

Diverse Team To Lead MDL Against Robinhood, Other Brokers

By **Nathan Hale**

Law360 (May 18, 2021, 9:58 PM EDT) -- A diverse group of 10 attorneys will guide investors' claims in multidistrict litigation against stock-trading app Robinhood and other broker-dealers for blocking investors from buying shares of GameStop and other volatile stocks earlier this year, under appointments made by a Florida federal court Tuesday.

Miami-based U.S. District Judge Cecilia M. Altonaga, who is overseeing the MDL, divided the litigation into four tranches, or groups, focused on state law claims against Robinhood, similar claims against other brokers, antitrust claims and federal securities law claims.

The order also established a leadership structure and appointed attorneys to fill those roles for the nonsecurities law claims. Her selections feature a racially and geographically diverse group of attorneys, with women in key roles as lead counsel for the Robinhood tranche and liaison counsel. Young attorneys also hold several positions.

"Judge Altonaga has selected a talented and diverse team of attorneys to lead these classes. I look forward to working with each of them," said Rachel Furst of Grossman Roth Yaffa Cohen PA, who will coordinate administrative matters, compliance with court procedures and communication between the various counsel and the court as liaison counsel.

Judge Altonaga still has to select lead counsel for the securities actions, which follow a specific selection process under law.

The leadership structure will consist of Joseph R. Saveri of Joseph Saveri Law Firm LLP and Frank R. Schirripa of Hach Rose Schirripa & Cheverie LLP as co-lead counsel for the antitrust tranche, Natalia M. Salas of The Ferraro Law Firm PA leading the Robinhood tranche, and Peter Safirstein of Safirstein Metcalf LLP as lead counsel for the other broker tranche.

"This is an important case where thousands of retailer investors were harmed," Saveri, whose firm is in San Francisco, told Law360. "We are honored to be chosen to serve as co-lead counsel along with the other firms chosen. We are looking forward to prosecuting the case and preparing it for trial."

Furst, who is based in South Florida, will serve as liaison counsel.

A five-member steering committee is tasked with ensuring that all class members' interests and positions are represented in the decision-making across the three nonsecurities tranches. It will be led by committee chair Roy T. Willey IV of Anastopoulo Law Firm LLC. Other members are Gabriel A. Assaad of McDonald Worley PC, Jeffrey A. Klafter of Klafter Lesser LLP, Dennis S. Ellis of Browne George Ross O'Brien Annaguey & Ellis LLP and Maurice D. Pessah of Pessah Law Group PC.

"I am honored to chair this plaintiffs' steering committee of lawyers across all of the tranches and work on behalf of so many deserving Americans to restore their faith in the American free market," Willey, who is based in Charleston, South Carolina, told Law360. "Together, we will demonstrate it is not enough to call yourself 'Robinhood' while acting more like the Sheriff of Nottingham."

Judge Altonaga decided on the claims and leadership structure after plaintiffs attorneys on the

nonsecurities side of the case failed to reach agreement among themselves before an April 23 deadline set by the court. The court **received written applications** from 13 individuals and held interviews on Monday as part of the process, according to the order.

Several applicants said in their submissions that a consensus had arisen among counsel in a majority of the cases for a three-person co-lead structure overseeing tranches covering antitrust claims, claims against Robinhood and claims against other brokers.

Judge Altonaga followed that claims structure but chose some attorneys from outside the loose coalition that recommended it. She also decided upon a smaller steering committee than had been proposed.

Her selections appeared to take into account calls in several applications for diversity and inclusion, including roles for younger attorneys.

The Miami-based Salas, whose experience in large class actions was questioned in a rival application, said she was humbled by the selection and support she had received from numerous other attorneys in the case. She also emphasized the importance of class counsel reflecting the array of class members they will be representing.

"My leadership appointment is important to the success of this MDL because it will instill confidence in the class that they are represented by a peer, and my appointment can give the court comfort that counsel in this case will feel heard," she told Law360. "I am highly confident in the merits of this case and feel strongly that success will ultimately turn on how effectively we all work together to prosecute the claims.

The U.S. Judicial Panel on Multidistrict Litigation **centralized** the cases earlier this month in the Southern District of Florida. Their claims stem from trading restrictions that Robinhood and other brokers imposed on popular stocks such as GameStop during a trading frenzy in January.

While several online trading platforms are named across the lawsuits, Robinhood is at the center of the controversy, as it's named in almost all the actions. The suits nearly all make the same claims: breach of contract, breach of fiduciary duty, breach of the implied covenant of good faith and fair dealing, and negligence.

Other claims include alleged violations under antitrust, securities and state consumer protection laws.

The case is In re: January 2021 Short Squeeze Trading Litigation, case number 1:21-md-02989, in the U.S. District Court for the Southern District of Florida.

--Additional reporting by Elise Hansen. Editing by Rich Mills.