AMERICAN ARBITRATION ASSOCIATION
Consumer Arbitration Rules

[redacted] MARSEE,
Claimant,
v. **Case Number: 01-24-0009-1711**

GREEN DOT BANK,
Respondent.

INTERIM AWARD OF ARBITRATOR

I, [redacted], ESQ., THE UNDERSIGNED ARBITRATOR, having been designated in accordance with the arbitration agreement entered into by Claimant [redacted] Marsee and Respondent Green Dot Bank, having been represented by counsel, having been duly sworn, and an oral hearing having been waived in accordance with the Rules, and having fully reviewed and considered all of the written briefs and exhibits submitted to me by the parties, hereby issue this INTERIM AWARD as follows:

Pursuant to the Consumer Arbitration Rules ("Rules") of the American Arbitration Association ("AAA") effective September 1, 2014, this matter was submitted to the Arbitrator as a Desk Arbitration under Rule R-29 and the Procedures for the Resolution of Disputes through Document Submission. The case was filed on December 16, 2024, and both parties had ample opportunity to undertake exchange of information. Claimant submitted his Opening Brief and 47 exhibits on August 13, 2025, Respondent submitted its Response Brief and 37 exhibits on September 12, 2025, and Claimant submitted his Reply Brief along with 13 additional exhibits on September 26, 2025. Based on the overall case record and the applicable law, I make the determinations below.

SUMMARY OF ISSUES

This case arises from a disputed $3,000.00 transaction involving a merchant named GPT MiyaGPT ("GPT") that was charged against Claimant's account with Respondent. Claimant asserts that he never authorized the transaction in any way and that, after he complained to Respondent about the transaction, the alleged violations discussed below ensued. Respondent counters that Claimant either conducted the transaction himself or authorized a third party to do so and that the $3,000.00 was properly charged to Claimant's account.

Claimant alleges violations of the Electronic Funds Transfer Act, 15 U.S.C. § 1693 *et seq.* ("EFTA"), and its implementing regulations ("Regulation E") found at 12 C.F.R. §1005 *et seq.* Specifically, Claimant alleges that Respondent:

(1) failed to reimburse Claimant for an unauthorized transaction pursuant to 12 C.F.R. §1005.6(b)(1);

(2) failed to conduct a proper investigation under 12 C.F.R. §1005.11(c)(1);

(3) failed to investigate and make a determination on Claimant's report of unauthorized transactions within 10 business days pursuant to 12 C.F.R. §1005.11(c)(1);

(4) failed to report the findings of its investigation to Claimant within three business of completing its investigation pursuant to 12 C.F.R. §1005.11(c)(1);

(5) failed to provide Claimant with a proper written explanation of its investigation findings pursuant to 12 C.F.R. §1005.11(d)(1); and

(6) failed to provide documentation supporting its findings pursuant to 12 C.F.R. §1005.11(d)(1).

Claimant seeks reimbursement of the $3,000.00 charged against his account by Respondent, statutory damages of $1,000 for each alleged violation, treble damages for each alleged violation because Respondent knowingly and willfully committed the violation, and recovery of his attorney's fees under 15 U.S.C. §§ 1693f(e) and 1693m(a)(3).

Respondent denies all of Claimant's claims. In addition, Respondent seeks recovery of its attorney's fees and arbitration costs pursuant to 15 U.S.C. §§ 1693m(f) on the grounds that Claimant and his attorney brought this action "in bad faith or for purposes of harassment." Respondent also invokes AAA Consumer Rule 44(c) in support of this request.

ANALYSIS OF CLAIMS

The Reimbursement Claim

Respondent bears the burden of proving Claimant's authorization of the GPT transaction. 15 U.S.C. § 1693g(b). To meet this burden, Respondent cites the following: (a) Claimant's account was new and the disputed transaction occurred within 24 hours of the first post-funding transaction on the account; (b) Claimant was himself attempting to "drain" funds from the account around the time of the disputed transaction; (c) all attempted account activity stopped after Claimant reported his account was compromised, indicating that whoever was trying to "drain" the account knew additional transactions would be declined; (d) the account balance was not fully depleted, as would typically occur with a third-party takeover; (e) there are two Social Security Numbers ("SSNs") associated with Claimant's name, one of which is also associated with other individuals; and (f) Respondent knows GPT to be a "fraudulent merchant" with which first-party fraudsters transact.

