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February 12, 2021

The Honorable Elizabeth Warren  
309 Hart Senate Office Building  
Washington, DC 20510

Response to February 2, 2021 Letter re: Robinhood

Dear Senator Warren,

I write in response to your letter, dated February 2, 2021, regarding the measures taken by Robinhood<sup>1</sup> in response to the recent market volatility. We appreciate your interest in this matter, and welcome the opportunity to describe why RHS decided temporarily to restrict the purchase of certain securities on January 28, 2021. We continue to prioritize our customers and our mission to increase access to investing, and we believe the steps taken by RHS reflect this commitment. Should additional responsive information become available, we respectfully reserve the right to supplement this response as appropriate.

\* \* \*

**1. Robinhood announced on January 28, 2021 that it was restricting “transactions for certain securities to position closing only,” abruptly changing the rules for small investors with no warning or recourse. Why did Robinhood make this decision?**

**a. Please explain in detail the factors that led Robinhood to limit customers from making trades on GameStop and other stocks.**

As brokerage firms, RHF and RHS have many financial requirements, including U.S. Securities and Exchange Commission (“SEC”) net capital obligations and clearinghouse deposit requirements. Some of these requirements fluctuate based on volatility in the markets and can be substantial in the current environment. These requirements exist to protect investors and the markets, and we take our

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<sup>1</sup> Unless otherwise specified, references to Robinhood herein refer collectively to Robinhood Markets, Inc. (“RHM”), Robinhood Financial LLC (“RHF”), and Robinhood Securities, LLC (“RHS”). RHM wholly owns RHF, which acts as an introducing broker for its customers by taking their trade orders. RHM also wholly owns RHS, which, as a member of SEC-registered clearinghouses, serves as a clearing broker for RHF. In that capacity, RHS executes customer orders received from RHF by routing them to market makers and also clears and settles trades for RHF.



responsibilities to comply with them seriously, including through the measures taken by RHS to temporarily limit customer purchases of certain securities.

In late January 2021, trading activity in a small number of stocks triggered massive volatility that prompted clearinghouses to take swift action to increase deposit requirements. These deposits are the collateral RHS posts to ensure access to clearinghouse services on behalf of Robinhood’s customers. In a matter of days, RHS’s clearinghouse-mandated deposit requirements related to stocks increased ten-fold. This led us to put temporary buying restrictions on a small number of securities, including GameStop, which accounted for hundreds of millions of dollars in deposit requirements. Consistent with our customer agreement, we took steps to limit buying in those securities to ensure we could meet our deposit requirements. We met and have continued to meet these requirements.

**b. Please explain what contractual provisions with its users allowed Robinhood to summarily bar or otherwise restrict trading activity related to GameStop and other companies and how these provisions were communicated to users.**

When opening an account with RHF, all customers are required to sign a customer agreement, in which the customer acknowledges that RHF retains authority, in its “sole discretion and without prior notice,” to restrict customer trading activity.<sup>2</sup> Agreements with these terms are standard across the industry.<sup>3</sup>

**2. News reports indicate that Robinhood’s actions to restrict trading of certain securities, such as GameStop stocks, “suggest that the stock trading platform may not have had enough cash on hand to stay within regulatory rules for brokerage firms,” potentially because “Robinhood may have been exposed to too much risk associated with margin trading.” Are these reports accurate?**

By January 28, Robinhood customers could not trade GameStop, among other stocks, on margin. Other brokers took similar actions.<sup>4</sup> As described above, RHS restricted trading in certain securities,

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<sup>2</sup> See Ex. A (RHF & RHS Customer Agreement (last updated Dec. 30, 2020)) ¶ 5(F) (“I understand Robinhood may at any time, in its sole discretion and without prior notice to Me, prohibit or restrict My ability to trade securities.”); *id.* ¶ 16 (“I understand that Robinhood may, in its discretion, prohibit or restrict the trading of securities . . . in any of My Accounts.”).

<sup>3</sup> See SEC Office of Investor Education & Advocacy, *Thinking About Investing in the Latest Hot Stock?*, SEC (Jan. 30, 2021), <https://www.sec.gov/oiea/investor-alerts-and-bulletins/risks-short-term-trading-based-social-media-investor-alert>. (“[B]roker-dealers may reserve the ability to reject or limit customer transactions. This may be done for legal, compliance, or risk management reasons, and is typically discussed in the customer account agreement. In certain circumstances, broker-dealers may determine not to accept orders where a transaction presents certain associated compliance or legal risks.”).

<sup>4</sup> Charles Schwab, eToro, E\*Trade, Freetrade, Interactive Brokers, M1 Finance, Public, Revolut, TD Ameritrade, Trading 212, and Webull all either restricted trading or tightened certain restrictions on



including GameStop, as a risk management measure. RHS met the deposit requirements imposed by the clearinghouse on January 28 and has continued to meet those requirements to date. RHM also raised additional capital, a significant portion of which is being held as regulatory capital by RHS and can be deployed in the event deposit requirements increase significantly in the future.

- a. Does Robinhood disclose the number of customers who hold margin accounts – which allows customers to borrow money from Robinhood to buy stocks –to federal regulators? If so, what is the average total margin among Robinhood margin account holders?**

Under current rules, RHF is not required to collect and disclose the number of customers who hold margin accounts.

- b. Reports revealed that potential cash flows issues “could have put Robinhood out of compliance with very basic regulatory rules that every brokerage is required to follow.” According to one analyst, “[t]his raises the question of if [Robinhood was] negligent in their management of their net capital and other regulatory obligations.”**

- i. Please describe in detail any findings of noncompliance with laws or regulations governing Robinhood’s platform or business practices during or preceding the recent market volatility.**

During the relevant period, RHF and RHS were in compliance with the SEC’s net capital requirements, and remain so through the present. To the best of our knowledge, Robinhood has acted in compliance with all other applicable laws and regulations related to the market volatility during the relevant period.

- ii. Please describe in detail any conversations that Robinhood’s senior leadership had with staff of financial regulatory agencies regarding the recent market volatility.**

Robinhood has been in regular communications with the SEC, Financial Industry Regulatory Authority (“FINRA”), and other self-regulatory organizations regarding the recent market volatility events.

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these stocks. See Harry Robertson, *Robinhood, Webull, MI and these other platforms have resumed trading of GameStop and AMC shares*, MARKETS INSIDER (Jan. 29, 2021, 2:39 PM), <https://markets.businessinsider.com/news/stocks/robinhood-webull-m1-reopen-gamestop-stock-trading-2021-1-1030019926>.



**3. Reports indicate that “Robinhood routes more than half of its customer orders to Citadel [Securities], by far its largest market-making partner by volume.”**

**a. Please describe in detail the relationship between Robinhood and Citadel Securities.**

Like other clearing brokers, RHS routes customer trade orders to market makers, including Citadel Execution Services (which is an SEC registered broker-dealer), to execute RHS’s customers’ orders. RHS receives rebates for directing customer orders to market makers in an arrangement known as “payment for order flow.” This payment for order flow practice is regulated by the SEC, and RHS complies with its disclosure obligations under SEC Rule 606. Citadel Execution Services is one of seven market makers to which RHS routes customer orders. No Citadel entity including, but not limited to, Citadel Execution Services, holds any ownership stake directly, or to Robinhood’s knowledge indirectly, in Robinhood.<sup>5</sup>

**b. Did Robinhood engage in any discussions with any Citadel businesses or affiliates prior to Robinhood reaching its decision to institute restrictions on trading for GameStop and other stocks? If so, please provide a full description of these discussions.**

RHS is in regular dialogue with all of the market makers to which it routes customer orders including, among others, Citadel Execution Services. RHS’s decision to impose limits on purchases of certain securities was not prompted by nor the result of any such discussions.<sup>6</sup> We have attached for your reference documentation regarding communications related to the decision to impose limits on certain securities.<sup>7</sup>

**c. What user data does Robinhood share with Citadel Securities, and on what terms?**

Robinhood does not share customer data beyond customer orders with any of RHS’s market makers. As stated above, RHS routes customer orders to market makers for order execution.

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<sup>5</sup> See Ex. B (Robinhood Financial LLC, Robinhood Securities, LLC & Robinhood Markets, Inc.’s Mem. Law Opp’n Pl.’s *Ex Parte* Appl. TRO & Order Showing Cause Prelim. Inj., *Cobos v. Robinhood Fin. LLC*, No. 21-cv-00835-VAP-MRW (C.D. Cal. Feb. 8, 2021), ECF Nos. 27-27-3) at 18.

<sup>6</sup> See Ex. B at 142 (Decl. of James Swartwout).

<sup>7</sup> See *id.*



**d. How much revenue does Robinhood earn from its contractual relationship with Citadel Securities?**

Consistent with its regulatory obligations under SEC Rule 606, RHS discloses on a quarterly basis its payment for order flow arrangements with market makers. RHS's Rule 606 disclosures are publicly available on Robinhood's website.<sup>8</sup>

In comparison, other major online brokers also route a significant portion of their customers' orders to Citadel Execution Services for order execution.

**TD Ameritrade Clearing, Inc. - December 2020**

**S&P 500 Stocks**

Venue - Non-directed Order Flow	Non-Directed Orders (%)	Market Orders (%)	Marketable Limit Orders (%)	Non-Marketable Limit Orders (%)	Other Orders (%)
Citadel Execution Services	38.22	44.28	42.56	20.03	52.03
Virtu Americas, LLC	20.73	23.16	21.19	5.74	34.24
G1 Execution Services	16.15	30.03	29.42	12.92	8.74
UBS Securities, LLC	14.20	1.03	3.89	36.93	1.12
Two Sigma Securities, LLC	8.93	0.96	2.42	22.91	0.85

**Non-S&P 500 Stocks**

Venue - Non-directed Order Flow	Non-Directed Orders (%)	Market Orders (%)	Marketable Limit Orders (%)	Non-Marketable Limit Orders (%)	Other Orders (%)
Citadel Execution Services	38.30	44.21	42.48	19.06	53.05
Virtu Americas, LLC	21.60	23.28	21.96	7.79	34.78
G1 Execution Services	15.08	29.80	29.03	8.80	7.20
UBS Securities, LLC	13.74	1.09	3.53	37.45	0.81
Two Sigma Securities, LLC	9.24	1.09	2.49	24.85	0.61

**Options**

Venue - Non-directed Order Flow	Non-Directed Orders (%)	Market Orders (%)	Marketable Limit Orders (%)	Non-Marketable Limit Orders (%)	Other Orders (%)
Citadel Execution Services	44.67	44.81	44.76	44.49	45.15
Global Execution Brokers LP	35.08	44.50	44.05	34.85	26.33
Dash Financial	9.47	4.55	4.91	8.90	16.24
Wolverine Execution Services	6.43	3.45	3.58	8.82	1.52

<sup>8</sup> See Robinhood Securities LLC - Held NMS Stocks and Options Order Routing Public Report, 4th Quarter, 2020 (Jan. 25, 2021, 11:07), <https://cdn.robinhood.com/assets/robinhood/legal/RHS%20SEC%20Rule%20606a%20and%20607%20Disclosure%20Report%20Q4%202020.pdf> (reflecting Q4 2020 Rule 606 Report).



