

## BrokerCheck Report

# ROBINHOOD SECURITIES, LLC

CRD# 287900

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

## About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
  - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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**Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at [brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)



## ROBINHOOD SECURITIES, LLC

CRD# 287900

SEC# 8-69916

### Main Office Location

500 COLONIAL CENTER PARKWAY  
SUITE 100  
LAKE MARY, FL 32746  
Regulated by FINRA Florida Office

### Mailing Address

500 COLONIAL CENTER PARKWAY  
SUITE 100  
LAKE MARY, FL 32746

### Business Telephone Number

650-940-2700

## Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

### Firm Profile

This firm is classified as a limited liability company.  
This firm was formed in Delaware on 10/27/2016.  
Its fiscal year ends in December.

### Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

### Firm Operations

**This firm is registered with:**

- the SEC
- 2 Self-Regulatory Organizations
- 53 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 5 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm does not have referral or financial arrangements with other brokers or dealers.

### Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	3
Arbitration	3



## Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 10/27/2016.

Its fiscal year ends in December.

## Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

### ROBINHOOD SECURITIES, LLC

Doing business as ROBINHOOD SECURITIES, LLC

CRD# 287900

SEC# 8-69916

### Main Office Location

500 COLONIAL CENTER PARKWAY  
SUITE 100  
LAKE MARY, FL 32746

Regulated by FINRA Florida Office

### Mailing Address

500 COLONIAL CENTER PARKWAY  
SUITE 100  
LAKE MARY, FL 32746

### Business Telephone Number

650-940-2700



## Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

### Direct Owners and Executive Officers

**Legal Name & CRD# (if any):** ROBINHOOD MARKETS, INC

**Is this a domestic or foreign entity or an individual?** Domestic Entity

**Position** MEMBER

**Position Start Date** 10/2016

**Percentage of Ownership** 75% or more

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?**

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**Legal Name & CRD# (if any):** BILLINGS, MATTHEW JOHN

1915377

**Is this a domestic or foreign entity or an individual?** Individual

**Position** PRESIDENT, CHIEF EXECUTIVE OFFICER

**Position Start Date** 09/2023

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** GALVIN, SCOT SEAN

3226179

**Is this a domestic or foreign entity or an individual?** Individual

**Position** CHIEF OPERATING OFFICER, AND PRINCIPAL OPERATIONS OFFICER

**Position Start Date** 07/2023

## Firm Profile



### Direct Owners and Executive Officers (continued)

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** KELATI, DANIEL T  
3103432

**Is this a domestic or foreign entity or an individual?** Individual

**Position** CHIEF FINANCIAL OFFICER AND FINOP

**Position Start Date** 12/2019

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** QUIRK, STEVEN MARK  
2728768

**Is this a domestic or foreign entity or an individual?** Individual

**Position** CHIEF BROKERAGE OFFICER

**Position Start Date** 01/2022

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** ZIGAITIS, KELLY MOSS

Firm Profile



Direct Owners and Executive Officers (continued)

	5276344
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	09/2020
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

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## Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

## Indirect Owners

No information reported.





## Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

**This firm is currently registered with the SEC, 2 SROs and 53 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	10/13/2017

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer:    Yes

A broker-dealer and government securities broker or dealer:    No

A government securities broker or dealer only:    No

This firm has ceased activity as a government securities broker or dealer:    No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	10/13/2017
Nasdaq Stock Market	Approved	04/01/2021



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	02/14/2018
Alaska	Approved	01/16/2018
Arizona	Approved	01/23/2018
Arkansas	Approved	01/31/2018
California	Approved	10/19/2017
Colorado	Approved	01/23/2018
Connecticut	Approved	03/19/2018
Delaware	Approved	01/02/2018
District of Columbia	Approved	01/31/2018
Florida	Approved	12/07/2017
Georgia	Approved	03/02/2018
Hawaii	Approved	02/02/2018
Idaho	Approved	01/10/2018
Illinois	Approved	03/21/2018
Indiana	Approved	02/02/2018
Iowa	Approved	01/04/2018
Kansas	Approved	03/13/2018
Kentucky	Approved	01/08/2018
Louisiana	Approved	01/08/2018
Maine	Approved	05/18/2018
Maryland	Approved	01/26/2018
Massachusetts	Approved	04/11/2018
Michigan	Approved	02/13/2018
Minnesota	Approved	04/30/2018
Mississippi	Approved	01/02/2018
Missouri	Approved	03/01/2018
Montana	Approved	02/22/2018
Nebraska	Approved	04/09/2018
Nevada	Approved	08/02/2018
New Hampshire	Approved	03/06/2018
New Jersey	Approved	05/18/2018
New Mexico	Approved	02/12/2018
New York	Approved	04/10/2018

