

Family sues trading app Robinhood over suicide

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The lawsuit alleges that Robinhood 'entices' young, inexperienced users

The family of a college student who killed himself after thinking he'd lost a fortune using Robinhood sued the free trading app Monday.

A message left behind by Alex Kearns asked how it was that a 20-year-old with no income could get access to nearly \$1 million of financial leverage using Robinhood, according to the [suit](#) filed in Silicon Valley, where the app is based.

"Robinhood's website entices young, inexperienced users," the suit contends.

"By marketing its online [trading](#) platform like a video game, it implied that trading stock and options was a fun way to make money, perhaps even to get rich."

The suit accuses Robinhood of causing the Illinois man's death along with unfair business practices, and asks for unspecified damages.

In response to an AFP query, Robinhood said it was "devastated" by Kearns' death last June and has since improved trading features along with guidance and education features for users.

"We remain committed to making Robinhood a place to learn and invest responsibly," a spokesperson said.

Kearns was in his final year of high school when he opened a Robinhood account, according to the suit.

He used the app to start trading options in his freshman year of college, and a series of trades resulted in him finding his account was \$730,000 in the red, the suit detailed.

"Tragically, Robinhood's communications were completely misleading, because, in reality, Alex did not owe any money," the lawsuit contended.

"He held options in his account that more than covered his obligation."

The suit comes after traders who banded together over Reddit and other [social media platforms](#) in recent weeks used Robinhood to make massive share purchases of GameStop, AMC Entertainment and other struggling companies that wealthy investors had bet against.

The campaign, intended to make [hedge funds](#) and other large investors suffer, caused the share prices of these companies to soar, and caught the attention securities regulators.

An app popular among [retail investors](#) whose stated goal is to "democratize finance for all," Robinhood at one point limited trades on the most volatile stocks, before reversing course the next day.

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