

**AMERICAN ARBITRATION ASSOCIATION
Consumer Arbitration Rules**

[REDACTED] PRUITT,)
Claimant,)
)
)
) AAA Case # 01-24-0009-2297
v.)
)
)
GREEN DOT BANK,)
)
)
Respondent.)

FINDINGS OF FACTS, CONCLUSIONS OF LAW, AND INTERIM ORDER

In an Amended Scheduling Order dated September 15, 2025, a briefing schedule was set out. The final brief was received December 18, 2025. I, Russ Fagg, 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 reviewed and considered the written documents submitted to me by the parties, each represented by counsel, do hereby issue this INTERIM AWARD as follows: Based on the briefs and the numerous exhibits filed and reviewed, the following Statement of Facts are entered:

FINDINGS OF FACTS

- 1) On December 9, 2024, Claimant went to a local Walmart store and purchased a Green Dot card/account ("Account") for a total of \$501.00.
- 2) After purchasing the Account, Claimant immediately registered the Account pursuant to Respondent's instructions. Claimant then checked the Account balance, and he discovered that it had no funds.
- 3) On December 10, 2024, Claimant called Respondent to notify it of the errors he was having with the Account. The following dialogue occurred between Claimant and Respondent:

Respondent: "Have you registered that card on your name?"

Claimant: "Yes, I did."

4) Respondent advised Claimant that the Account was fraudulently used. Respondent stated the following to Claimant:

"No need to worry ... First we need to place a block on this account so that there will not be any unauthorized transactions and we can process a refund for the amount that you have loaded on this card."

5) Claimant again called Respondent on December 10, 2024, and submitted a Notice of Error disputing the fraudulent transaction, which is memorialized in the following dialogue:

Respondent: "That is an unauthorized transaction correct?"

Claimant: "Right, we haven't used the card at all."

6) Respondent requested that Claimant verify his Account by providing it with a copy of the receipt and card for the Account, which Claimant provided to Respondent, as follows:



7) Respondent's internal records establish that Respondent received Claimant's dispute at 11:54 a.m. then denied it at 3:25 p.m. because "there were no funds to recover":

Originating Call Center	FIS - India
Representative	
Date/Time Opened	12/10/2024 11:54 AM
Date/Time Closed	12/10/2024 3:25 PM
 From: GDNotifications <gdnotifications@greendot.com> Date: Tue, Dec 10, 2024, 4:24 PM Subject: Important Update About Your Claim To: braxtonwayne33@gmail.com <braxtonwayne33@gmail.com> Claim #1777838227 Hi Jason, We have an important update regarding your Claim. We have completed our review and determined that Green Dot is not liable for returning any funds for the reason(s) listed below: There were no funds to recover.	

8) As reflected in Respondent's internal notes, Respondent identified Claimant as the primary cardholder;

Customer Information

Customer Name Jason Pruitt

Mailing Street

[och]ing about the dispute / [ch]has not done any transaction in the account and their is a unauthorized transaction

12/10/2024 11:47 AM	Kirti Bhasin	Customer	T1-peth Ing about the dispute / ch has not done any transaction in the account and their is a unauthorized transaction in the account and account is also not in the ch name
12/10/2024 3:23 PM	Sneha Bhasin	Customer	Card Status Updated : From: Blocked (BS) To: Fraud (FS) Blocked Reason: PIN Dispute - VAF or Card in another name Note: PIN Dispute SF: 1778645827. PIN Dispute/VAF has been reported on this Account. If CH calls, please advise that they are required to submit receipt/POD for recent leads to unlock the account. Case #9 id="dispositionNoteId" href="#">onClick="openCase('50006T00002XZMeQAH:1778645827') 1778645827

9) Respondent's registration record produced in this case reflects an account that was registered on December 9, 2024 at 12:53:

H	I	J	K	L
RegistrationKey	PinKey	Last4PersonID	ProductKey	RegistrationStartedDate
96966754	687528103	9464	7711	12/9/2024 12:53

10) Claimant's receipt establishes that Claimant purchased his Account on December 9, 2024 at 1:15 p.m.:



11) Thus, according to Respondent's records, Claimant's account was compromised before it was sold to Claimant. Thus, as in the case of *Craig Schuler vs. Green Dot Bank*, AAA Case # 01-24-0007-1191 (2025), Ex. 33, unbeknownst to Claimant, the scam had already begun before he purchased and loaded the Account:

2. Respondent maintains that Claimant did not register the card, but rather permitted some third party named Huong to register the card. Inexplicably, according to Respondent's "Customer Registration Record," the card was supposedly registered by Huong at 4:42 p.m. on June 27, 2024. Thus, according to Respondent's records, the card was compromised approximately 2 hours before it was sold to Claimant. Unbeknownst to Claimant, the scam had already begun before he purchased and loaded the card.