## Charles Schwab - December 2020

### S&P 500 Stocks

Venue - Non-directed Order Flow	Non-Directed Orders (%)	Market Orders (%)	Marketable Limit Orders (%)	Non-Marketable Limit Orders (%)	Other Orders (%)
Citadel Execution Services	31.08	32.02	30.36	27.32	40.32
Virtu Americas, LLC	26.73	26.75	24.17	24.83	36.12
G1 Execution Services, LLC	22.66	23.09	25.32	23.82	13.02
UBS Securities, LLC	13.99	13.05	14.46	16.87	8.66
Two Sigma Securities, LLC	4.68	5.03	5.38	4.70	1.57
Cboe EDGX Exchange, Inc.	0.54	0.07	0.28	1.50	0.21
Nasdaq Execution Services, LLC	0.31	0.00	0.03	0.96	0.11

### Non-S&P 500 Stocks

Venue - Non-directed Order Flow	Non-Directed Orders (%)	Market Orders (%)	Marketable Limit Orders (%)	Non-Marketable Limit Orders (%)	Other Orders (%)
Citadel Execution Services	30.46	30.44	30.58	27.54	40.55
Virtu Americas, LLC	26.21	24.42	24.59	25.19	39.43
G1 Execution Services, LLC	23.12	25.22	24.61	23.38	11.07
UBS Securities, LLC	14.56	14.36	14.64	16.90	7.43
Two Sigma Securities, LLC	4.78	5.53	5.37	4.61	1.30
Cboe EDGX Exchange, Inc.	0.54	0.03	0.17	1.45	0.14
Nasdaq Execution Services, LLC	0.33	0.00	0.03	0.93	0.08

### Options

Venue - Non-directed Order Flow	Non-Directed Orders (%)	Market Orders (%)	Marketable Limit Orders (%)	Non-Marketable Limit Orders (%)	Other Orders (%)
Citadel Execution Services	34.56	33.14	33.47	33.16	38.25
Global Execution Brokers LP	30.25	29.99	29.70	29.49	31.94
Wolverine Execution Services, LLC	18.53	18.96	19.44	20.65	14.24
Dash Financial Technologies, LLC	8.70	12.34	11.05	9.53	4.30
Morgan Stanley & Co., LLC	7.95	5.57	6.34	7.17	11.28

At this time, RHS does not expect the data reflected in its Rule 606 disclosures for Q4 2020 to materially change by the end of the current quarter. RHS can make its Rule 606 disclosures for Q1 2021 available to your office following their release at the end of the quarter.

- e. **Does Robinhood have similar contracts with other large hedge funds, private equity funds, or other large financial services firms? If so, please provide a full description of these relationships.**

Robinhood does not have any contracts with hedge funds or private equity funds regarding customer order execution. RHS currently has payment for order flow arrangements with seven other market makers: G1X Execution Services, LLC, Global Execution Brokers, LP, Morgan Stanley & Co.,



LLC, Two Sigma Securities, LLC, Virtu Americas, LLC, and Wolverine Securities, LLC, and Wolverine Execution Services LLC.<sup>9</sup>

**4. Please describe Robinhood’s requirements for addressing customers’ complaints and grievances, in particular Robinhood’s use of forced arbitration requirements.**

**a. Please explain in detail the terms of the arbitration processes that Robinhood customers are mandated to participate in when seeking relief.**

When customers sign up for accounts, they must acknowledge their agreement to the terms set forth in the operative customer agreement. The disclosures in RHF’s customer agreements regarding arbitration are consistent with RHF’s and RHS’s regulatory obligations under FINRA Rule 2268, which governs requirements when pre-dispute arbitration agreements are used. In particular, the customer agreements include the language set forth in FINRA Rule 2268(a).<sup>10</sup> Further, as required by FINRA Rule 2268(b)(1), the operative customer agreement sets forth, before the customer indicates acceptance, that it contains a pre-dispute arbitration clause and refers to where that clause is located.<sup>11</sup>

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<sup>9</sup> *See id.*

<sup>10</sup> *See* Ex. A ¶ 38. The language set forth in FINRA Rule 2268, which is identical to the customer agreements, is as follows:

This agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows: (1) All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed. (2) Arbitration awards are generally final and binding; a party’s ability to have a court reverse or modify an arbitration award is very limited. (3) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings. (4) The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date. (5) The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry. (6) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court. (7) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

<sup>11</sup> *See* Ex. A at 1 (“I also understand that by clicking ‘submit application’ I have acknowledged that this agreement contains a predispute arbitration clause in Section 38 herein.”).



**b. How many consumer complaints has Robinhood fielded from customers that were required to use the arbitration process to address their concerns?**

As stated above at 4(a), under the operative customer agreement and consistent with FINRA regulations, all RHF customers agree to adhere to the terms of the pre-dispute arbitration clause. As of February 11, there are 24 arbitrations pending. RHF is open to reviewing its use of arbitration and will continue to be guided by what is in its customers' best interests with respect to resolving customer complaints.

**c. How many of these customers went through the arbitration process?**

One of the cases initiated in 2020 pursuant to the FINRA arbitration process under FINRA Rule 2268 resulted in a final determination by a FINRA arbitrator.

**d. What was the outcome of these cases?**

A FINRA panel issued a \$0 award for the one case initiated in 2020 that resulted in a final determination.

**e. In cases where Robinhood lost in arbitration, was the settlement, or any part of it, made public?**

As noted above, a FINRA panel issued a \$0 award for the one case initiated in 2020 that resulted in a final determination. All cases that have been finally determined by a FINRA arbitrator are publicly available on FINRA's website.<sup>12</sup>

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<sup>12</sup> See <https://www.finra.org/arbitration-mediation/arbitration-awards-online>.



Thank you for the opportunity to address these issues. We would be happy to schedule a follow-up conversation at your convenience.

Sincerely,

/s/ Lucas Moskowitz

Lucas Moskowitz  
Deputy General Counsel & Head of  
Government Affairs  
Robinhood Markets, Inc.

cc:

Allison Herren Lee, Acting Chair, Securities and Exchange Commission  
Robert Cook, President and Chief Executive Officer, Financial Industry Regulatory Authority

# **EXHIBIT A**

Revised December 30, 2020

**Robinhood Financial LLC & Robinhood Securities, LLC Customer Agreement**

In consideration of Robinhood Financial LLC, Robinhood Securities, LLC, and their agents and assigns (collectively, "Robinhood") opening one or more accounts on my behalf ("My Account(s)" or the "Account(s)") for the purchase, sale or carrying of securities or contracts relating thereto and/or the borrowing of funds, which transactions are cleared through Robinhood Securities, I represent and agree with respect to all Accounts, whether margin or cash, to the terms set forth below (the "Agreement"). When used in this Agreement, the words "I", "Me", "My", "We", or "Us" mean the owner(s) of the Account. For purposes of this Agreement, Business Days are Monday through Friday, excluding federal holidays. Any references to "days" found in this Agreement are calendar days unless indicated otherwise.

**I UNDERSTAND THAT THE TERMS AND CONDITIONS OF THIS AGREEMENT GOVERN ALL ASPECTS OF MY RELATIONSHIP WITH ROBINHOOD REGARDING MY ACCOUNTS. I WILL CAREFULLY READ, UNDERSTAND AND ACCEPT THE TERMS AND CONDITIONS OF THIS AGREEMENT BEFORE I CLICK "SUBMIT APPLICATION" OR OTHER SIMILARLY WORDED BUTTON. IF I HAVE ANY QUESTIONS ABOUT ANY OF THE PROVISIONS IN THIS AGREEMENT, I WILL EMAIL [HELP@ROBINHOOD.COM](mailto:HELP@ROBINHOOD.COM). I UNDERSTAND THAT CLICKING "SUBMIT APPLICATION" IS THE LEGAL EQUIVALENT OF MY MANUALLY SIGNING THIS AGREEMENT AND I WILL BE LEGALLY BOUND BY ITS TERMS AND CONDITIONS. BY ENTERING INTO THIS AGREEMENT, I ACKNOWLEDGE RECEIPT OF THE ROBINHOOD PRIVACY POLICY AND PRIVACY AND SECURITY STATEMENT. I UNDERSTAND THAT THIS AGREEMENT MAY BE AMENDED FROM TIME TO TIME BY ROBINHOOD, WITH REVISED TERMS POSTED ON THE ROBINHOOD WEBSITE. I AGREE TO CHECK FOR UPDATES TO THIS AGREEMENT. I UNDERSTAND THAT BY CONTINUING TO MAINTAIN MY SECURITIES BROKERAGE ACCOUNT WITHOUT OBJECTING TO ANY REVISED TERMS OF THIS AGREEMENT, I AM ACCEPTING THE TERMS OF THE REVISED AGREEMENT AND I WILL BE LEGALLY BOUND BY ITS TERMS AND CONDITIONS. IF I REQUEST OTHER SERVICES PROVIDED BY ROBINHOOD THAT REQUIRE ME TO AGREE TO SPECIFIC TERMS AND CONDITIONS ELECTRONICALLY (THROUGH CLICKS OR OTHER ACTIONS) OR OTHERWISE, SUCH TERMS AND CONDITIONS WILL BE DEEMED AN AMENDMENT AND WILL BE INCORPORATED INTO AND MADE PART OF THIS AGREEMENT. I ALSO UNDERSTAND THAT BY CLICKING "SUBMIT APPLICATION" I HAVE ACKNOWLEDGED THAT THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE IN SECTION 38 HEREIN.**

**1. Capacity and Status.**

If an individual, I am of legal age under the laws of the state where I reside and authorized to enter into this Agreement. If an entity, I am duly formed, validly existing and in good standing in My state of organization, have full power and authority to enter and perform this Agreement, and the persons signing the account application are fully authorized to act on My behalf. No person, except Myself, has any interest in the Account opened pursuant to this Agreement. I acknowledge that unless Robinhood receives written objection from Me, Robinhood may provide My name, address, and securities positions to requesting companies in which I hold securities. Except as otherwise disclosed to Robinhood in writing, neither I nor any member of My immediate family is an employee of any exchange, any corporation of which any exchange owns a majority of the capital stock, a member of any exchange or self-regulatory organization, a member of any firm or member corporation registered on any exchange, a bank, trust company, insurance company or any corporation, firm or individual engaged in the business of dealing either as a broker-dealer or as principal in securities. I understand and agree that I am obligated to promptly notify Robinhood in writing if I or a member of My immediate family becomes registered or employed in any of the above-described capacities. Except as otherwise disclosed to Robinhood in writing, I am not a Professional (as defined below). I further agree to promptly notify Robinhood in writing if I am now or if I become a Professional or an officer, director or 10% stockholder of any publicly traded company.

**2. Market Data.**

Robinhood may choose to make certain market data available to Me pursuant to the terms and conditions set forth in this Agreement. By executing this Agreement, I agree to comply with those terms and conditions.

## A. Definitions.

1. "Market Data" means (a) last sale information and quotation information relating to securities that are admitted to dealings on the New York Stock Exchange ("NYSE"), (b) such bond and other equity last sale and quotation information, and such index and other market information, as United States-registered national securities exchanges and national securities associations (each, an "Authorizing SRO") may make available and as the NYSE may from time to time designate as "Market Data"; and (c) all information that derives from any such information.
2. "Nonprofessional" means any natural person who receives market data solely for his/her personal, non-business use and who is not a "Professional." A "Professional" includes an individual who, if working in the United States, is: (i) registered or qualified with the Securities and Exchange Commission (the "SEC"), the Commodity Futures Trading Commission (the "CFTC"), any state securities agency, any securities exchange or association, or any commodities or futures contract market or association; (ii) engaged as an "investment advisor" as that term is defined in Section 202 (a) (11) of the Investment Advisers Act of 1940 (whether or not registered or qualified under that Act), or (iii) employed by a bank or other organization exempt from registration under federal and/or state securities laws to perform functions that would require him or her to be so registered or qualified if he or she were to perform such functions for an organization not so exempt. A person who works outside of the United States will be considered a "Professional" if he or she performs the same functions as someone who would be considered a "Professional" in the United States.