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	01/17/2018
North Dakota	Approved	02/26/2018
Ohio	Approved	01/16/2018
Oklahoma	Approved	01/26/2018
Oregon	Approved	01/31/2018
Pennsylvania	Approved	01/11/2018
Puerto Rico	Approved	05/21/2018
Rhode Island	Approved	01/02/2018
South Carolina	Approved	02/20/2018
South Dakota	Approved	01/09/2018
Tennessee	Approved	02/28/2018
Texas	Approved	03/06/2018
Utah	Approved	01/03/2018
Vermont	Approved	02/21/2018
Virgin Islands	Approved	03/06/2018
Virginia	Approved	01/20/2018
Washington	Approved	01/11/2018
West Virginia	Approved	03/09/2018
Wisconsin	Approved	01/18/2018
Wyoming	Approved	04/13/2018

## Firm Operations



### Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

**This firm currently conducts 5 types of businesses.**

#### Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Put and call broker or dealer or option writer
Non-exchange member arranging for transactions in listed securities by exchange member
Trading securities for own account

## **Firm Operations**



### **Clearing Arrangements**

**This firm does hold or maintain funds or securities or provide clearing services for other broker-dealer(s).**

### **Introducing Arrangements**

**This firm does not refer or introduce customers to other brokers and dealers.**

## Firm Operations

### Industry Arrangements



**This firm does have books or records maintained by a third party.**

**Name:** HR ACUITY  
**Business Address:** 23 VREELAND ROAD  
SUITE 220  
FLORHAM PARK, NJ 07932  
**Effective Date:** 01/25/2024  
**Description:** ASSOCIATED PERSONS RECORDS

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**Name:** MYCOMPLIANCEOFFICE  
**Business Address:** 535 FIFTH AVENUE  
NEW YORK, NY 10017  
**Effective Date:** 01/20/2022  
**Description:** MCO IS A CLOUD BASED SERVICE FOR STORING ASSOCIATED PERSONS RECORDS.

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**Name:** GLOBAL RELAY COMMUNICATIONS INC  
**Business Address:** 220 CAMBIE STREET  
2ND FLOOR  
VANCOUVER, B.C., CANADA V6B 2M9  
**Effective Date:** 03/16/2023  
**Description:** GLOBAL RELAY PROVIDES RECORD RETENTION SERVICES FOR ELECTRONIC COMMUNICATIONS

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**Name:** IRON MOUNTAIN  
**Business Address:** PO BOX 27131  
NEW YORK, NY 10087  
**Effective Date:** 10/12/2016  
**Description:** IRON MOUNTAIN IS OUR DESIGNATED THIRD PARTY PROVIDER. AS REQUIRED BY RULE/REGULATION, WE HAVE TO HAVE A THIRD PARTY ARRANGEMENT THAT CAN PROVIDE BOOKS AND RECORDS TO FINRA IN THE EVENT THAT ROBINHOOD IS UNABLE TO DO SO.

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**Name:** RED OAK  
**Business Address:** 1320 ARROW POINT DRIVE #411  
CEDAR PARK, TX 78613

## Firm Operations



### Industry Arrangements (continued)

<b>Effective Date:</b>	06/10/2019
<b>Description:</b>	ROBINHOOD SECURITIES UTILIZES READ OAK COMPLIANCE SOLUTIONS FOR A PORTION OF ITS BOOKS & RECORDS.
<b>Name:</b>	BOX
<b>Business Address:</b>	900 JEFFERSON AVE. REDWOOD CITY, CA 94063
<b>Effective Date:</b>	10/19/2018
<b>Description:</b>	THE BOX SOLUTION IS A CLOUD BASED SERVICE FOR STORING RECORD FILES.
<b>Name:</b>	AMAZON WEB SERVICES
<b>Business Address:</b>	PO BOX 84023 SEATTLE, WA 98124
<b>Effective Date:</b>	09/01/2016
<b>Description:</b>	AMAZON WEB SERVICES (AWS) - AMAZON GLACIER ("GLACIER") CLOUD-BASED ARCHIVAL STORAGE SERVICE OPTIMIZED FOR INFREQUENTLY ACCESSED DATA, OR "COLD DATA." GLACIER PROVIDES INTEGRATED CONTROL CODES AND OTHER RELEVANT CAPABILITIES THAT PREVENT STORED ARCHIVE RECORDS FROM BEING OVERWRITTEN, DELETED, OR ALTERED UNTIL THE SPECIFIED RETENTION PERIOD HAS EXPIRED.

