



**AMERICAN ARBITRATION ASSOCIATION**

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In the Matter of the Arbitration between:

Case Number: 01-15-0005-3190

Rahnik Holloman (“Claimant”)

- vs -

Venmo, LLC (“Respondent”)

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**AWARD OF ARBITRATOR**

I, Michael K. Kapp, THE UNDERSIGNED ARBITRATOR, having been designated in accordance with the arbitration agreement entered into by the above-named Parties, and having been duly sworn, and oral hearings having been waived in accordance with the Consumer Rules, and having fully reviewed and considered the written documents submitted to me, do hereby, AWARD, as follows:

This matter is before the Arbitrator to be heard, pursuant to Rule R-29 of the Consumer Arbitration Rules of the American Arbitration Association, as a “Documents Only Procedure” or “Desk Arbitration” between Rahnik Holloman (“Claimant”) and Venmo, LLC (“Respondent”) (collectively “the Parties”). The Arbitration Clause found in paragraph 18 of the agreement of the Parties entitled “User Agreement” (“Agreement”) governs this Arbitration. This Final Award is entered pursuant to the 1 April 2016 Order #1 on Preliminary Hearing and the Parties’ request that the Arbitrator provide concise limited reasons for the decision on or before 24 June 2016, based on the submissions of the Parties.

In making this decision, the Arbitrator reviewed the materials submitted by the Parties which include the following: Claimant’s 3 May 2016 Opening Brief (with attachments), 30 April 2016 Declaration of Rahnik Holloman, Respondent’s 17 May 2016 Response to Opening Brief (with attachments), 17 May 2016 Declaration of Nancy Miller, and Claimant’s 24 May 2016 Reply Brief.

The Arbitrator makes the following reasoned award:

1. New York law applies to this case.
2. While the North Carolina Unfair Trade Practice Act sounds in tort and therefore could be applied to a consumer transaction involving commerce in North Carolina, the Arbitrator finds and concludes that the Respondent engaged in no unfair trade practice under N.C.G.S. § 75-1.1. Claim II of the Arbitration Demand is DENIED.
3. Under ¶ C.1.k of the Agreement of the Parties, Respondent, in its sole discretion, can place a hold on a payment it receives for a transaction when Respondent believes there is a high level of risk associated with the transaction. However, under Agreement ¶ E.14.b., Respondent is able to hold the payment for only 180 days. Within the record before the Arbitrator, there is no proof of fraud to entitle Respondent to apply the \$2,500.00 held

as damages for fraud. The money withheld has not been described as a fine as allowed under ¶ E.16 of the Agreement.

4. The Arbitrator finds and concludes that Petitioner is entitled to a return of the \$2,500 held by Respondent.

5. The return of money is not controlled by the limitation of damages clause in Agreement ¶ E.20. This Award is simply the return of property held by Respondent in which it has not proven it has a right to continue to withhold or take and is therefore the property of Claimant that should be returned to Claimant and Claim I of the Arbitration Demand is ALLOWED to that extent.


6. The Agreement does not provide for award of attorney fees to either of the Parties under the facts and circumstances of this case.

WHEREFORE, the Arbitrator awards \$2,500.00 to Claimant from Respondent.

The administrative fees of the AAA totaling One Thousand Dollars Seven Hundred and Zero Cents (\$1,700.00) originally paid solely by Respondent, and the compensation of the arbitrator totaling Seven Hundred Fifty Dollars and Zero Cents (\$750.00), originally paid solely by Respondent, shall be borne as incurred.

This Award is in full settlement of all claims submitted to this Arbitration. All other claims for relief not addressed herein are DENIED.

1 June 2016  
Date

  
Michael Keith Kapp, Arbitrator

I, Michael Keith Kapp, do hereby affirm upon my oath as Arbitrator that I am the individual described in and who executed this instrument which is my Award.

1 June 2016  
Date

  
Michael Keith Kapp, Arbitrator