## B. Provisions Applicable to All Users.

1. Proprietary Nature of Data. I understand and acknowledge that each Authorizing SRO and Other Data Disseminator (as defined below) has a proprietary interest in the Market Data that originates on or derives from it or its market(s). I agree not to reproduce, distribute, sell or commercially exploit the Market Data in any manner.
2. Enforcement. I understand and acknowledge that (a) the Authorizing SROs are third-party beneficiaries under this Agreement and (b) the Authorizing SROs or their authorized representative(s) may enforce this Agreement, by legal proceedings or otherwise, against Me or any person that obtains Market Data that is made available pursuant to this Agreement other than as this Agreement contemplates.
3. Data Not Guaranteed. I understand that neither Robinhood nor any Authorizing SRO, other entity whose information is made available over the Authorizing SROs' facilities (an "Other Data Disseminator"), or information processor that assists any Authorizing SRO or Other Data Disseminator in making Market Data available (collectively, the "Disseminating Parties") guarantees the timeliness, sequence, accuracy, completeness, reliability, or content of Market Data or of other market information or messages disseminated to or by any Disseminating Party. I understand that neither Robinhood Financial nor any Disseminating Party guarantees the timeliness, sequence, accuracy, completeness, reliability or content of market information, or messages disseminated to or by any party. I understand that neither Robinhood Financial nor any Disseminating Party warrants that the service provided by any such entity will be uninterrupted or error-free. I further understand that Market Data by Xignite provides market data to Robinhood Financial customers. NEITHER ROBINHOOD FINANCIAL, ANY OF ITS AFFILIATES, THEIR RESPECTIVE OFFICERS OR EMPLOYEES, NOR ANY DISSEMINATING PARTY SHALL BE LIABLE IN ANY WAY FOR (A) ANY INACCURACY, ERROR OR DELAY IN, OR OMISSION OF, (I) ANY MARKET DATA, INFORMATION OR MESSAGE, OR (II) THE TRANSMISSION OR DELIVERY OF ANY SUCH DATA, INFORMATION OR MESSAGE; OR (B) ANY LOSS (AS DEFINED IN THIS AGREEMENT) OR DAMAGE ARISING FROM OR OCCASIONED BY (I) ANY SUCH INACCURACY, ERROR, DELAY OR OMISSION, (II) NON-PERFORMANCE OR (III) INTERRUPTION IN ANY SUCH MARKET DATA, INFORMATION, OR MESSAGE, WHETHER DUE TO ANY ACT OR OMISSION BY ROBINHOOD FINANCIAL, ANY OF ITS AFFILIATES, THEIR RESPECTIVE OFFICERS OR EMPLOYEES, OR ANY DISSEMINATING PARTY, OR TO ANY "FORCE MAJEURE" (E.G., FLOOD, EXTRAORDINARY WEATHER CONDITIONS, EARTHQUAKE OR OTHER ACT OF GOD, FIRE, WAR, INSURRECTION, RIOT, LABOR DISPUTE, ACCIDENT, ACTION OF GOVERNMENT, OR COMMUNICATIONS OR POWER FAILURE, EQUIPMENT OR SOFTWARE MALFUNCTION) OR ANY OTHER

CAUSE BEYOND THE REASONABLE CONTROL OF ROBINHOOD FINANCIAL, ITS AFFILIATES, THEIR RESPECTIVE OFFICERS AND EMPLOYEES, OR ANY DISSEMINATING PARTY.

4. Permitted Use. I shall not furnish Market Data to any other person or entity. If I receive Market Data other than as a Nonprofessional, I shall use Market Data only for My individual use.
5. Dissemination, Discontinuance, or Modification. I understand and acknowledge that, at any time, the Authorizing SROs may discontinue disseminating any category of Market Data, may change or eliminate any transmission method and may change transmission speeds or other signal characteristics. The Authorizing SROs shall not be liable for any resulting liability, loss or damages that may arise therefrom.
6. Duration; Survival. This Section 2 of this Agreement remains in effect for so long as I have the ability to receive Market Data as contemplated by this Section 2. In addition, Sections 2(B)(1)-(3) and the first two sentences of Section 2(B)(7), survive any termination of this Agreement.
7. Miscellaneous. The laws of the State of New York shall govern this Section 2 and it shall be interpreted in accordance with those laws. This Subsection is subject to the Securities Exchange Act of 1934, the rules promulgated under that act, and the joint-industry plans entered into pursuant to that act.

### **C. Provisions Applicable to Nonprofessionals.**

1. Permitted Receipt. I understand that I may not receive Market Data from Robinhood as a Nonprofessional, and Robinhood may not provide Market Data to Me as a Nonprofessional, unless Robinhood first properly determines that I qualify as a Nonprofessional as defined above and I in fact qualify as a Nonprofessional. I agree that, as a prerequisite to Robinhood Financial qualifying Me as a Nonprofessional, I will provide to Robinhood truthful and accurate information about Me, such as: my occupation, employer, employment position and functions; my use of Market Data; my registration status with any securities agency, exchange, association, or regulatory body, or any commodities or future contract market, association, or regulatory body, whether in the United States or elsewhere; and any compensation of any kind I may receive from any individual or entity for my trading activities, asset management, or investment advice. Except as otherwise declared to Robinhood in writing, by executing this Agreement, I certify that I meet the definition of Nonprofessional as set forth in this Agreement.
2. Permitted Use. If I am a Nonprofessional, I agree to receive Market Data solely for my personal, non-business use.
3. Notification. I shall notify Robinhood promptly in writing of any change in my circumstances that may cause Me to cease to qualify as a Nonprofessional.

### **3. NASDAQ OMX Information.**

#### **A. Definitions.**

1. "Information" means certain market data and other data disseminated that has been collected, validated, processed, and recorded by any system NASDAQ OMX has developed for the creation or dissemination of Information or other sources made available for transmission to and receipt from either a distributor such as RHF or from NASDAQ OMX relating to: a) eligible securities or other financial instruments, markets, products, vehicles, indicators, or devices; b) activities of a NASDAQ OMX company; c) other information and data from a NASDAQ OMX company. "Information" also includes any element of Information as used or processed in such a way that the Information can be identified, recalculated or re-engineered from the processed Information or that the processed Information can be used as a substitute for Information.
2. "NASDAQ OMX" means The NASDAQ OMX Group, Inc., a Delaware limited liability company and its subsidiaries and Affiliates (collectively, "NASDAQ OMX").

## **B. Use of Data.**

I understand that I may use the Information only for personal use and not for any business purpose. I may not sell, lease, furnish or otherwise permit or provide access to the Information to any other natural person or entity ("Person") or to any other office or place. I will not engage in the operation of any illegal business use or permit anyone else to use the Information, or any part thereof, for any illegal purpose or violate any NASDAQ OMX or SEC Rule or any FSA rule or other applicable law, rule or regulation. I may not present the Information rendered in any unfair, misleading or discriminatory format. I shall take reasonable security precautions to prevent any Person other than Myself from gaining access to the Information.

## **C. Proprietary Data.**

I acknowledge and agree that NASDAQ OMX has proprietary rights to the Information that originates on or derives from markets regulated or operated by NASDAQ OMX, and compilation or other rights to Information gathered from other sources. I further acknowledge and agree that NASDAQ OMX's third-party information providers have exclusive proprietary rights to their respective Information. In the event of any misappropriation or misuse by Me or anyone who accesses the Information through Me, NASDAQ OMX or its third-party information providers shall have the right to obtain injunctive relief for its respective materials.

## **D. System.**

I acknowledge that NASDAQ OMX, in its sole discretion, may from time-to-time make modifications to its system or the Information. Such modifications may require corresponding changes to be made in Robinhood Financial's service. Changes or the failure to make timely changes by Me may sever or affect My access to or use of the Information. I understand that neither NASDAQ OMX nor Robinhood shall be responsible for such effects.

## **E. NASDAQ OMX Limitation of Liability.**

Except as may otherwise be set forth herein, NASDAQ OMX shall not be liable to Me for indirect, special, punitive, consequential or incidental loss or damage (including, but not limited to, trading losses, lost profits, or other indirect loss or damage) of any nature arising from any cause whatsoever, even if NASDAQ OMX has been advised of the possibility of such damages. NASDAQ OMX shall not be liable to Me for any unavailability, interruption, delay, incompleteness or inaccuracy of the Information. This Section shall not relieve NASDAQ OMX or Me from liability for damages that result from their own gross negligence or willful tortious misconduct or from personal injury or wrongful death claims. I agree that the terms of this Section reflect a reasonable allocation of risk and limitation of liability.

## **F. Disclaimers of Warranties.**

NASDAQ OMX and its third-party information providers make no warranties of any kind with respect to the Information---express, implied or statutory (including without limitation, timeliness, truthfulness, sequence, completeness, accuracy, freedom from interruption), any implied warranties arising from trade usage, course of dealing, course of performance or the implied warranties of merchantability or fitness for a particular use or purpose or noninfringement.

## **G. Termination by NASDAQ OMX.**

I acknowledge that NASDAQ OMX, when required to do so in fulfillment of statutory obligations, may by notice to Robinhood unilaterally limit or terminate the right of any or all Persons to receive or use the

Information and that Robinhood will comply with any such notice and will terminate or limit the furnishing of the Information.

#### **4. Authorization.**

I understand that My Account is self-directed. Accordingly, I appoint Robinhood Financial as My agent for the purpose of carrying out My directions to Robinhood Financial in accordance with the terms and conditions of this Agreement and any attendant risks with respect to the purchase or sale of securities. Robinhood Financial is authorized to open or close My Account(s), place and withdraw orders and take such other steps as are reasonable to carry out My directions. All transactions will be effected only on My order or the order of My authorized delegate, except as described in Section 10. I understand Robinhood Financial provides trading and brokerage services through the Robinhood website (the "Website") and the Robinhood mobile application (the "App"). I agree to receive and transmit financial information through such electronic means. My use or My grant of access to My Account to any third party to access information or place transactions in My Account is solely at My risk.

#### **5. Customer Representations and Responsibilities.**

##### **A. Self-directed Account.**

I understand that My Account is self-directed, and so that I am solely responsible for any and all orders placed in My Account and that all orders entered by Me or on My behalf are unsolicited and based on My own investment decisions or the investment decision of My duly authorized representative or agent. Accordingly, I agree that neither Robinhood nor any of its employees, agents, principals, or representatives:

1. provide investment advice in connection with this Account;
2. recommend any security, transaction or order;
3. solicit orders;
4. act as a market maker in any security;
5. make discretionary trades; and
6. produce or provide first-party research providing a specific investment strategies such as buy, sell or hold recommendations, first-party ratings and/or price targets. To the extent research materials or similar information are available through the App or the Website or the websites of any entity controlled by, controlling, or under common control with Robinhood (such entity, an "Affiliate"), I understand that these materials are intended for informational and educational purposes only and they do not constitute a recommendation to enter into any securities transactions or to engage in any investment strategies.

##### **B. Information Accuracy.**

I: (i) certify that the information contained in this Agreement, the account application, and any other document that I furnish to Robinhood Financial in connection with My Account(s) is complete, true and correct, and acknowledge that knowingly giving false information for the purpose of inducing Robinhood Financial to extend credit is a federal crime; (ii) authorize Robinhood Financial to contact any individual or firm noted herein or on the documents referred to in subsection (i) of this Section and any other normal sources of debit or credit information; (iii) authorize anyone so contacted to furnish such information to Robinhood Financial as Robinhood may request; and (iv) agree that this Agreement, the account application and any other document I furnish in connection with My Account is Robinhood's property, as the case may be. I shall promptly advise Robinhood Financial of any changes to the information in such agreements and documents in writing within ten (10) calendar days. I authorize Robinhood Financial to obtain reports and provide information to others concerning My creditworthiness and business conduct. Upon My request, Robinhood agrees to provide Me a copy of any report so obtained. Robinhood may

retain this Agreement, the Account application, and all other such documents and their respective records at Its sole discretion, whether or not credit is extended.

### **C. Risks.**

I understand that all investments involve risk, that losses may exceed the principal invested, and that the past performance of a security, industry, sector, market, or financial product does not guarantee future results or returns.

### **D. Account Defaults.**

I understand that My Account comes with many defaulted service instruction features and preferences. I further understand that I am not required to use these defaulted options or preferences and that once My Account is approved and opened I have the sole discretion to control and adjust such defaulted service preferences that relate to My account.

### **E. Knowledge of Account.**

I understand that I am solely responsible for knowing the rights and terms for all securities purchased, sold and maintained in My Account including mergers, reorganizations, stock splits, name changes or symbol changes, dividends, option symbols, and option deliverables. I further understand that certain securities may grant Me valuable rights that may expire unless I take specific action. These securities include bonds, convertible securities, warrants, stock rights and securities subject to exchange offers or tenders. I am responsible for knowing all expiration dates, redemption dates, and the circumstances under which rights associated with My securities may be called, cancelled, or modified. Robinhood may, but are not obligated to, notify Me of any upcoming expiration or redemption dates, or take any action on My behalf without My specific instructions except as required by law and the rules of regulatory authorities. I acknowledge that Robinhood may adjust My Account to correct any error. If My Account has an option position on the last trading day prior to expiration, which is one cent or more in the money, Robinhood Financial will generally exercise the option, on My behalf. However, Robinhood Financial reserves the right at Its discretion to close any option position prior to expiration date or any position resulting from the exercising/assignment after option expiration. I will be charged a commission for any such transaction. Robinhood Financial is not obligated to take any of these actions and Robinhood Financial is not liable for Losses should it not take them.