**This firm does not have accounts, funds, or securities maintained by a third party.**

**This firm does not have customer accounts, funds, or securities maintained by a third party.**

### Control Persons/Financing

**This firm does not have individuals who control its management or policies through agreement.**

**This firm does not have individuals who wholly or partly finance the firm's business.**



## Firm Operations

### Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

**This firm is, directly or indirectly:**

- in control of
  - controlled by
  - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

**ROBINHOOD U.K. LTD is under common control with the firm.**

<b>Business Address:</b>	8 DEVONSHIRE SQUARE LONDON, UNITED KINGDOM EC2M 4PL
<b>Effective Date:</b>	07/08/2019
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	UNITED KINGDOM
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	ROBINHOOD U.K. LTD IS UNDER COMMON CONTROL OF THE FIRM BY PARENT COMPANY ROBINHOOD MARKETS, INC.

**ROBINHOOD FINANCIAL, LLC is under common control with the firm.**

<b>CRD #:</b>	165998
<b>Business Address:</b>	85 WILLOW ROAD MENLO PARK, CA 94025
<b>Effective Date:</b>	04/23/2018
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	ROBINHOOD SECURITIES, LLC AND ROBINHOOD FINANCIAL, LLC ARE BOTH WHOLLY OWNED BY ROBINHOOD MARKETS, INC.



## Firm Operations



### Organization Affiliates (continued)

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	3	0
Arbitration	N/A	3	N/A



## Disclosure Event Details

### What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - A "pending" event involves allegations that have not been proven or formally adjudicated.
    - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - A "final" event has been concluded and its resolution is not subject to change.
  - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

### Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 3

**Reporting Source:** Firm

**Current Status:** Final



**Allegations:** RESPONDENT FAILED TO MAINTAIN ADEQUATE OVERSIGHT OF ITS TRADING TECHNOLOGY AND SIGNIFICANT PLATFORM OUTAGES OCCURRED DURING TIMES OF HISTORIC MARKET VOLATILITY, AS WELL AS SUBSEQUENT PERIODIC OUTAGES, RESULTING IN HARM TO SOME VERMONT CUSTOMERS. RESPONDENT'S FAILURE TO MAINTAIN AND IMPLEMENT ADEQUATE SUPERVISORY SYSTEMS FOR ITS TECHNOLOGY VIOLATED V.S.R. § 2-2(B)(2). RESPONDENT FAILED TO PROVIDE CONSISTENT AND ADEQUATE CUSTOMER SUPPORT DURING PLATFORM OUTAGES, RESULTING IN HARM TO SOME VERMONT CUSTOMERS. RESPONDENT'S FAILURE TO MAINTAIN AND IMPLEMENT ADEQUATE SUPERVISORY SYSTEMS FOR ITS TECHNOLOGY VIOLATED V.S.R. § 2-2(B)(2). IN THE COURSE OF ALLOWING INCREASES IN ITS VERMONT CUSTOMER BASE WHILE EXPERIENCING REPEAT PLATFORM OUTAGES, RESPONDENT FAILED TO MAINTAIN AND IMPLEMENT ADEQUATE SUPERVISORY SYSTEMS. THEREFORE, RESPONDENT VIOLATED V.S.R. § 2-2(B)(2). BY UTILIZING AN AUTOMATED APPROVAL PROCESS FOR OPTIONS AND MARGIN TRADING BY VERMONT CUSTOMERS THAT DID NOT CHECK FOR INCONSISTENCIES IN THE INFORMATION PROVIDED BY CUSTOMERS OR INCLUDE REVIEW FOLLOWING MODIFICATION BY CUSTOMERS OF THEIR APPLICATION ANSWERS OR INFORMATION IN THEIR ACCOUNT PROFILES, RESPONDENT FAILED TO MAINTAIN AND IMPLEMENT ADEQUATE SUPERVISORY SYSTEMS FOR ITS TECHNOLOGY AND FAILED TO EXERCISE DUE DILIGENCE IN ASCERTAINING ESSENTIAL FACTS ABOUT VERMONT CUSTOMERS' QUALIFICATIONS FOR OPTIONS AND MARGIN TRADING. THEREFORE, RESPONDENT VIOLATED V.S.R. § 2-2(B) (2). IN THE COURSE OF APPROVING VERMONT CUSTOMERS FOR OPTIONS AND MARGINS TRADING WHILE MAINTAINING INADEQUATE APPROVAL PROCESSES, RESPONDENT FAILED TO MAINTAIN AND IMPLEMENT ADEQUATE SUPERVISORY SYSTEM. THEREFORE, RESPONDENT VIOLATED V.S.R. § 2- 2(B)(2).