12) On December 11, 2024, Claimant stated the following to Respondent:

"So in other words, you're telling me that I spend \$500 bucks, through y'all's security, and because someone took \$500 bucks through y'all, I'm at the loss? That's y'all's security problem, I didn't authorize nothing. That's almost like y'all scamming me. I mean I've got the receipt and everything."

13) On December 12, 2024, A Walmart representative stated the following to Respondent:

"The one that he [Claimant] purchased, the money is not in the card, but he got it activated on his phone, but the money is not there."

14) Respondent asserts that the only explanation for the unfortunate disappearance of Claimant's funds is that Claimant's funds is that Claimant allowed some third party to register the card. As in the case of **████████ Schuler vs. Green Dot Bank**, this is at odds with the acknowledged fact that the Account was registered before it was sold to Claimant at Walmart:

The Arbitrator finds that to be at odds with the acknowledged fact that the card was registered BEFORE it was sold to Claimant by Dollar General. The logical explanation is that through some failure of the system by which Respondent issues its cards, the unique information needed to register the card was already in the hands of some third party.

15) Further, Respondent's registration record reflects a third-party named Charquita, who lives in Edinburg, TX [78541 Zip Code], which is 1,936 miles away from Claimant's home in East Helena, MT:

FirstName	LastName	IsGuarantor	RegistrationProfileStartDate	Address1	City	Address2	AddressState	AddressZipCode
CHARQUITA	REDACTED	No	12/9/2024 12:53	REDACTED	REDACTED		REDACTED	78541-8124
CHARQUITA	REDACTED	No	12/9/2024 12:53	REDACTED	REDACTED		REDACTED	78541-8124
CHARQUITA	REDACTED	No	12/9/2024 12:53	REDACTED	REDACTED		REDACTED	78541-8124
CHARQUITA	REDACTED	No	12/9/2024 12:53	REDACTED	REDACTED		REDACTED	78541-8124

Respondent made no effort to explain (1) how Claimant's account details came into possession of a third-party who was thousands of miles away from him and (2) how this third-party obtained Claimant's account details before Claimant purchased and funded the Account.

16) The Account's balance was depleted by an unauthorized \$500.00 transaction that was charged to a merchant named Signal Pro Communication:

Account Transaction History - NEC					
AccountKeyNEC	TransactionDate	TransactionDescription	CardAcceptorMerchantName	TransactionAmount	Ledgerbalance
285091967	2024-12-09 14:56:37	101-013-INITIAL LOAD		500	500
285091967	2024-12-09 14:57:34		Signal Pro communication	-500	0

17) Respondent's records establish that Signal Pro Communication is a fraudulent merchant and is used to offload funds for fraudulent activity:

Resolution Summary	A complaint was received because the complainant purchased a WMMC for \$500, but when they tried to register, it was already registered to a 3rd party. The Pin Dispute cases found that no funds were recoverable. Fraud confirmed the merchant used to offload the funds has been blocked.
Error, Violation and Feedback Summary	
Is the complainant a verified fraudster?	No
Did the complainant try resolving first?	Yes

Task G1 Escalations Note email to fraudops wipro to validate PIN dispute case.
 Task G1 Process Gap Identified

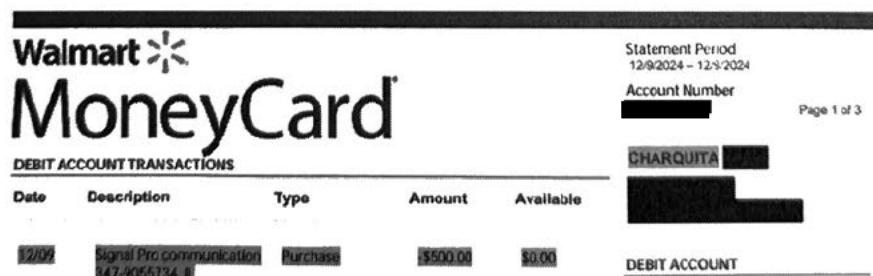
Task G2 Escalations Note FRD-10863
 review merchant used to offload funds for fraudulent activity

18) On June 28, 2024 Respondent stated the following to Claimant:

“Here at Green sir we try to look for a refund but the refund check team will not issue a refund if the funds on the card are no more.”

This is notable because Respondent previously assured Claimant that he would receive a refund.

19) The account statements for the Account were not mailed to Claimant; instead, the account statements were only mailed to the third-party named [REDACTED] Cano:



20) Claimant does not know and does not have any relationship with or relation to [REDACTED] Cano.

