of action individually and on behalf of all Class members against all Defendants.

119. Robinhood was Plaintiff's agent in connection with the Programs and owed Plaintiff a duty of care vis-a-vis the Deposit Sweep Program. Defendants owed Plaintiff and the Class a duty to act with reasonable care in connection with their cash sweep balances deposited and maintained in the Deposit Sweep Program.

120. Robinhood, in the Deposit Sweep Disclosure Documents, with gross negligence omitted material information and made material misrepresentations to its customers about the Deposit Sweep Program.

121. Robinhood's material misrepresentations and omissions concerned critical details of the Program as described above.

1 140. Because of their reliance on Defendants' misrepresentations and omissions of material
2 facts concerning the Programs, Plaintiff and the Class have suffered an ascertainable loss of money,
3 property, and/or value and were harmed and suffered actual damages.

4 141. Defendants owed Plaintiff and the Class a duty to disclose the true information
5 concerning the Programs and to not withhold material facts from Plaintiff and the Class that
6 contradicted its representations.

7 142. Had Plaintiff and the Class been aware of the Defendants' conduct with respect to
8 their customer cash in the Programs, Plaintiff and the Class would not have participated in those
9 investment products or would have done so on different terms.

10 143. The gravity of harm resulting from Defendants' unfair conduct outweighs any
11 potential utility.

12 144. The harm from Defendants' conduct was not reasonably avoidable by Plaintiff and the
13 Class because only Defendants were aware of the true facts concerning the Programs, and Defendants
14 did not disclose these facts, or did not sufficiently disclose them.

15 145. Plaintiff and the Class have suffered injury in fact and have lost money as a direct and
16 proximate result of Defendants' business acts or practices. Monies lost by Plaintiff include, without
17 limitation, the returns on cash positions from the Programs that Defendants improperly earned from
18 Plaintiff's money as set forth above.

19 146. Through its unfair conduct, Defendants acquired money that Plaintiff and the Class
20 was entitled to.

21 147. Under the UCL, Plaintiff may enjoin these acts and practices and obtain restitution of
22 all funds retained by Defendants by reason of and through the use of these acts and practices.

23 148. Plaintiff and the Class accordingly seek appropriate relief under the UCL, including
24 (a) restitution in full and disgorgement of all profits relating to the above-described unfair business
25 acts or practices, and (b) such orders or judgments as may be necessary to enjoin Defendants from
26 continuing its unfair practices.

27 149. Plaintiff and the Class also seek reasonable attorneys' fees and costs under applicable
28 law, including California Code of Civil Procedure § 1021.5.

1 **VII. PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiff, individually and on behalf of all others similarly situated,
3 respectfully request that this Court enter judgment against Defendants and in favor of Plaintiff and
4 the Class, and award the following relief:

- 5 a. An order certifying this action as a class action pursuant to Rule 23 of the Federal
6 Rules of Civil Procedure, declaring Plaintiff as the representative of the Class, and
7 Plaintiff's counsel as counsel for the Class;
- 8 b. An order awarding declaratory relief and enjoining Defendants from continuing the
9 unlawful, deceptive, fraudulent, harmful, and unfair business conduct and practices
10 alleged herein;
- 11 c. Appropriate injunctive and equitable relief;
- 12 d. A declaration that Defendants are financially responsible for all Class notice and the
13 administration of Class relief;
- 14 e. An order awarding costs, restitution, disgorgement, punitive damages, statutory
15 damages, treble damages, and exemplary damages under applicable law, and
16 compensatory damages for economic loss, and out-of-pocket costs in an amount to be
17 determined at trial;
- 18 f. An order requiring Defendants to pay both pre- and post-judgment interest on any
19 amounts awarded;
- 20 g. An award of costs, expenses, and attorneys' fees as permitted by law; and
- 21 h. Such other or further relief as the Court may deem appropriate, just, and equitable.

22 **VIII. DEMAND FOR JURY TRIAL**

23 Pursuant to Federal Rule of Civil Procedure 38(b), Plaintiff demands a trial by jury of any and
24 all issues in this action so triable of right.

25
26
27
28

1 DATED: October 25, 2024

Respectfully submitted,

2 **KESSLER TOPAZ**
3 **MELTZER & CHECK, LLP**

4 */s/ Jennifer L. Joost*

KESSLER TOPAZ
MELTZER & CHECK, LLP

Jennifer L. Joost (Bar No. 296164)

jjoost@ktmc.com

One Sansome Street, Suite 1850

San Francisco, CA 94104

Telephone: (415) 400-3000

Facsimile: (415) 400-3001

8 -and-

9 Joseph H. Meltzer (*pro hac vice* forthcoming)

10 jmeltzer@ktmc.com

Ethan J. Barlieb (*pro hac vice* forthcoming)

11 ebarlieb@ktmc.com

280 King of Prussia Road

12 Radnor, PA 19087

Telephone: (610) 667-7706

13 Facsimile: (610) 667-7056

14 -and-

15 **CARELLA, BYRNE, CECCHI,**
16 **OLSTEIN, BRODY & AGNELLO, P.C.**

James E. Cecchi (*pro hac vice* forthcoming)

17 jcecchi@carellabyrne.com

Michael A. Innes (*pro hac vice* forthcoming)

18 minnes@carellabyrne.com

Kevin G. Cooper (*pro hac vice* forthcoming)

19 kcooper@carellabyrne.com

Grant Y. Lee (*pro hac vice* forthcoming)

20 glee@carellabyrne.com

5 Becker Farm Road

21 Roseland, New Jersey 07068

Telephone: (973)-994-1700

22 Facsimile: (973)-994-1744

23 -and-

24 **CARELLA, BYRNE, CECCHI,**
25 **OLSTEIN, BRODY & AGNELLO, P.C.**

Zachary Jacobs (*pro hac vice* forthcoming)

26 zjacobs@carellabyrne.com

222 S Riverside Plaza

27 Chicago, Illinois 06606

28 -and-

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**CARELLA, BYRNE, CECCHI,
OLSTEIN, BRODY & AGNELLO, P.C.**
Jason H. Alperstein (*pro hac vice* forthcoming)
jalperstein@carellabyrne.com
2222 Ponce De Leon Blvd.
Miami, Florida 33134

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Robinhood Lawsuit Alleges Cash Sweep Program Benefits Company at Customers' Expense](#)