**Initiated By:** VERMONT DEPARTMENT OF FINANCIAL REGULATION

**Date Initiated:** 03/16/2022

**Docket/Case Number:** 21-051-S

**Principal Product Type:** Options

**Other Product Type(s):** MARGIN ONLINE TRADING

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent



**Resolution Date:** 03/16/2022

**Sanctions Ordered:** Monetary/Fine \$640,000.00

**Other Sanctions Ordered:**

**Sanction Details:** TOTAL AMOUNT: \$640,000, PAID DATE: 03/29/2022

**Firm Statement**

WITHIN 90 CALENDAR DAYS OF THE ENTRY OF THIS STIPULATION AND CONSENT ORDER BY THE COMMISSIONER, RESPONDENT SHALL: A. CONDUCT A REVIEW OF EACH OF ITS VERMONT CUSTOMERS CURRENTLY APPROVED FOR OPTIONS TRADING SINCE APRIL 2021, INCLUDING A REVIEW OF CUSTOMERS WHOSE OPTIONS APPLICATIONS WERE INITIALLY DENIED AND WHOSE SUBSEQUENT APPLICATIONS WERE APPROVED, TO VERIFY WHETHER THEY REMAIN ELIGIBLE UNDER THE CURRENT INFORMATION IN THEIR ACCOUNT PROFILE AND THE CURRENT ELIGIBILITY STANDARDS, ADDRESSING AND DOWNGRADING ACCOUNTS WHERE INELIGIBILITY IS FOUND. B. CONDUCT A REVIEW OF ALL VERMONT CUSTOMERS WHO ARE CURRENTLY MARGIN-ENABLED TO CONFIRM THAT THEY WERE ELIGIBLE WHEN THEY WERE APPROVED TO TRADE ON MARGIN. C. SUBMIT A REPORT TO THE DEPARTMENT IDENTIFYING THE NUMBER OF ACCOUNTS APPROVED FOR OPTIONS AND MARGINS FOUND INELIGIBLE PURSUANT TO SUBPARAGRAPHS (A) AND (B), ALONG WITH A LIST OF THE CUSTOMERS, NAMES REDACTED, IDENTIFYING THE AGE OF EACH CUSTOMER FOUND INELIGIBLE, THE TYPE OF APPROVAL FOR WHICH THE CUSTOMER WAS FOUND INELIGIBLE, AND A DETAILED EXPLANATION OF THE REASON THEY WERE FOUND INELIGIBLE BUT HAD PREVIOUSLY BEEN IDENTIFIED AS ELIGIBLE. WITHIN 60 CALENDAR DAYS OF THE ENTRY OF THIS STIPULATION AND CONSENT ORDER BY THE COMMISSIONER, RESPONDENT SHALL: A. SUBMIT A DESCRIPTION OF THE PROCESS RESPONDENT WILL FOLLOW GOING FORWARD TO REVIEW AND VERIFY THE ACCURACY OF INFORMATION SUBMITTED BY VERMONT CUSTOMERS WHOSE INITIAL OPTIONS APPLICATIONS ARE DENIED AND WHO SUBSEQUENTLY RE-APPLY FOR OPTIONS USING DIFFERENT INFORMATION FROM THEIR INITIAL APPLICATIONS. B. APPLY THIS REVIEW AND VERIFICATION PROCESS TO CURRENT VERMONT CUSTOMERS APPROVED FOR OPTIONS TRADING SINCE APRIL 2021 WHOSE INITIAL OPTIONS APPLICATIONS WERE DENIED AND WHO SUBSEQUENTLY RE-APPLIED FOR OPTIONS USING DIFFERENT INFORMATION FROM THEIR INITIAL APPLICATIONS. C. SUBMIT A REPORT TO THE DEPARTMENT IDENTIFYING THE NUMBER OF ACCOUNTS FOUND INELIGIBLE PURSUANT TO THIS REVIEW AND VERIFICATION PROCESS, ALONG WITH A LIST OF THE CUSTOMERS, NAMES REDACTED, IDENTIFYING THE AGE OF EACH CUSTOMER FOUND INELIGIBLE, THE TYPE OF APPROVAL FOR WHICH THE CUSTOMER WAS FOUND INELIGIBLE, AND A DETAILED EXPLANATION OF THE REASON THEY WERE FOUND INELIGIBLE BUT HAD PREVIOUSLY BEEN IDENTIFIED AS ELIGIBLE. D. SUBMIT A REPORT TO THE DEPARTMENT