### **F. Purchases.**

All orders for the purchase of securities given for My Account will be authorized by Me and executed in reliance on My promise that an actual purchase is intended. It is My obligation to pay for purchases immediately or on Robinhood's demand. I understand Robinhood may at any time, in its sole discretion and without prior notice to Me, prohibit or restrict My ability to trade securities. I further agree not to allow any person to trade for My Account unless a trading authorization for that person has been received and approved by Robinhood. Robinhood reserve the right to require full payment in cleared funds prior to the acceptance of any order. In the event that I fail to provide sufficient funds, Robinhood may, at its option and without notice to Me, i) charge a reasonable rate of interest, ii) liquidate the Property subject of the buy order, or iii) sell other Property owned by Me and held in any of My Accounts. Robinhood may also charge any consequential Loss to My Account. For purposes of this Agreement, "Property" shall mean all monies, contracts, investments and options, whether for present or future delivery, and all related distributions, proceeds, products and accessions.

## **G. Sales/Short Sales.**

I promise to deliver all securities sold in My Account and to provide collateral of a type and amount acceptable to Robinhood Financial for all short sales in My Account. Robinhood Financial requires that a security be held in My Account prior to the acceptance of a sell order with respect to such security unless the order is specifically designated as a "short sale." If a security is not held in My Account and a sell order is processed, I must promptly deliver such security to Robinhood Financial for receipt in good deliverable form on or before the settlement date. Any order accepted without negotiable certificates or positions in My Account will be subject, at Robinhood Financial's sole discretion, to cancellation or buy-in. To ensure this will not occur, I agree to only place sell orders for securities owned by Me and held in My Account at the time My order is placed.

Proceeds of a sale will not be paid to Me or released into My Account until Robinhood Financial has received the security in good deliverable form, whether from a transfer agent or from Me and the settlement of the security is complete. If the security is not received on or before settlement date, or as market conditions warrant, Robinhood Financial may in its sole discretion purchase the security on the open market for My Account and may liquidate and close out any and all securities in My Account in order to pay for such purchase. In the event a security is bought in, I will be responsible for all resulting Losses incurred by Robinhood Financial.

I understand that I may execute short sales only in a margin Account and that such execution must comply with applicable short sales rules.

## **H. Assistance by Robinhood.**

I understand that when I request assistance from Robinhood or its employees in using the investment tools available on the Website or the App, it will be limited to an explanation of the tool's functionality and, if requested by Me, to the entry by Robinhood or its employees of variables provided by Me, and that such assistance does not constitute investment advice, an opinion with respect to the suitability of any transaction, or solicitation of any orders.

## **I. No Tax or Legal Advice.**

I understand that Robinhood does not provide tax or legal advice.

## **J. Discontinuation of Services.**

I understand that Robinhood may discontinue My Account and any services related to My Account immediately by providing written notice to Me

## **K. Electronic Access.**

1. I am solely responsible for keeping My Account numbers and PINs confidential and will not share them with third parties. "PINs" shall mean My username and password.
2. I agree and accept full responsibility for monitoring and safeguarding My Accounts and access to My Accounts.
3. I agree to immediately notify Robinhood in writing, delivered via e-mail and a recognized international delivery service, if I become aware of: (i) any loss, theft, or unauthorized use of My PINs or Account numbers; (ii) any failure by Me to receive any communication from Robinhood indicating that an order was received, executed or cancelled, as applicable; (iii) any failure by Me to receive an accurate written confirmation of an order, execution, or cancellation; (iv) any receipt by Me of confirmation of an order, execution or cancellation, which I did not place; (v) any

inaccurate information in or relating to My orders, trades, margin status, Account balances, deposits, withdrawals, securities positions or transaction history; or (vi) any other unauthorized use or access of My Account.

4. Each of the events described in subsections (K)(3)(i)-(vi) shall be deemed a "Potential Fraudulent Event". The use and storage of any information including My Account numbers, PINs, portfolio information, transaction activity, account balances and any other information or orders available on My wireless, web-enabled cellular telephone or similar wireless communications device (collectively, "Mobile Device") or My personal computer is at My own risk and is My sole responsibility. I represent that I am solely responsible for and have authorized any orders or instructions appearing in, originating from, or associated with My Account, My Account number, My username and password, or PINs. I agree to notify Robinhood immediately after I discover any Potential Fraudulent Event, but in no event more than twenty-four (24) hours following discovery. Upon request by Robinhood, I agree to report any Potential Fraudulent Event promptly to legal authorities and provide Robinhood a copy of any report prepared by such legal authorities. I agree to cooperate fully with the legal authorities and Robinhood in any investigation of any Potential Fraudulent Event and I will complete any required affidavits promptly, accurately and thoroughly. I also agree to allow Robinhood access to My Mobile Device, My computer, and My network in connection with Robinhood's investigation of any Potential Fraudulent Event. I understand that if I fail to do any of these things I may encounter delays in regaining access to the funds in My Account. I agree to indemnify and hold Robinhood, its Affiliates, and Robinhood and its Affiliates' respective officers, directors, and employees harmless from and against any Losses arising out of or relating to any Potential Fraudulent Event. I acknowledge that Robinhood does not know when a person entering orders with My username and password is Me.
5. Trusted Contact Person. I understand that, pursuant to FINRA regulations, Robinhood is authorized to contact the Trusted Contact Person (as defined by FINRA Rule 4512) designated for My Account and to disclose information about My account to address possible financial exploitation, to confirm the specifics of My current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or as otherwise permitted by Rule 2165.

## **6. Clearance of Trades.**

I understand that Robinhood Financial has entered into a clearing agreement with Robinhood Securities whereby Robinhood Financial will introduce My Account to Robinhood Securities, and Robinhood Securities will clear all transactions, on a fully-disclosed basis. I understand that Robinhood Securities carries My Account(s) and is responsible for the clearing and bookkeeping of transactions, but is not otherwise responsible for the conduct of Robinhood Financial.

Until receipt from Me of written notice to the contrary, Robinhood Securities may accept from Robinhood Financial, without inquiry or investigation, (i) orders for the purchase or sale of securities and other property on margin, if I have elected to have a margin account, or otherwise, and (ii) any other instructions concerning my Accounts. Robinhood Securities shall look solely to Robinhood Financial unless otherwise directed by Robinhood Financial, and not to Me, with respect to any such orders or instructions; except that I understand that Robinhood Securities will deliver confirmations, statements, and all written or other notices with respect to My Account directly to Me with copies to Robinhood Financial, and that Robinhood Securities will look directly to Me or Robinhood Financial for delivery of margin, payment, or securities. I agree to hold Robinhood Securities harmless from and against any Losses arising in connection with the delivery or receipt of any such communication(s), provided Robinhood Securities has acted in accordance with the above. The foregoing shall be effective as to My Account(s) until written notice to the contrary is received from Me by Robinhood Securities or Robinhood Financial.

## **7. Review of Confirmations and Statements.**

I agree that it is My responsibility to review order execution confirmations and statements of My Account(s) promptly upon receipt. I agree to receive all confirmations and account statements, as well as all tax related documents, in electronic format. I understand that account statements will evidence all activity in My Account for the stated period, including securities transactions, cash balances, credits to My Account and all fees paid from My Account. Notwithstanding Section 36.B, confirmations will be considered binding on Me unless I notify Robinhood of any objections within two (2) calendar days from the date confirmations are sent. Account statements will be considered binding on Me unless I notify you

of any objections within ten (10) calendar days after My Account statements are posted online. Such objection may be oral or in writing, but any oral objection must be immediately confirmed in writing. In all cases, Robinhood reserves the right to determine the validity of My objection. If I object to a transaction for any reason, I understand and agree that I am obligated to take action to limit any losses that may result from such transaction or I will bear sole responsibility for any losses relating to the transaction, even if My objection to the transaction is ultimately determined to be valid. Nothing in this Section 7 shall limit My responsibilities as described in Section 5 of this Agreement.

## **8. Important Information Needed to Open a New Account.**

To help the government better detect the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. Therefore, I understand that when I open My Account Robinhood will ask for My name, address, date of birth and other identifying information. Robinhood may also ask copies of My driver's license, passport or other identifying documents. I understand that Robinhood may take steps to verify the accuracy of the information I provide to Robinhood in My Account application or otherwise, and that Robinhood may restrict My access to My Account pending such verification. I will provide prompt notification to Robinhood of any changes in the information including My name, address, e-mail address and telephone number.

I further understand that if I attempt to access My Account from a jurisdiction subject to certain U.S. sanctions or I am ordinarily resident in such a jurisdiction, or if you reasonably believe that I am attempting such access or have become a resident in such a jurisdiction, you may restrict My Account, and any pending orders may be cancelled. If this happens, I understand that I should contact [help@robinhood.com](mailto:help@robinhood.com), and that I may be asked to provide supplemental information as part of this process. I further understand that I must close My Account before establishing residency in any jurisdiction subject to U.S. sanctions.

## **9. Telephone Conversations and Electronic Communications.**

I understand and agree that Robinhood may record and monitor any telephone or electronic communications with Me. Unless otherwise agreed in writing in advance, Robinhood does not consent to the recording of telephone conversations by any third party or Me. I acknowledge and understand that not all telephone or electronic communications are recorded by Robinhood, and Robinhood does not guarantee that recordings of any particular telephone or electronic communications will be retained or capable of being retrieved.

## **10. Oral Authorization.**

I agree that Robinhood shall be entitled to act upon any oral instructions given by Me so long as Robinhood reasonably believes such instruction was actually given by Me or My authorized agent.

## **11. Applicable Laws and Regulations.**

All transactions in My Account will be subject to federal securities laws and regulations, the applicable laws and regulations of any state or jurisdiction in which Robinhood Financial is registered, the rules of any applicable self-regulatory organization of which Robinhood Financial is a member and the rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, where the transactions are executed. In no event will Robinhood Financial be obligated to effect any transaction it believes would violate any federal or state law, rule or regulation or the rules or regulations of any regulatory or self-regulatory organization.

## **12. Erroneous Distributions.**

I agree to promptly return to Robinhood any assets erroneously distributed to Me. In the event that I sell a security prior to its ex-dividend/distribution date, and I receive the related cash/stock dividend or distribution in error, I direct Robinhood on My behalf to pay such dividend/distribution to the entitled purchaser of the securities I sold, and I guarantee to promptly reimburse Robinhood for, or deliver to Robinhood, said dividend or distribution.

### **13. Market Volatility; Market Orders; Limit Orders; and Queued Orders.**

I understand that, whether I place a market or limit order, I will receive the price at which My order is executed in the marketplace, subject to any clarification stated below. Particularly during periods of high volume, illiquidity, fast movement or volatility in the marketplace, the execution price received may differ from the quote provided on entry of an order, and I may receive partial executions of an order at different prices. I understand that Robinhood Financial is not liable for any price fluctuations. I also understand that price quotes generally are for only a small number of shares as specified by the marketplace, and larger orders are relatively more likely to receive executions at prices that vary from the quotes or in multiple lots at different prices.

I understand that Robinhood Financial does not currently support sending traditional market buy orders and that Robinhood Financial collars all market buy orders (other than dollar-based buy orders executed during market hours) by using limit orders priced up to 5% above the last trade price. This is not the case for market sell orders. I further understand that when I send a market buy order through Robinhood Financial's trading system, the trading system generates a limit order up to 5% above the last trade price, and then Robinhood Financial sends the order to an executing broker. I understand that Robinhood Financial's implementation of market buy orders may vary depending on prices of instruments, market conditions, and other factors. I further understand that Robinhood Financial uses the following rounding mechanics with respect to buy orders: the last trade price is (i) multiplied by 1.05; (ii) rounded down to two decimal places if the last trade price is over \$1.00; otherwise, rounded down to four decimal places; and (iii) for securities included in the SEC's Tick Size Pilot Program, rounded down to the nearest \$.05 increment. I understand that securities may open for trading at prices substantially higher or lower than the previous closing price or the anticipated price. If I place a market order (whether during normal market hours or when the market is closed), I agree to pay or receive the prevailing market price at the time My market order is executed, subject to the specific clarification above relating to buy orders. I understand that the price I pay may be significantly higher or lower than anticipated at the time I placed the order. To avoid buying a security at a higher price and possibly exceeding My purchasing power, I understand My option to enter a limit order. I also understand that limit orders may not be executed at any particular time, or at all, if there is not sufficient trading at or better than the limit price I specify, and are only good until the end of the trading day in which they are entered. The Website contains further information regarding order types and limitations, which I agree to read and understand before placing such orders.