The Arbitrator finds that Respondent has not shown by a preponderance of the evidence that Claimant either conducted the GPT transaction himself or authorized another party to do so. There is no evidence tying Claimant to the GPT transaction, and all of Respondent's arguments rely on innuendo and assumptions that are no more plausible than other conclusions. First, as to the "new account/early transaction" argument and the argument that Claimant himself sought to "drain" his account, there is nothing beyond the bald assertion in Respondent's Declaration to show why these facts suggest that Claimant authorized the disputed transaction. By Respondent's logic, an account holder's authorization would have to be presumed any time funds were withdrawn soon after an account is funded. Second, as to the cessation of account activity and the fact that Claimant's account was not fully depleted, there is no evidence beyond Respondent's mere assertion that this demonstrates Claimant conducted or authorized the transaction. It is equally plausible that whoever made the transaction may have decided to "move on" rather than engage in other transactions with Claimant's account that might lead to detection. Fourth, the fact that two SSNs are associated with Claimant's name does not show his authorization of the transaction at issue. There is no evidence that Claimant willingly allowed his name to be used with two SSNs or that he was even aware of this circumstance. It is more plausible that this circumstance shows that Claimant was the victim of

fraud or identify theft. Finally, the fact that Respondent deems GPT to be a "fraudulent merchant" does not in any way demonstrate that Claimant was involved in some kind of fraudulent scheme with GPT. There is no evidence tying Claimant to GPT. If anything, Respondent's concerns with GPT would suggest that Respondent should block or carefully screen any transactions with that entity.

Based on the record before the Arbitrator, there simply is no credible evidence – as opposed to unsupported assertion – that Claimant had any personal involvement with or authorization of the disputed GPT transaction. Respondent has not carried its burden under § 1693g(b) and Claimant is entitled to reimbursement of $3,000.00.

The Investigation Claim

Neither the EFTA nor its implementing regulations provide much detail as to what a financial institution must do to conduct an investigation of an account holder's dispute. *See* 15 U.S.C. § 1693f(a) ("financial institution shall investigate the alleged error, determine whether an error has occurred"); 12 C.F.R. §1005.11(c)(1) ("financial institution shall investigate promptly"). There are no qualifiers on the duty to investigate in either provision, nor are there any specifically required investigative steps or processes. While a mere cursory investigation would not suffice, the Arbitrator finds that Respondent met its investigation obligation in this case. The Declaration of Ralicia Leapheart and its associated exhibits establish that Respondent's internal investigative group reviewed account notes, transaction history, authorization report records, a CLEAR Report on Claimant, and various recordings of phone calls with Claimant. *See* Respondent's Ex. A, ¶¶ 7-16.

While Claimant contends that additional investigative steps should have been undertaken, those contentions do not rebut Respondent's evidence concerning the investigation. Further, the EFTA and its implementing regulations do not require a perfect or exhaustive investigation and they do not require any of the specific steps identified by Claimant. Based on the evidence in the record, the Arbitrator finds that Respondent adequately fulfilled its duty to investigate Claimant's dispute. The investigation claim is denied.[1]

The Timeliness Claims

Because the evidence in this case plainly shows that the disputed activity in Claimant's account occurred within 30 days of the first deposit to the account, Respondent had up to 20 business days to complete its investigation and three business days to report the investigation results to Claimant. *See* 12 C.F.R. §§1005.11(c)(3), 1005.11(c)(1). The undisputed evidence in the record shows that the first deposit to Claimant's account was on March 1, 2024, the disputed GPT transaction occurred five days later on March 6, Claimant contacted Respondent to challenge the transaction on March 7 and 11, and Respondent completed its investigation on March 22. *See* Respondent's Ex. A, ¶¶ 15(a), 13, 14, and 15. Taking March 7 as the earliest date on which Claimant raised the dispute, Respondent completed its investigation within 11 business days – well within the permitted maximum of 20 business days. Likewise, the evidence shows that Respondent

[1] There is not an inconsistency in finding that Respondent fulfilled its duty to investigate yet has failed to carry its burden of proving that Claimant authorized the disputed transaction. The duty to investigate and the burden of proving authorization are found in separate provisions of the EFTA. *Compare* 15 U.S.C. § 1693f(a) with 15 U.S.C. §§ 1693g(b). The statute does not say that a financial institution's fulfillment of its investigation duty automatically equates to proving an account holder's authorization of a challenged transaction.

transmitted its determination letter to Claimant on March 22, 2024 – well within the required reporting period of three business days.

Based on the clear evidence, the Arbitrator finds that Respondent timely completed its investigation of Claimant's dispute and timely reported the results of the investigation. Claimant's timeliness claims are denied.