IDENTIFYING ANY RELEVANT CHANGES RESPONDENT HAS MADE OR WILL MAKE TO ITS AUTOMATED APPROVAL PROCESSES AND WRITTEN SUPERVISORY PROCEDURES AS A RESULT OF THE FINDINGS OF THE REVIEW AND VERIFICATION PROCESS. RESPONDENT SHALL MAINTAIN CONTINUED COMPLIANCE WITH ALL UNDERTAKINGS AND REMEDIAL ACTIONS REQUIRED BY THE 2021 FINRA AWC. WITHIN 7 CALENDAR DAYS OF THE ENTRY OF THIS STIPULATION AND CONSENT ORDER BY THE COMMISSIONER, RESPONDENT SHALL PROVIDE A COMPLETE COPY TO THE DEPARTMENT OF THE INITIAL WRITTEN REPORT OF THE THIRD-PARTY CONSULTANT SELECTED PURSUANT TO THE 2021 FINRA AWC. WITHIN 7 CALENDAR DAYS OF RECEIPT OR SUBMISSION OF THE THIRD-PARTY CONSULTANT'S REPORT ON PROPOSED ALTERNATIVE PROCEDURES, IF ANY, AND RESPONDENT'S IMPLEMENTATION REPORT, RESPONDENT SHALL PROVIDE A COMPLETE COPY OF SUCH REPORT TO THE DEPARTMENT.

## Disclosure 2 of 3

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** PURSUANT TO 950 MASS. CODE REGS. 10.06(G), THE ENFORCEMENT SECTION OF THE MASSACHUSETTS SECURITIES DIVISION OF THE OFFICE OF THE SECRETARY OF THE COMMONWEALTH (THE "ENFORCEMENT SECTION" AND THE "DIVISION," RESPECTIVELY) FILES THIS AMENDED ADMINISTRATIVE COMPLAINT (THE "COMPLAINT"), WHERE A MOTION WAS FILED ON APRIL 15, 2021 AND GRANTED ON OCTOBER 21, 2021, AMENDING AND RESTATING THE ADMINISTRATIVE COMPLAINT FILED ON DECEMBER 16, 2020, THAT COMMENCED AN ADJUDICATORY PROCEEDING AGAINST ROBINHOOD FINANCIAL, LLC ("ROBINHOOD" OR "RESPONDENT") FOR VIOLATIONS OF MASS. GEN LAWS CH. 110A, THE MASSACHUSETTS UNIFORM SECURITIES ACT ("THE ACT"), AND 950 MASS. CODE REGS 10.00 - 14.413 (THE "REGULATIONS"). THE ENFORCEMENT SECTION ALLEGES THAT RESPONDENT ENGAGED IN ACTS AND PRACTICES IN VIOLATION OF THE ACT AND REGULATIONS BY AGGRESSIVELY MARKETING ITSELF TO MASSACHUSETTS INVESTORS WITHOUT REGARD FOR THE BEST INTERESTS OF ITS CUSTOMERS AND FAILING TO MAINTAIN THE INFRASTRUCTURE AND PROCEDURES NECESSARY TO MEET THE DEMANDS OF ITS RAPIDLY GROWING CUSTOMER BASE. THE ENFORCEMENT SECTION SEEKS AN ORDER: 1) FINDING AS FACT THE ALLEGATIONS SET FORTH BELOW; 2) FINDING THAT ALL THE SANCTIONS AND REMEDIES DETAILED HEREIN ARE IN THE PUBLIC INTEREST AND NECESSARY FOR THE PROTECTION OF MASSACHUSETTS INVESTORS; 3) REQUIRING RESPONDENT TO PERMANENTLY CEASE AND DESIST FROM FURTHER CONDUCT IN VIOLATION OF THE ACT AND REGULATIONS IN THE