As a customer of Robinhood Financial, I understand that after the market has closed for the day, I have the ability to place in a queue order requests to be executed the following day upon the opening of the market ("Queued Order"). I understand that My Queued Order request is prioritized based on the order in which it is received by Robinhood Financial, and that the Queued Order requests are sent out for execution shortly after the market opens on the next day of trading. I further understand that each Queued Order request is sent out per customer and per security as Robinhood Financial market orders (described above), and that they are not aggregated.

A limit order may be "good till cancelled" which means the order remains valid until (A) it is executed; (B) I cancel the order; (C) approximately 90 days from when the order is placed; or (D) the contract to which it relates is closed. I understand that Robinhood will cancel a "good till cancelled" order at the end of every trading day (on the exchange on which the instrument to which the contract relates is traded) and place such order again at the start of the following trading day. This process will be repeated every day for as long as the "good till cancelled" order remains valid. I further agree that any "good till cancelled" orders I place should be treated as "do not reduce" orders.

### **14. Bulletin Board/Pink Sheet Stocks.**

Bulletin board, pink sheet and other thinly-traded securities (collectively "bulletin board stocks") present particular trading risks, in part because they are relatively less liquid and more volatile than actively traded securities listed on a major exchange. I understand that bulletin board stocks may be subject to different trading rules and systems than other securities and that I may encounter significant delays in executions, reports of executions, and updating of quotations in trading bulletin board stocks. Robinhood Financial in its sole discretion may require limit orders on certain bulletin board stock transactions.

### **15. Research and Internet Links.**

News, research, links to outside websites, and other information accessible through the App or Website ("Content") may be prepared by independent external providers not affiliated with Robinhood Financial,

including Morningstar, Inc. (all such providers, the "Providers"). I agree not to distribute, reproduce, sell, or otherwise commercially use the Content in any manner. I understand that Robinhood may terminate My access to the Content. I understand that none of the Content is a recommendation by Robinhood to buy or sell any securities or to engage in any investment strategy.

## **16. Restrictions on Trading.**

I understand that Robinhood may, in its discretion, prohibit or restrict the trading of securities, or the substitution of securities, in any of My Accounts. I understand that Robinhood may execute all orders by Me on any exchange or market, unless I specifically instruct Robinhood to the contrary. In the event of a breach or default by Me under this Agreement, Robinhood shall have all rights and remedies available to a secured creditor under all applicable laws and in addition to the rights and remedies provided herein. I understand that Robinhood may at any time, at its sole discretion and without prior notice to Me: (i) prohibit or restrict My access to the use of the App or the Website or related services and My ability to trade, (ii) refuse to accept any of My transactions, (iii) refuse to execute any of My transactions, or (iv) terminate My Account. The closing of My Account will not affect the rights or obligations of either party incurred prior to the date My Account is closed.

Further, Robinhood will not tolerate any foul or abusive language, physical violence, threatening behavior, or other inappropriate conduct directed toward Robinhood, its Affiliates' officers, employees, contractors or customers. If I engage in any such behavior, as determined by Robinhood in its sole discretion, I agree that Robinhood is authorized to: (i) liquidate any securities, instruments or other property in My Account, (ii) send Me the proceeds, and (iii) close My account. Robinhood will not be responsible for any Losses caused by the liquidation of securities, instruments or other property pursuant to this paragraph, including any tax liabilities.

## **17. Waiver; Limitation of Liability; Indemnification.**

I agree that My use of the App or the Website or any other service provided by Robinhood Financial or its Affiliates is at My sole risk. The Robinhood Financial service (including the App, the Website, the provision of Market Data, Information, Content, or any other information provided by Robinhood Financial, any of its Affiliates, or any third-party content provider or market data provider) is provided on an "as is," "as available" basis without warranties of any kind, either express or implied, statutory (including without limitation, timeliness, truthfulness, sequence, completeness, accuracy, freedom from interruption), implied warranties arising from trade usage, course of dealing, course of performance, or the implied warranties of merchantability or fitness for a particular purpose or application, other than those warranties which are implied by and incapable of exclusion, restriction or modification under the laws applicable to this Agreement.

Although considerable effort is expended to make the Website, App and other operational and communications channels available around the clock, Robinhood does not warrant that these channels will be available and error free every minute of the day. I agree that Robinhood will not be responsible for temporary interruptions in service due to maintenance, Website or App changes, or failures, nor shall Robinhood be liable for extended interruptions due to failures beyond our control, including but not limited to the failure of interconnecting and operating systems, computer viruses, forces of nature, labor disputes and armed conflicts.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, I UNDERSTAND AND AGREE THAT ROBINHOOD, ITS AFFILIATES, THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, AND THE PROVIDERS (COLLECTIVELY THE "ROBINHOOD PARTIES") WILL NOT BE LIABLE TO ME OR TO THIRD PARTIES UNDER ANY CIRCUMSTANCES, OR HAVE ANY RESPONSIBILITY WHATSOEVER, FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING TRADING LOSSES, DAMAGES, LOSS OF PROFITS, REVENUE, OR GOODWILL) THAT I MAY INCUR IN CONNECTION WITH MY USE OF THE SERVICE PROVIDED BY ROBINHOOD OR ANY OF ITS AFFILIATES UNDER THIS AGREEMENT (INCLUDING MY USE OF THE APP, THE WEBSITE, THE MARKET DATA, THE INFORMATION, OR THE CONTENT), BREACH OF THIS AGREEMENT, OR ANY TERMINATION OF THIS AGREEMENT, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, AND WHETHER OR NOT FORESEEABLE, EVEN IF ANY ROBINHOOD PARTY HAS BEEN ADVISED OR WAS AWARE OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. THE ROBINHOOD PARTIES SHALL NOT BE LIABLE BY REASON OF DELAYS OR INTERRUPTIONS OF THE SERVICE OR TRANSMISSIONS, OR FAILURES OF PERFORMANCE OF THEIR RESPECTIVE SYSTEMS,

REGARDLESS OF CAUSE, INCLUDING THOSE CAUSED BY GOVERNMENTAL OR REGULATORY ACTION, THE ACTION OF ANY EXCHANGE OR OTHER SELF REGULATORY ORGANIZATION, OR THOSE CAUSED BY SOFTWARE OR HARDWARE MALFUNCTIONS.

Except as otherwise provided by law, Robinhood or any of its affiliates or respective partners, officers, directors, employees or agents (collectively, "Indemnified Parties") shall not be liable for any expenses, losses, costs, damages, liabilities, demands, debts, obligations, penalties, charges, claims, causes of action, penalties, fines and taxes of any kind or nature (including legal expenses and attorneys' fees) (whether known or unknown, absolute or contingent, liquidated or unliquidated, direct or indirect, due or to become due, accrued or not accrued, asserted or unasserted, related or not related to a third party claim, or otherwise) (collectively, "Losses") by or with respect to any matters pertaining to My Account, except to the extent that such Losses are actual Losses and are determined by a court of competent jurisdiction or an arbitration panel in a final non-appealable judgment or order to have resulted solely from Robinhood's or any of its affiliates' gross negligence or intentional misconduct. In addition, I agree that the Indemnified Parties shall have no liability for, and I agree to indemnify, defend and hold harmless the Indemnified Parties from all Losses that result from: (i) any noncompliance by Me with any of the terms and conditions of this Agreement; (ii) any third-party actions related to My receipt and use of any Information, Market Data, Content, market analysis, other third-party content, or other such information obtained on the App or Website, whether authorized or unauthorized under this Agreement; (iii) any third-party actions related to My use of the App or the Website; (iv) My or My agent's misrepresentation or alleged misrepresentation, or act or omission; (v) Indemnified Parties following My or My agent's directions or instructions, or failing to follow My or My agent's unlawful or unreasonable directions or instructions; (vi) any activities or services of the Indemnified Parties in connection with My Account (including any technology services, reporting, trading, research or capital introduction services); or (vii) the failure by any person not controlled by the Indemnified Parties and their affiliates to perform any obligations to Me. Further, if I authorize or allow third parties to gain access to Robinhood's services, including My Accounts, I will indemnify, defend and hold harmless the Indemnified Parties against any Losses arising out of claims or suits by such third parties based upon or relating to such access and use. Robinhood does not warrant against loss of use or any direct, indirect or consequential damages or Losses to Me caused by My assent, expressed or implied, to a third party accessing My Account or information, including access provided through any other third party systems or sites.

I consent to the use of automated systems or service bureaus by Robinhood and its respective affiliates in conjunction with My Account, including automated order entry and execution, record keeping, reporting and account reconciliation and risk management systems (collectively "Automated Systems"). I understand that the use of Automated Systems entails risks, such as interruption or delays of service, errors or omissions in the information provided, system failure and errors in the design or functioning of such Automated Systems (collectively, a "System Failure") that could cause substantial damage, expense, or liability to Me. I understand and agree that Indemnified Parties will have no liability whatsoever for any of my Losses arising out of or relating to a System Failure.

I also agree that Indemnified Parties will have no responsibility or liability to Me in connection with the performance or non-performance by any exchange, clearing organization, market data provider, or other third party (including other broker-dealers and clearing firms, and banks) or any of their respective agents or affiliates, of its or their obligations relative to any securities. I agree that Indemnified Parties will have no liability, to Me or to third parties, or responsibility whatsoever for: (i) any Losses resulting from a cause over which Indemnified Parties do not have direct control, including the failure of mechanical equipment, unauthorized access, theft, operator errors, government restrictions, force majeure (as defined in this Agreement), market data availability or quality, exchange rulings or suspension of trading; and (ii) any special, indirect, incidental, consequential, punitive or exemplary damages (including lost profits, trading losses and damages) that I may incur in connection with My use of the App, the Website, Robinhood's brokerage, and other services provided by Indemnified Parties under this Agreement.

## **18. Mutual Fund Transactions.**

In the event that I purchase or hold a mutual fund, I agree to read and understand the terms of its prospectus. I understand that certain mutual funds reserve the right to change their purchasing, switching or redemption procedures or suspend or postpone redemptions under certain market conditions. I further understand that any mutual fund order entered with Robinhood is placed by Robinhood on a best efforts basis as prescribed and recognized by the individual fund, and that Robinhood is not responsible for unexecuted orders due to the failure of any communication system. I agree to be fully responsible for the information contained within the mutual fund prospectus and to hold Robinhood, its Affiliates, and Robinhood and its Affiliates' respective officers and employees harmless

for any deficiencies contained therein. I authorize Robinhood to act as My agent in the purchase and redemption of fund shares.

## **19. Exchange Traded Funds.**

I understand that I should consider the investment objectives and unique risk profile of Exchange Traded Funds ("ETFs") carefully before investing, and that ETFs are subject to risks similar to those of other diversified portfolios. I further understand that leveraged and inverse ETFs may not be suitable for all investors and may increase exposure to volatility through the use of leverage, short sales of securities, derivatives, and other complex investment strategies, and that although ETFs are designed to provide investment results that generally correspond to the performance of their respective underlying indices, they may not be able to exactly replicate the performance of the indices because of expenses and other factors. I further understand that ETFs are required to distribute portfolio gains to shareholders at year end, which may be generated by portfolio rebalancing or the need to meet diversification requirements, and that ETF trading will also generate tax consequences. I understand that I can obtain prospectuses from issuers or their third party agents who distribute and make prospectuses available for review. Additional regulatory guidance on ETFs can be found [here](#).

## **20. Effect of Attachment or Sequestration of Accounts.**

Robinhood shall not be liable for refusing to obey any orders given by or for Me with respect to any of My Accounts that has or have been subject to an attachment or sequestration in any legal proceeding against Me, and Robinhood shall be under no obligation to contest the validity of any such attachment or sequestration.