The Written Explanation Claim

As with the provisions concerning what a financial institution must do to investigate an account holder's dispute, the EFTA and implementing regulations provide scant detail on what must be contained in the institution's explanation of the investigation results if no error is found. *See* 15 U.S.C. § 1693f(d) (financial institution must provide "an explanation of its findings" and notice of right to request supporting documentation); 12 C.F.R. §1005.11(d)(1) (report to include "written explanation of the institution's findings and shall note the consumer's right to request the documents that the institution relied on in making the determination"). Claimant argues that these requirements were not met here.

The email informing Claimant of the investigation results stated in pertinent part:

> We have determined that no error has occurred. If you are able to provide new information, you may request a reevaluation of your dispute.
>
> We are unable to credit the above mentioned transactions for the reasons listed below:
>
> > Based on our review of relevant information, including transaction and account activity, we have determined you authorized the transactions.

Claimant Declaration, ¶7, Ex. C. These statements, Claimant argues, are not an adequate explanation of Respondent's findings.

While the above-quoted statements are not highly detailed and could have been more elucidating, they do provide a written explanation of Respondent's findings in three respects. They state that Respondent had (1) found no error, (2) reviewed relevant information including transaction and account activity, and (3) determined that Claimant had authorized the disputed transaction. This explanation of Respondent's findings and the basis for those findings satisfies the bare-bones requirements of the statute and the regulations. Further, the notice plainly met the requirement to inform Claimant of his right to request supporting documentation. Simply because Respondent's written communication *could have* included a more detailed recitation of the evidence and investigative findings does not mean that it *must have* included such a recitation.

Based on the record evidence and the applicable statutory and regulatory language, the improper written explanation claim is denied.

The Documentation Claim

A financial institution has a duty to promptly provide copies of documents it relied upon in making its determination of no error "upon request" by the consumer. 15 U.S.C. § 1693f(d); 12 C.F.R. §1005.11(d)(1). Claimant contends in a vague Declaration statement that he made such a request. *See* Claimant Declaration ¶10 ("I requested copies of the documentation Respondent relied upon to make it [sic] decision . . . ."). Respondent denies ever receiving any such request. Given the lack of any detail as to when or by what means he made the request – particularly as compared to the detailed nature of other parts of his Declaration – I do not find Claimant's assertion that he made the document request to be credible. Further, it would appear likely that any such request would have been referred to in Respondent's comprehensive records of its communications with Claimant, yet no such reference has been identified.

Based on the credibility of the evidence on this issue, the Arbitrator does not find that Claimant ever requested supporting documentation from Respondent. Accordingly, the claim for failure to provide documentation is denied.

Respondent's Claim for Attorney's Fees and Arbitration Costs

Based on the overall evidentiary record and the parties' legal arguments, the Arbitrator does not find that this case was brought in bad faith or for purposes of harassment within the meaning of 15 U.S.C. § 1693m or that it constitutes harassment or is frivolous under AAA Consumer Rule 44(c). Consequently, no award of attorney's fees or arbitration costs to Respondent is warranted.

DAMAGES AND ATTORNEY'S FEES

Claimant is awarded his actual damages of $3,000 relating to the disputed GPT transaction.

Under 15 U.S.C. § 1693f(e), the award of treble damages is mandatory upon a finding that a financial institution "knowingly and willfully concluded that the consumer's account was not in error when such conclusion could not have been drawn from the evidence available to the institution at the time of its investigation." Given the lack of credible evidence establishing that Claimant had any role in conducting or authorizing the GPT transaction, especially since Respondent acknowledged that other contemporaneous transactions on Claimant's account were fraudulent and should not be charged to the account, the Arbitrator finds that Claimant is entitled to treble damages of $9,000.00.

As to statutory damages, the factors set forth at 15 U.S.C. §§ 1693m(b)(1) govern. Applying those factors here, the Arbitrator finds that an assessment of $500.00 is appropriate.

Within 10 business days after the date this Interim Award is transmitted by the AAA to the parties, and pursuant to 15 U.S.C. § 1693m(a)(3), Claimant is directed to submit evidence supporting the amount he claims is due for reasonable attorney's fees and costs. Respondent is directed to file a response to Claimant's submission within 10 business days after the date of service of Claimant's submission. Since the parties have already presented their legal arguments as to attorneys' fees issues, *the subsequent submissions on fees should be concise and limited to the appropriateness of the fees in light of the outcome on the merits*.

This Interim Award is in full settlement of the merits of all claims and counterclaims submitted to this Arbitration, except for the determination of reasonable attorney's fees and costs. The Arbitrator

retains jurisdiction of this matter until a final Award is issued following receipt of the parties' submissions on fees and costs.

I, [redacted], do hereby affirm upon my oath as Arbitrator that I am the individual described in and who executed this instrument, which is my Interim Award.

SO ORDERED:

[redacted]

Dated: October 17, 2025

[redacted]**, Arbitrator**