21) Respondent never returned Claimant's \$501.00

FINDINGS OF LAW

Claims 1-4: Violation of the Electronic Funds Transfer Act Regulation E Regulation E (12 C.F.R. 1005), Failure to Conduct Proper and Good Faith Investigation (Claim 1), Unauthorized Transaction (Claim 2), Response Time—Denial (Claim 3) and Explanation of Findings (Claim 4)

Respondent asserts that the protections of the Electronic Funds Transfer Act (“EFTA”) do not apply to Claimant because he was not the registered owner. The facts relating to registration of the Account are disputed. The parties have submitted conflicting evidence on whether Claimant registered the Account. Claimant says he did and submitted a declaration in which he testified that “I registered the Account per the instructions provided by Green Dot.” Claimant also testified that he “does not know” or “have any relationship” with Charquita and did not provide his Account to anyone. Claimant also presented the recordings from his telephone calls with Respondent and in those call recordings Claimant explicitly told Respondent that he had registered the Account. Further, a Walmart representative explicitly told Respondent that Claimant registered the Account. Respondent does not provide any evidence, outside of its testimony, to support its assertions regarding Claimant’s registration of the Account and Respondent’s records establish that Respondent suspected fraud in connection with the Account. Under these circumstances, I find to Claimant’s testimony credible that he registered the Account, or at the very least, the registration in Charquita’s name was fraudulent, and therefore the account should be treated as Claimant’s consumer account for purposes of at least the EFTA and Reg E dispute resolution provisions.

Starting with Claim 2, since that is in reality the main claim, concerning whether Claimant is liable for the \$500.00 transaction involving a merchant that Respondent admittedly identified as fraudulent. Under Section 1693g(b), the burden of proof is on Respondent to show that the transaction was unauthorized. Respondent has not carried its burden. Instead, it claims the Account should be treated as a “consumer account” of Charquita’s and that she authorized the fraudulent transaction. Since I have found that the Account should be treated as Claimant’s “consumer account” for purposes of Reg E’s dispute resolution provisions, and Respondent has offered no proof that Claimant authorized the \$500.00 transaction, Claimant prevails on Claim 2. Respondent’s “surmise” that Claimant provided his Account to Charquita is not proof and thus fails to carry Green Dot’s burden.

As to Claim 1, 3, and 4, I find in favor of Claimant for similar reasons. While Respondent at best reviewed the Account details within the requisite time frames, there is no evidence that it investigated the possibility raised in its Account Notes that the registration and transaction involving a fraudulent merchant were unusual. Further, the record evidence is devoid of any evidence establishing that Respondent provided a written explanation of its purported findings to Claimant.

Claim 5: Violation of the Electronic Funds Transfer Act Regulation E (12 C.F.R. 1005.9)

Failure to Provide the Required Statements

It is unclear who Respondent mailed Claimant’s Account statements to, it could have been the third-party, Charquita, but the record is not clear on this point. Thus, Claimant does not prevail on Claim 5.

Claim 6: Money Had and Received

Because of the finding that Respondent violated the EFTA and UCSPA, I need not decide this issue and thus will not do so.

Claim 7: Violation of the Utah Consumer Sales Practices Act

The UCSPA provides a cause of action against a seller who commits either a deceptive or unconscionable act or practice in connection with a consumer transaction. *See Utah Code §§ 13-11-4(1) to 5(1).* However, Claimant is a resident of Montana. Respondent is headquartered in Austin, Texas., and is registered in Connecticut, under File Number 1063426. Although Claimant claims in his Arbitration Demand Respondents address is in Provo, Utha, no evidence was produced which supports this claim.

Furthermore, even if there is a Utah connection, the UCSPA requires the misconduct must be intentional or knowing, and that has not been established. Thus, any claims under the UCSPA are declined.

Respondent's Counterclaim

The record evidence in this case establishes that this case was not filed in bad faith or harassment, especially since Respondent undeniably advised Claimant that it would return his funds but then refused to do so. Therefore, Respondent's claim for fees and costs is denied.

Interim Award

Based upon the foregoing, the Arbitrator issues the following interim Award awarding Claimant the following:

- i. actual damages of \$500.00 under the EFTA;
- ii. treble damages totaling \$1,500.00 under the EFTA;
- iii. statutory damages of \$1,000.00 under the EFTA;
- iv. attorney's fees and costs under the EFTA.

This Interim Award is in full settlement of the merits of all claims submitted to this arbitration, except for the determination of reasonable attorney fees and costs in favor of Claimant as set forth above. The arbitrator retains jurisdiction to address Claimant's claims for reasonable attorney fees and costs. Claimant shall submit his accounting of such reasonable attorney fees and costs and any supporting documents related thereto to the arbitrator within seven (7) days of the date of this Interim Award. Respondent shall submit any responsive statement and supporting documents within seven (7) days of the statement to respond. The matter shall be deemed submitted to the arbitrator for determination in a Final Award upon and after such submissions.

This interim award shall remain in full force and effect until the arbitrator issues a Final Award.

12/22/25
Date


[REDACTED]
Arbitrator