COMMONWEALTH; 4) CENSURING RESPONDENT; 5) REQUIRING RESPONDENT TO PROVIDE RESTITUTION TO FAIRLY COMPENSATE INVESTORS FOR THOSE LOSSES ATTRIBUTABLE TO THE ALLEGED WRONGDOING; 6) REQUIRING RESPONDENT TO DISGORGE ALL PROFITS AND OTHER DIRECT OR INDIRECT REMUNERATION RECEIVED FROM THE ALLEGED WRONGDOING; 7) REQUIRING RESPONDENT TO ENGAGE AN INDEPENDENT COMPLIANCE CONSULTANT TO REVIEW RESPONDENT'S PLATFORM, THE UNDERLYING INFRASTRUCTURE, AND ITS CUSTOMER SERVICE SYSTEM RELATED TO TRADING PLATFORM OUTAGES AND DISRUPTIONS; 8) REQUIRING RESPONDENT TO ENGAGE AN INDEPENDENT COMPLIANCE CONSULTANT TO REVIEW AND ENHANCE ITS POLICIES AND PROCEDURES RELATED TO THE APPROVAL OF OPTIONS TRADING; 9) REQUIRING RESPONDENT TO REVIEW ITS SUPERVISORY PROCEDURES TO ENSURE COMPLIANCE WITH APPLICABLE STATE AND FEDERAL LAWS; 10) IMPOSING AN ADMINISTRATIVE FINE ON RESPONDENT IN SUCH AMOUNT AND UPON SUCH TERMS AND CONDITIONS AS THE DIRECTOR OR PRESIDING OFFICER MAY DETERMINE; 11) REVOKING RESPONDENT'S REGISTRATION AS A BROKER-DEALER IN MASSACHUSETTS; AND 12) TAKING ANY SUCH FURTHER ACTION WHICH MAY BE IN THE PUBLIC INTEREST AND NECESSARY AND APPROPRIATE FOR THE PROTECTION OF MASSACHUSETTS INVESTORS.

<b>Initiated By:</b>	STATE OF MASSACHUSETTS
<b>Date Initiated:</b>	12/16/2020
<b>Docket/Case Number:</b>	E-2020-0047
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Type(s):</b>	EQUITY-OTC OPTIONS
<b>Principal Sanction(s)/Relief Sought:</b>	Revocation
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST, CENSURE, ADMINISTRATIVE FINE, DISGORGEMENT, RESTITUTION, UNDERTAKING OF INDEPENDENT COMPLIANCE CONSULTANT TO REVIEW PLATFORM, UNDERTAKING OF INDEPENDENT COMPLIANCE CONSULTANT TO REVIEW POLICIES & PROCEDURES RELATED TO OPTIONS TRADING, REVIEW SUPERVISORY PROCEDURES TO ENSURE COMPLIANCE WITH STATE & FEDERAL LAWS; AN ADMINISTRATIVE FINE; AND REVOKING MA REGISTRATION.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	01/18/2024
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$7,500,000.00



## Other Sanctions Ordered:

### Sanction Details:

TOTAL AMOUNT: \$7,500,000

### Firm Statement

ROBINHOOD NEITHER ADMITS NOR DENIES THE FACTUAL ALLEGATIONS RELATED TO INFRASTRUCTURE AND SUPERVISION, ADMITS THE FACTUAL ALLEGATIONS RELATED TO CYBERSECURITY POLICIES AND PROCEDURES, NEITHER ADMITS NOR DENIES THE VIOLATIONS OF LAW SET FORTH IN SECTION VII BELOW, AND ROBINHOOD CONSENTS TO THE ENTRY OF A CONSENT ORDER (THE "ORDER") BY THE DIVISION, CONSISTENT WITH THIS OFFER, SETTLING THE CLAIMS BROUGHT IN THE COMPLAINT AND THE INVESTIGATION. REPRESENTATIONS AND UNDERTAKINGS ROBINHOOD AGREES TO: A. PERMANENTLY CEASE AND DESIST FROM VIOLATIONS OF THE ACT AND REGULATIONS IN MASSACHUSETTS; B. BE CENSURED BY THE DIVISION; C. MAKE CHANGES TO CERTAIN PRACTICES ON ITS TRADING APPLICATION; D. ENGAGE AN INDEPENDENT COMPLIANCE CONSULTANT TO ATTEST TO CHANGES MADE, AND REVIEW, REPORT, AND MAKE RECOMMENDATIONS REGARDING (1) SUFFICIENCY OF DISCLOSURES, ACCURACY OF EDUCATIONAL MATERIALS, AND REASONABLE POLICIES AND PROCEDURES TO COMPLY WITH STATE AND FEDERAL SECURITIES LAWS REGARDING LISTS, INTERFACES, AND DIGITAL ENGAGEMENT PRACTICES; (2) SUFFICIENCY OF DISCLOSURES AND ACCURACY OF EDUCATIONAL MATERIALS REGARDING IPO ACCESS; (3) SUFFICIENCY OF CERTAIN DATA CONTROLS, SUFFICIENCY OF PROCESS TO REPORT DATA BREACHES, AND RELIANCE ON ROBINHOOD MARKETS CYBERSECURITY POLICIES AND PROCEDURES; E. IMPLEMENT ALL RECOMMENDED CHANGES TO ITS PLATFORM AND PROVIDE ALL RECOMMENDED TRAINING TO ASSOCIATED PERSONS.