## **21. Event of Death.**

It is agreed that in the event of My death, the representative of My estate or the survivor or survivors shall immediately give Robinhood written notice thereof, and Robinhood may, before or after receiving such notice, take such proceedings, require such papers and inheritance or estate tax waivers, retain such portion of, or restrict transactions in the Account as Robinhood may deem advisable to protect Robinhood against any tax, liability, penalty or loss under any present or future laws or otherwise. Notwithstanding the above, in the event of My death, all open orders shall be canceled, but Robinhood shall not be responsible for any action taken on such orders prior to the actual receipt of notice of death. Further, Robinhood may in its discretion close out any or all of the Accounts without awaiting the appointment of a personal representative for My estate and without demand upon or notice to any such personal representative. The estate of any of the Account holders who have died shall be liable and each survivor shall continue to be liable, jointly and severally, to Robinhood for any net debit balance or loss in said account in any way resulting from the completion of transactions initiated prior to the receipt by Robinhood of the written notice of the death of the decedent or incurred in the liquidation of the Account or the adjustment of the interests of the respective parties, and for all other obligations pursuant to this Agreement. Such notice shall not affect Robinhood's rights under this Agreement to take any action that Robinhood could have taken if I had not died.

## **22. Tax Reporting; Tax Withholding.**

The proceeds of sale transactions and dividends paid will be reported to the Internal Revenue Service ("IRS") in accordance with applicable law.

### **A. U.S. Persons.**

This subsection is applicable if I am a U.S. person. Under penalties of perjury, I certify that the taxpayer identification number that I have provided or will provide to Robinhood (including any taxpayer identification number on any Form W-9 that I have provided or will provide to Robinhood) is My correct taxpayer identification number. I certify that I am not subject to backup withholding and I am a United States Person (including a U.S. resident alien) as such term is defined in section 7701(a)(30) of the Internal Revenue Code of 1986, as amended ("U.S. Person"). If a correct Taxpayer Identification Number is not provided Robinhood Financial, I understand I may be subject to backup withholding tax at the appropriate rate on all dividends, interest and gross proceeds paid to me. Backup withholding taxes

are sent to the IRS and cannot be refunded by Robinhood Financial. I further understand that if I waive tax withholding and fail to pay sufficient estimated taxes to the IRS, I may be subject to tax penalties.

## **B. Non-U.S. Persons.**

This subsection is applicable if I am not a U.S. Person. I certify that I fully understand all the information on any Form W-8BEN that I have submitted or will submit to Robinhood. Under penalties of perjury, I declare that (i) I have examined all the information (including all the information in the English language) on any Form W-8BEN that I have submitted or will submit to Robinhood and (ii) to the best of My knowledge and belief all such information is true, correct, and complete. I authorize Robinhood to provide any such Form W-8BEN to Robinhood Securities or any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. I agree that I will submit a new Form W-8BEN to Robinhood within 30 calendar days if any certification made on any previously submitted Form W-8BEN becomes incorrect. I understand that the IRS does not require My consent to any provisions of such Form W-8BEN other than the certifications required to establish My status as a non-U.S. Person and, if applicable, obtain a reduced rate of withholding.

## **23. Equity Orders and Payment For Order Flow.**

SEC rules require all registered broker-dealers to disclose their policies regarding any "payment for order flow" arrangement in connection with the routing of customer orders. "Payment for order flow" includes, among other things, any monetary payment, service, property, or other benefit that results in remuneration, compensation, or consideration to a broker-dealer from any broker-dealer in return for directing orders. I understand that Robinhood transmits customer orders for execution to various exchanges or market centers based on a number of factors. These include: size of order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing and reduced execution costs through price concessions from the market centers. I further understand that certain of the exchanges or market centers may execute orders at prices superior to the publicly quoted market in accordance with their rules or practices and that while a customer may specify that an order be directed to a particular market center for execution, the order-routing policies, taking into consideration all of the factors listed above, are designed to result in favorable transaction processing for customers. The nature and source of any payments or credits received by Robinhood in connection with any specific transactions will be furnished upon written request.

## **24. Free Credit Balances and Sweep Service.**

If I enroll in Robinhood Financial Cash Management ("Cash Management"), I understand that I am electing to participate in the Insured Network Deposit ("IND") sweep service (the "Sweep Service"). Under the Sweep Service, free credit balances in My Account will be deposited into interest-bearing accounts at one or more banks ("Participating Depository Institutions"), in accordance with the Insured Network Deposit Sweep Program Disclosures ("IND Disclosures") available on the Website and in the App. By enrolling in Cash Management, I represent and warrant that I have reviewed the IND Disclosures and agree to the terms set forth in the IND Disclosures. If I am not enrolled in Cash Management, free credit balances in My Account will remain in My Account, will not earn interest and will not be eligible for FDIC insurance, but will be eligible for SIPC protection as described in the IND Disclosures.

## **25. Fees and Charges.**

I understand that Robinhood does not charge fees or commissions for executing buy and sell orders. However, I understand that other fees may apply. The current fees are included in the fee schedule available in the App and on the Website. I agree to pay any such fees at the then-prevailing rate. I acknowledge that the prevailing fees may change and that change may occur without notice. I agree to be bound by such changes once they are posted in the fee schedule available in the App and on the Website. I also agree to pay all applicable federal, state, local, and foreign taxes. I authorize Robinhood Financial to automatically debit My Account for any such fees and taxes. I also agree to pay such expenses incurred by Robinhood in connection with collection of any unpaid balance due on My Accounts including attorney's fees allowed by law.

## **26. ACH Transactions.**

### **A. Debit Transactions.**

Robinhood will initiate an ACH debit at My request to debit funds from an account that I own at another financial institution ("External Account") for deposit into My Account. I understand that in order for Robinhood to initiate an ACH debit, the financial institution holding my External Account must participate in the ACH system. I understand that for the ACH transfers to be established, at least one common name must match exactly between My Account and My External Account. I authorize Robinhood to take such steps as it deems appropriate to verify my ownership of External Account, including by telling the bank at which such External Account is held that I have authorized and consented to such bank disclosing to Robinhood any information that Robinhood may request about Me or My External Account. I also agree to cooperate with Robinhood's verification of my ownership of such External Account by promptly providing any identification and/or other documentation that Robinhood may request regarding such External Account. I represent and warrant that there are sufficient funds in My External Account to cover the amount of the deposit to My Account. Robinhood will initiate the ACH debit to My External Account on the Business Day or next Business Day after I request the transfer. A transfer request will be deemed to have been made on a Business Day if it is received by Robinhood by 7:00 p.m. (Eastern Time) on such Business Day; if received after that time, the transfer request will be deemed to have been made on the next Business Day.

Within 60 days of the date of My ACH deposit, My funds may only be withdrawn to the External Account from which such funds were debited.

I understand that an ACH debit transfer may be reversed or rejected if: (A) there are insufficient funds in My External Account; (B) there is a duplicate transaction; (C) the transaction is denied by the bank holding My External Account; or (D) My External Account does not support ACH transfers. I acknowledge that in the event of an ACH reversal, I will incur a fee. Before initiating making an ACH debit transfer, I agree to check Robinhood Financial's most recent [Commissions and Fees Schedule](#). I agree that I am solely liable and responsible for any ACH reversal fees that I incur.

### **B. Credit Transactions.**

Robinhood will initiate an ACH credit at My request to transfer funds from My Account to a recipient that I designate. I agree that I will have sufficient Available Funds in My Account to cover the amount of any ACH credit that I ask Robinhood to initiate. Robinhood will debit the amount of such request from My Account on the Business Day or next Business Day after I request the transfer. A transfer request will be deemed to have been made on a Business Day if it is received by Robinhood on such Business Day; if received after that time, the transfer request will be deemed to have been made on the next Business Day.

I agree that Robinhood may use any means which Robinhood, in its sole discretion, considers suitable to execute my ACH credit transfers.

## **27. Fractional Shares.**

I acknowledge and understand that Robinhood rounds all holdings of fractional shares to the sixth decimal place, the value of fractional shares to the nearest cent, and any dividends paid on fractional shares to the nearest cent. I further understand that Robinhood will not accept dollar-based purchases or sales of less than \$1.00 and that I will receive proceeds from the sale of any whole or fractional shares rounded to the nearest cent.

I understand that if I enter repeated fractional orders with individual notional values of less than \$0.01, my account may be restricted.

I understand that a vendor employed by Robinhood will aggregate any proxy votes for fractional shares of Robinhood's customers with all votes reported to the issuer or issuer's designated vote tabulator and that, while Robinhood's vendor will report such proxy votes on fractional shares, the issuer or tabulator may not fully count such votes.

I understand that Robinhood will execute all orders that include fractional shares ("Fractional Orders") on a principal basis. To the extent that Robinhood must purchase or sell shares in the market to fulfill any part of my Fractional Order, the fractional component of that order will be fulfilled at the execution price Robinhood received for the corresponding whole shares. To the extent that Robinhood fulfills my Fractional Order for national exchange-listed securities ("NMS Securities") entirely out of its inventory and without purchasing or selling shares in the market ("Inventory Fulfillment"), Robinhood will endeavor to price such shares or fractional shares at a price between the National Best Bid and Offer ("NBBO") at the time of the order for orders made during market hours, or, for such orders made during extended hours trading (9:00-9:30 a.m. and 4:00-6:00 p.m. Eastern), Robinhood will endeavor to price such orders between the best bid and offer at the time of the order, as reported by an external vendor ("Vendor BBO"). For Inventory Fulfillment of Fractional Orders for securities not listed on a national exchange ("Non-NMS Securities") made during market hours as well as extended hours trading, Robinhood will endeavor to price such orders between Vendor BBO.

All non-market orders placed outside market hours and extended hours trading are queued and fulfilled either at or near the beginning of extended hours trading (9:00 a.m. Eastern) or at or near market open (9:30 a.m. Eastern), according to my instructions. All market orders placed outside market hours and extended hours trading are queued and fulfilled at or near market open. To the extent that I trade outside of market hours, these trades are subject to Robinhood's [Extended Hours Trading Disclosure](#).

I understand Robinhood only accepts market orders for fractional shares at this time and does not permit limit orders for fractional shares. I understand that fractional shares within My Account (i) are unrecognized, unmarketable, and illiquid outside the Robinhood platform, (ii) are not transferrable in-kind, and (iii) may only be liquidated and the proceeds transferred out via a wire transfer. I acknowledge that, subject to applicable requirements, Robinhood may report holdings and transactions in My Account in terms of either U.S. Dollars, shares, or both.

I agree that my fractional share holdings shall be treated as a "financial asset" under Article 8 of the Uniform Commercial Code.

## **28. Phone Calls.**

You agree that, by providing information Robinhood requests, Robinhood and its third party services providers may contact you via mail, phone or email.

Specifically, if you provide us with a phone number: (a) you represent and warrant that the number you provide is your phone number, and you will promptly notify us if that changes, and (b) you consent to receive calls (including text messages) made to that phone number that may be prerecorded and/or completed with an automatic telephone dialing system (automated calls) for purposes including but not limited to providing account-related communications (including security alerts), investigating or preventing fraud, and/or collecting amounts owed to Robinhood. We may share your number with third parties that provide services to us in connection with any of the foregoing purposes, including but not limited to debt collectors. You understand that message, telephone minute and data rates may apply for calls made to a mobile phone number. You may opt out at any time from receiving these types of calls orally or in writing to [limitsharing@robinhood.com](mailto:limitsharing@robinhood.com). Please note, even if you opt out, we may still make other calls as permitted by law.

You consent to our recording of phone calls, including calls we make to you or that we receive from you.

## **29. Dividend Reinvestment Program.**

Except as expressly stated otherwise, the provisions of this Section 29 will only apply if I am enrolled in Robinhood's Dividend Reinvestment Program ("DRIP"). My enrollment in the DRIP will be activated within three business days after I notify Robinhood of my intention to enroll an eligible security through the App. "Eligible security" means all shares available for fractional investing through Robinhood. I understand that in order to be eligible for dividend reinvestment, the securities must be held in My Account.

