

AMERICAN ARBITRATION ASSOCIATION

TRACI BOLICK,)	
)	
Claimant)	AAA Case #: 012000048856
)	
v.)	
)	
CHIME FINANCIAL, INC., and THE)	
BANCORP BANK,)	
)	
Respondents.)	

AWARD OF ARBITRATOR

I, Edward F. Hennessey, 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 Rules, and having fully reviewed and considered the written documents submitted to me by the parties, each represented by counsel, do hereby, AWARD, as follows:

Claimant maintained a demand deposit account with Respondents. About March 11, 2020, Claimant reported to Respondents one or more transactions, by which about \$810.20 left her account, that Claimant said she had not authorized. Claimant makes five (5) claims under the Electronic Funds Transfer Act (EFTA) relating to the allegedly unauthorized transaction(s) and to Respondents’ conduct after Claimant made her report.

Respondents’ position is that the transactions(s) were authorized by Claimant within the meaning of the EFTA, that their investigation properly so concluded, and that their conduct post-report was otherwise consistent with the EFTA.

The August 2, 2020 Scheduling Order (SO) in this matter provides for its resolution through submission of documents and by “a short reasoned Award.” Each party has submitted documents as required under the SO. The parties have stipulated to a \$4,000.00 award of attorneys’ fees and costs to Claimant, should the Arbitrator conclude such an award is in order. This stipulate obviates the provisions of the SO regarding a possible interim award following full submissions by the parties. Accordingly, the hearing of this matter was declared closed on April 20, 2021, following final party submissions.

The Arbitrator finds for Claimant on her Claim I (“Issue A” in Respondents’ Brief). Respondents failed to meet their burden of proof that the disputed transactions were authorized by Claimant within the meaning of the EFTA.

The Arbitrator finds for Claimant on her Claims II, IV and V. Respondents’ letter to Claimant was not an “explanation” of any “findings.” Respondents did not timely meet Claimant’s

request for documents on which Respondents relief in their investigation of her report. And Respondents' investigation was perfunctory and deficient, appearing to the Arbitrator to have been angled toward supporting inferences that could as or more easily have been made in Claimant's favor (for example, Respondents appear not to have evaluated whether someone able to observe use by Claimant of her PIN at the ATM referenced by both parties, but not authorized by Claimant to use the PIN to access Claimant's account, may have used the PIN at – unsurprisingly – the same ATM).

The Arbitrator finds for Respondents on Claimant's Claim III. The report Respondents requested of Claimant, and that Claimant supplied, was "a written confirmation of an error" appropriate under the EFTA.

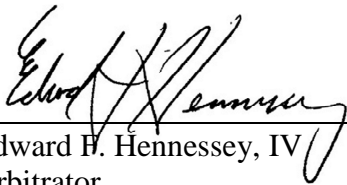
Based on these findings, the Arbitrator awards as follows:

1. Respondents shall pay Claimant actual damages of \$810.20, plus interest at the North Carolina statutory rate of eight percent (8%) from March 11, 2020 until paid;
2. Respondents shall pay Claimant treble damages of \$2,430.60;
3. Respondents shall pay Claimant statutory damages of \$4,000.00;
4. Respondents shall pay Claimant attorney fees and costs at the parties' stipulated total of \$4,000.00.

The administrative fees of the American Arbitration Association (AAA) totaling \$1,900.00 shall be borne as incurred, and the compensation of the arbitrator totaling \$1,500.00 shall be borne as incurred.

This Award is in full settlement of all claims submitted in this Arbitration. All claims not expressly granted herein are hereby denied.

Dated: May 4, 2021



Edward F. Hennessey, IV
Arbitrator