## Disclosure 3 of 3

### Reporting Source:

Firm

### Current Status:

Final

### Allegations:

FROM OCTOBER 2016 TO NOVEMBER 2017, ROBINHOOD FINANCIAL, LLC ("ROBINHOOD") DID NOT PERFORM UNDERLYING EXECUTION QUALITY ANALYSIS OF COMPETING MARKETS RELATIVE TO THE FIRM'S THEN-EXISTING ROUTING ARRANGEMENTS UNDER THE FINRA RULE 5310.09(B) FACTORS; ROBINHOOD DID NOT PERFORM SYSTEMATIC BEST EXECUTION REVIEWS OF CERTAIN ORDER TYPES; ROBINHOOD'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS BEST EXECUTION OBLIGATIONS; AND ROBINHOOD'S WRITTEN SUPERVISORY PROCEDURES CONCERNING BEST EXECUTION AND ITS REGULAR AND RIGOROUS REVIEWS MERELY RECITED THE REGULATORY REQUIREMENTS.





<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	12/19/2019
<b>Docket/Case Number:</b>	2017056224001
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Type(s):</b>	EQUITY-OTC
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE, INDEPENDENT CONSULTANT
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/19/2019
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$1,250,000.00
<b>Other Sanctions Ordered:</b>	ROBINHOOD FINANCIAL, LLC AGREED TO RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE FIRM'S POLICIES, SYSTEMS, PROCEDURES, & TRAINING RELATED TO BEST EXECUTION.
<b>Sanction Details:</b>	THE ENTIRETY OF THE \$1.25 MILLION FINE WAS LEVIED AGAINST ROBINHOOD FINANCIAL, LLC.
<b>Firm Statement</b>	ON DECEMBER 19, 2019, ROBINHOOD FINANCIAL, LLC, WITHOUT ADMITTING OR DENYING THE FINDINGS, REACHED A SETTLEMENT WITH FINRA RELATING TO THIS MATTER.



## Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at [www.finra.org/awardsonline](http://www.finra.org/awardsonline).

### Disclosure 1 of 3

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-OTHER; EXECUTIONS-EXECUTION ERROR; TRADING DISPUTES-OTHER
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	01/10/2019
<b>Case Number:</b>	19-00145
<b>Disputed Product Type:</b>	OPTIONS
<b>Sum of All Relief Requested:</b>	\$50,000.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	05/09/2019
<b>Sum of All Relief Awarded:</b>	\$21,970.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

### Disclosure 2 of 3

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	05/10/2021
<b>Case Number:</b>	<a href="#">21-01206</a>



**Disputed Product Type:** COMMON STOCK  
**Sum of All Relief Requested:** \$32,428.01  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 01/06/2022  
**Sum of All Relief Awarded:** \$29,610.78

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

### Disclosure 3 of 3

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-EXCHANGES; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-TRANSFER  
**Arbitration Forum:** FINRA  
**Case Initiated:** 09/08/2023  
**Case Number:** [23-02451](#)  
**Disputed Product Type:** COMMON STOCK; OPTIONS; OTHER TYPES OF SECURITIES  
**Sum of All Relief Requested:** \$19,003.22  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 03/08/2024  
**Sum of All Relief Awarded:** \$5,003.22

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

**End of Report**



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