I may specify individual securities or have all Eligible securities in My Account enrolled for dividend reinvestment. If I choose to reinvest dividends from all Eligible securities, I understand that individual securities could subsequently no longer be Eligible securities at Robinhood's discretion or under applicable law. In those cases, only those securities will be discontinued from the DRIP. If I specify individual securities, I may add additional Eligible securities to the DRIP at any time if I hold a position

in those securities. Enrollment with respect to these additional Eligible securities will be effective within three business days after Robinhood receives notification from me through the App. If I maintain open orders for securities I do not already hold, I may not enroll those securities for dividend reinvestment until my open orders are executed. If my entire Account is set up for dividend reinvestment, any eligible securities I purchase in the future will automatically participate in the DRIP.

All eligible cash distributions will be reinvested on all securities I have selected in the DRIP, provided that I owned the securities on the record date for determining shareholders eligible to receive dividends, and continue to hold the securities through payable date. "Eligible cash distributions" means most cash distributions, including regular and optional dividends, cash-in-lieu payments, and capital gains distributions. Special dividends, late ex-date, liquidation, and miscellaneous payments may not be eligible distributions. Optional dividends will be processed in accordance with dividend reinvestment instructions. If I have a margin account, Robinhood is permitted to borrow a dividend paying stock in the normal course of business and, as a result, in such situations instead of a dividend payment I may receive a cash in lieu payment. If I receive a cash in lieu payment, I authorize Robinhood to treat such payment as if it was not "in lieu" and reinvest it accordingly.

Robinhood will credit My Account upon completion of the dividend reinvestment. Robinhood will reinvest dividends on the business day following receipt of funds. In the rare instance in which Robinhood is unable to reinvest all dividends on the business day following receipt, it will reinvest the remaining funds as soon as reasonably possible thereafter, which may take up to five business days. I will not have use of the funds prior to reinvestment.

I understand that my participation in the DRIP is voluntary and that Robinhood has not made any recommendation that I should participate. I further understand that Robinhood is not recommending or offering any advice regarding the purchase of any security included as an Eligible security in the DRIP. I further understand that dividend reinvestment does not assure profits on my investments, nor does it protect against losses in declining markets.

I may terminate my participation in the DRIP, or the enrollment of individual securities in the DRIP, at any time by giving notice through the App. Termination will take effect prior to the next Eligible cash distribution provided my notice to terminate was received at least three business days prior to the record date of that distribution. I understand that my notice to terminate my participation in the DRIP will not affect any obligations that may result from transactions initiated prior to Robinhood's receipt and processing of my notice.

If I participate in the DRIP, I understand Robinhood will reinvest the dividends of a particular stock at or near the opening price on the trading day following receipt of the dividend. Robinhood will combine Eligible cash distributions from My Account with those from other Robinhood clients requesting dividend reinvestment in the same security and use these combined funds to purchase securities on my behalf and on behalf of these other clients. If the combined reinvested funds do not total the purchase price of at least one share, the distribution will be invested in fractional shares. On that same day, Robinhood will credit My Account with that number of shares, including fractional shares, equal to my Eligible cash distribution divided by the purchase price per share. Robinhood does not intend to charge a fee for transactions executed pursuant to the DRIP.

Dividend reinvestment may result in my owning interests in fractional shares of a security. I will be entitled to receive future dividend payments on my fractional shares, although other corporate actions may result in allocation of only whole shares and cash in lieu of fractions as determined by the issuer. In mandatory corporate reorganizations, my partial interest will be handled according to the specific terms of the reorganization. In voluntary corporate reorganizations, Robinhood will act on my instructions with respect only to my whole shares.

Because fractional share positions cannot be transferred, reorganized, or issued in certificate form, my partial interest will be liquidated, without commission charges to me, at prevailing market prices in the event My Account is transferred or closed, the stock is reorganized, or stock certificates are ordered out of My Account. The timing of such liquidations will be at the discretion of Robinhood.

Reinvestment of dividends may result in my owning a fractional share position in securities that are callable in part. In the event of a call, fractional shares to be called will be determined through a random selection process. The probability of my fractional share holdings being called will be proportional to the holdings of all Robinhood clients who own a fractional share position in that security. Prior to the publication date of such a call, I have the right to withdraw from My Account cash in lieu of my uncalled, fully paid partial holdings. Once a call is announced, however, all shares, whether registered or held in

street name, participate in the random selection process. If my fractional shares are selected and I no longer hold the shares that I held on the publication date of the call, I will be responsible for covering those shares.

### **30. Cash Management Services.**

Except as expressly stated otherwise, the provisions of this Section 30 will only apply if I am enrolled in Cash Management.

#### **A. General.**

I understand and agree that by enrolling in Cash Management, I may apply for a Robinhood-branded debit card issued by the bank identified in My Robinhood Debit Card Agreement ("Card"). I further understand and agree that by using My Card, exercising My electronic fund transfer ("EFT") privileges offered in connection with My Account, and/or by successfully completing a request using Pay by Check, I authorize Robinhood to debit My Account immediately whenever an electronic draft or Card transaction is presented for payment on My behalf, when an EFT transaction is effected, when a Pay by Check request is successfully completed on My Account and/or when any fee or charge is due (collectively "Payment" or "Payments"). I further understand and agree that when I request a Payment or withdrawal or instruct Robinhood to make a purchase of securities from My Account, Robinhood is authorized to place a block on the amount of the transaction ("Blocked Amounts") prior to the settlement date of the Payment, withdrawal or trade, and that the Blocked Amounts will not be available for use for additional Payments or the purchase of securities. I agree to maintain Available Funds sufficient to pay for Payments made by Me or any Authorized Card User (as defined below) and to pay for any securities trades and for interest on any margin loans and other transaction fees. For this purpose, "Available Funds" in My Account will fluctuate daily and means the sum of (i) free credit balances, (ii) deposits to Participating Depository Institutions through the Sweep Service, and (iii) available margin loan value if My Account has margin privileges, minus (x) uncleared funds, (y) Blocked Amounts, and (z) deposits subject to a hold. The loan value of eligible securities for the purpose of margin is subject to regulatory requirements and Robinhood credit policies then in effect.

#### **B. Payments and Withdrawals.**

I agree that any Payments that I make from My Account will be lawful. I agree that Payments will be deducted from the Available Funds in My Account in the following order: first, from free credit balances; second, by withdrawal of funds deposited to Participating Depository Institutions as part of the Sweep Service; and third, if My Account has margin privileges, from margin loans on the eligible securities in My margin Account. Robinhood will debit My Account only up to an amount equal to the Available Funds. I understand and agree that (i) if there are insufficient Available Funds in My Account to cover Payments when they become due, Robinhood has no obligation to make such Payments, and (ii) Robinhood has no obligation to make partial Payments. Robinhood will not charge a fee with respect to any declined Payment for which there were insufficient Available Funds. I acknowledge and agree, however, that Robinhood will not be responsible for any costs or losses that I may incur (including fees, costs, charges, attorneys' fees, investment losses, claims, demands, or liability resulting from any litigation or other actions) as a result of Robinhood's decision to decline any Payment or withdrawal or other transaction because My Account has insufficient Available Funds.

I understand that if a Payment is funded by a margin loan, I will incur interest until the margin loan is repaid.

I agree that if my Available Funds at any time falls below zero, Robinhood may suspend my ability to make Payments and terminate My Card. If this occurs, I agree to immediately pay all amounts owed to Robinhood, including any purchases on My Card which will be immediately charged to My Account.

I acknowledge and agree that Robinhood reserves the right to decline any Payments at any time for any reason with or without notice to Me. If Robinhood decides to take such action, I understand and agree that I am responsible for any pending debits, which will be processed and deducted from My Account.

I understand that transactions will post to My Account in any order determined by Robinhood and that Robinhood may change that order without prior notice to Me. Robinhood will comply with requirements of applicable law regarding the order of posting transactions.

### **C. Limitation of Liability.**

I agree that, subject to any limitations imposed by applicable law, and except as otherwise set forth in this Agreement or in the disclosures contained in the Robinhood Debit Card Agreement, which has been provided to Me or made available to me in connection with the opening of My Account, Robinhood, Robinhood's agents, any processing bank, and the Card issuer will not be liable for any loss I incur in connection with My Account and any Payments or other features of My Account unless Robinhood is grossly negligent in fulfilling this Agreement. In no event will Robinhood, Robinhood's agents, any processing bank, and the Card issuer shall not be liable for consequential, special or indirect damages or losses unless applicable law requires otherwise. I also agree that liability regarding online services or use of the App is further limited by the Robinhood Terms and Conditions, available at <https://about.robinhood.com/legal/>. To the extent I utilize online services or the App I acknowledge that I am bound by such Robinhood Terms and Conditions.

### **D. Debit Cards.**

I understand and agree that My use of the Card is subject to the terms, conditions and disclosures set forth in the Robinhood Debit Card Agreement, which has been provided to Me in connection with the opening of My Account and which I may access on the Website.

I understand and agree that I cannot request a Card for another person to use. I agree, however, that if I permit another person to have access to use My Card or Card number (an "Authorized Card User"), I am authorizing all Card transactions by such person and I agree that there are no limits to my authorization. I accept all liability with respect to the Card transactions effected by Me and any Authorized Card Users. I further agree that I may terminate the authority of an Authorized Card User only by contacting [help@robinhood.com](mailto:help@robinhood.com), to cancel my Card. I agree that the cancellation of My Card is effective only after Robinhood has a reasonable period to act on My notice.

If My Card is cancelled, I agree to destroy, or if requested by Robinhood, return the Card to Robinhood. I acknowledge that I will be responsible for any Card transactions that are processed because of My failure to destroy or return the Card following cancellation.

If My Account includes margin privileges, I agree that transactions that exceed My free credit balances and deposits in the Sweep Service may result in margin credit being extended to My Account, for which I will be charged interest. I agree to review the Margin Disclosure Statement, which is available at <https://about.robinhood.com/legal/>.

### **E. Deposits.**

The provisions in this Section 30.E shall apply to My Account whether or not I am enrolled in Cash Management.

*General; Holds.* I acknowledge and agree that funds that I deposit to My Account may be subject to one or more hold periods, which are described in the RHF Funds Availability schedule available at <https://about.robinhood.com/legal/>. I understand and agree that Robinhood reserves the right to modify the RHF Funds Availability schedule at any time by posting an updated schedule at <https://about.robinhood.com/legal/>, or otherwise providing notice to me. During the applicable hold period, My funds will not be available for Payments, withdrawal, or the settling of securities transactions, in each case as described in the RHF Funds Availability schedule. I further understand and agree that Robinhood reserves the right to further delay making deposited funds available for periods longer than the hold periods specified in the RHF Funds Availability schedule to the extent Robinhood determines that additional time is needed to verify information about the item deposited or the sender or if Robinhood otherwise believes there is a risk of fraud or other unlawful activity with respect to My Account.

*Mistaken Deposits.* If funds are deposited or transferred into My Account by mistake or otherwise, I agree that Robinhood may correct the situation and deduct any interest paid by Participating Depository Institutions, if applicable, without prior notice to Me.

*Returned Funds.* I acknowledge and agree that I am responsible for returned transactions. If I have funds transferred into My Account and that transfer is returned for any reason, Robinhood may charge the transfer and interest paid by Participating Depository Institutions, if applicable, against My Account, without prior notice to Me.

## **F. Electronic Fund Transfers.**

The provisions in this Section 30.F relating to EFTs other than Card transactions shall apply to My Account whether or not I am enrolled in Cash Management.

I understand that My Account may be eligible for a variety of EFTs, which may be subject to separate agreements, terms and conditions. These services may include use of the Card, and the "Move Money" functionality of the App. I understand that I may be required to agree to separate terms and conditions governing the particular service I use to initiate EFTs. In addition, I understand and agree that my use of EFT services are subject to the disclosures set forth in Appendix A (Electronic Fund Transfer Disclosures), and acknowledge that I have received and reviewed such disclosures.

## **G. Security.**

I agree to protect My Card, and My PINs, from access by anyone not authorized by Me to use them. I acknowledge that I will be liable for all Card and online transactions conducted by anyone to whom I have given access or who has obtained access even if not authorized by Me, up to applicable legal limits. I understand that I am responsible for reviewing My Account statement promptly to discover and report unauthorized activity, including use of My Card, Card number or PIN. I agree to notify Robinhood as provided in Appendix A (Electronic Fund Transfer Disclosures) if I believe or have reason to believe that there has been unauthorized activity in My Account or that My Card, Card number or PIN has been lost, stolen or may be used by an unauthorized person. Unless limited by law or as otherwise set forth in this Agreement or in the disclosures contained in Robinhood Debit Card Agreement, which is provided to Me as part of the Account opening process and is available on the Website, I agree that I will be responsible for losses that arise from My failure to (i) safeguard My Card and PINs, (ii) review My monthly statement for possible unauthorized activity and (iii) report any unauthorized activity to Robinhood as provided herein or in the Robinhood Debit Card Agreement.

## **H. No Illegal Purpose.**

I agree and understand that I may not use my debit card or any Payments on My Account for any illegal purpose. I agree and understand that Robinhood may, in its discretion, deny any transactions that appear to be made for an illegal purpose.

## **I. Pay by Check.**

I agree and understand that if I try to stop payment on a check after it has been mailed to the payee, Robinhood will attempt to but cannot guarantee that payment on the check will be stopped. I understand that a stop payment order on a check is valid for six months. I understand that if I wish to renew a stop payment on a check after the six month period, I must contact Robinhood to request another stop payment. I agree and understand that I may still be liable to the holder of the check even if I have requested a stop payment for the amount of the check. I agree and understand that Robinhood may deduct My Account for the amount on the check if the stop payment request is unsuccessful.

## **J. Disclosure of Information.**

I agree and understand that all disclosures of My non-public personal information shall be made in accordance with the terms of the this Agreement or the Robinhood Privacy Policy (available on the Website at <https://about.robinhood.com/legal/>, as applicable. I agree that My consent to sharing non-public personal information will remain in effect until I revoke such consent by updating My settings and visibility, which I may do at any time through the App.

In addition, I understand and agree that Robinhood may disclose information about My Account and My related activities to third parties under the following circumstances: - As necessary to complete My Payment transactions; - To investigate any complaint, disputed transaction, transaction inquiry or request I make or as necessary to investigate potential fraud or misuse related to My Account; - To respond to requests from credit bureaus, creditors or other third parties for account-related information, to the extent such inquiries are necessary for processing My transactions or are usual and customary in the course of servicing similar products or accounts; - As necessary to comply with any applicable law, government or court order or subpoena; or - In accordance with My written permission or as otherwise permitted under the Robinhood Privacy Policy.

## **I. Termination.**

I understand that Robinhood may terminate my participation in Cash Management or in specific features of Cash Management for any reason, upon notice to me.

## **31. Consent to Redeem Shares.**

I understand and agree that whenever it is necessary for Robinhood's protection or to satisfy a margin call, deficiency, debit or other obligation owed to Robinhood, Robinhood may (but is not required to) sell, assign and deliver all or any part of the securities in My Account, or close any or all transactions in My Account. I understand that Robinhood may, but is not obligated to, attempt to contact Me before taking any such action. I understand and agree that Robinhood reserves the right to take any such action without prior notice or demand for additional collateral, and free of any right of redemption, and that any prior demand, call or notice will not be considered a waiver of our right to sell or buy without demand, call or notice.

I further understand that Robinhood may choose which securities to buy or sell, which transactions to close, and the sequence and timing of liquidation, and may take such actions on whatever exchange or market and in whatever manner (including public auction or private sale) that Robinhood chooses in the exercise of its business judgment. I agree not to hold Robinhood liable for the choice of which securities to buy or sell or of which transactions to close or for the timing or manner of the liquidation. I also agree not to hold Robinhood liable for taking such action.

I understand and agree that Robinhood is entitled to exercise the rights described in this section in its sole discretion, including, but not limited to, whenever any of the following occurs:

- The equity level in My Account falls below required minimums;
- Sufficient funds or securities are not deposited to pay for transactions in My Account;
- I reverse any ACH debit transfer to My Account;
- A petition of bankruptcy or for the appointment of a receiver is filed by or against Me;
- An attachment is levied against My Account;
- I die or become incapacitated or incompetent; or
- My Account is closed.

## **32. Electronic Delivery of Trade and Account Information; Notice.**

All communications, notices, legal disclosures, and other materials related to My Account or this Agreement, including account statements, trade confirmations, margin calls, notices, disclosures, regulatory communications and other information, documents, data and records regarding My Account (the "Communications"), or an alert that any such Communication has been posted to the secure section of the Website or the App, and is available for viewing, may be sent to Me at the mailing address for My Account or the e-mail address that I have given to Robinhood in My account application or at such other

address as I may hereafter give Robinhood in writing or by e-mail at least ten (10) calendar days prior to delivery, and all communications so sent, whether in writing or otherwise, shall be deemed given to Me personally, whether actually received or not.

### **33. API.**

#### **A. Overview; Definitions.**

Robinhood may, in Robinhood's sole discretion, provide third parties with an application programming interface and other materials in accordance with any accompanying documentation (collectively, the "API Package") (such third parties, "API Licensees"), to make available certain features and functionality of Robinhood's mobile applications, websites, or technology platform via the API Licensees' products (such products, the "Licensee Products"). The API Package and the Licensee Products are collectively referred to as the "API Products". "Personal Information" means My personally identifiable information (including username, logon password, financial information, trade data, and other financial information) and all data exchanged between Robinhood and the API Products.

#### **B. Access to My Personal Information.**

Through My use of any API Products, I may be providing API Licensees with access to My Account and Personal Information. By using any API Products, I acknowledge that such API Products may employ security, policies, procedures and systems of API Licensees which may or may not be less stringent and secure than Robinhood's policies, procedures and systems. I agree that My use of any API Products shall be subject to the terms and conditions of this Agreement, in addition to any other agreements which I executed with respect to any such API Products. I understand and agree that any end user agreement that I executed with any API Licensee is concluded between Me and such API Licensee only, and not with Robinhood; and such API Licensee, not Robinhood, is solely responsible for such Licensee Product and the content thereof. I understand and agree that the API Products may deliver Personal Information to Robinhood, and that Robinhood is authorized to receive and store such Personal Information consistent with Robinhood's then-in-effect policies and procedures. Further, I agree that the API Products may request Personal Information stored by Robinhood, and I consent to Robinhood's disclosure of such Personal Information to the API Products.

#### **C. No Recommendations.**

To the extent the Licensee Products or API Licensees express opinions or make recommendations, I understand that such opinions and recommendations are expressed solely by API Licensees and are not the opinions or recommendations of Robinhood. The existence of the API Products and Robinhood's consent to any connectivity between any Licensee Products and Robinhood's technology, the App, the Website, or trading platform(s) does not constitute (i) any recommendation by Robinhood to invest in any security or utilize any investment strategy; or (ii) any representation, warranty, or other guarantee by Robinhood as to the present or future value or suitability of any sale, trade, or other transaction involving any particular security or any other investments. The existence of any and all information, tools and services provided by API Licensees or by the Licensee Products shall not constitute Robinhood's endorsement of API Licensees or the Licensee Products.

#### **D. Data Provided by Robinhood to API.**

From time to time, and subject to then-in-effect agreements between Robinhood and API Licensees, Robinhood may, in its own discretion, make market data feeds received from third parties available via the API Products. Robinhood does not make any guarantees in regard to such market data feeds. Furthermore, API Licensees or Licensee Products may make available to Me market data feeds independent of Robinhood. I am aware that from time to time that there may be discrepancy between the market data presented on the App or Website and information provided by any API Products due to a variety of reasons, including the time to update and transmit such data to a mobile application or website

and latency caused by such API Product's or My local environment (such as computer set up, connection speed, etc.). Robinhood is not responsible for the accuracy of any market data displayed on any API Products or otherwise made available by API Licensees.

## **E. Risks; No Liability.**

I acknowledge that there may be latency between the time an order (or other Personal Information) is submitted from the API Products and the time such order or Personal Information is received by Robinhood. Latency may also affect order modification and order cancellation requests. The time an order or a request is actually received by Robinhood (including for execution) will be the official time, including for the purposes of routing the order to the market for execution. In addition, all orders submitted to Robinhood are subject to order vetting by Robinhood. Orders created and submitted through any API Products are not vetted until they are received by Robinhood. It is possible that Robinhood may reject an order placed through any API Products. Robinhood cannot guarantee that any order will be accepted when such order is routed to the market for execution, and Robinhood cannot guarantee that notifications and Personal Information provided to Me by Robinhood will be successfully delivered to or displayed by any API Products.

Without limiting the generality of any other terms in this Agreement, I agree that:

1. Robinhood or its Affiliates shall not be liable for any Losses as a result of any issues addressed in this Section 33 of this Agreement, nor shall Robinhood or its Affiliates be liable for any Losses realized for technical issues involving any API Products or API Licensee technology or product offerings (including system outages or downtime).
2. Robinhood or its Affiliates shall not be responsible for any investment research provided by any API Licensee or any Licensee Products.
3. Robinhood or its Affiliates makes no representations, warranties or other guarantees as to the accuracy, timeliness or efficacy of any market data, information, or other functionality made available by any API Licensee or any API Products.

## **F. Intellectual Property.**

My use of any API Products will not confer to Me any title, ownership interest or intellectual property rights that otherwise belongs to Robinhood or any of its affiliates. The API Package, including content, is protected under U.S. patent, copyright laws, international treaties or conventions, and other laws and will remain Robinhood's exclusive property, as applicable. Names, logos, and all related product and service names, design marks, and slogans displayed by or relating to Robinhood or any of its Affiliates or API Licensees in the context of the API Products shall remain the property of the respective owner, and use of such property by Robinhood or any API Licensee in marketing or provision of any API Products does not grant ownership of or entitle Me to use any such name or mark in any manner.

## **G. User's Representations and Warranties.**

I represent and warrant that:

1. By virtue of utilizing any API Products, I consent to and accept any risk associated with Robinhood's sharing of Personal Information with any API Licensee and shall not hold Robinhood, its Affiliates, or their respective officers, directors, or employees responsible for any Losses resulting from the sharing of such Personal Information.
2. I agree that My use of any API Products or API Licensee's content, information, technology, or functionality is at My own risk.
3. I agree that Robinhood may revoke any API Licensee or API Products' authorization at any time, for any reason, with or without cause and without prior notice to Me.

### **34. Electronic Signatures; Modifications to the Agreement.**

I agree to transact business with Robinhood electronically. By electronically signing an application for an Account, I acknowledge and agree that such electronic signature is valid evidence of My consent to be legally bound by this Agreement and such subsequent terms as may govern the use of Robinhood's services. The use of an electronic version of any document fully satisfies any requirement that the document be provided to Me in writing. I accept notice by electronic means as reasonable and proper notice, for the purpose of any and all laws, rules and regulations. I acknowledge and agree that Robinhood Financial may modify this Agreement from time to time and I agree to consult the Website from time to time for the most up-to-date Agreement. The electronically stored copy of this Agreement is considered to be the true, complete, valid, authentic and enforceable record of the Agreement, admissible in judicial or administrative proceedings to the same extent as if the documents and records were originally generated and maintained in printed form. I agree to not contest the admissibility or enforceability of Robinhood Financial's electronically stored copy of the Agreement.

### **35. Margin Accounts.**

#### **A. Election.**

This numbered section applies to my account to the extent I elect and am approved for a Robinhood Gold margin account.

#### **B. Margin Trading.**

I understand that margin trading involves interest charges and risks, including the potential to lose more than deposited or the need to deposit additional collateral in a falling market. Before using margin, customers must determine whether this type of trading strategy is right for them given their specific investment objectives, experience, risk tolerance, and financial situation. If I have elected to have a margin Account, I represent that I have read the [Margin Disclosure Statement](#), [Day Trading Risk Disclosure](#), and [FINRA Investor Information](#). These disclosures contain information on Robinhood's lending policies, interest charges, and the risks associated with margin accounts.

#### **C. Hypothecation.**

Within the limitations imposed by applicable laws, rules and regulations, all securities now or hereafter held by Robinhood, or carried by Robinhood in any account for Me (either individually or jointly with others), or deposited to secure same, may from time to time, without any notice, be carried in your general loans and may be pledged, repledged, hypothecated or re-hypothecated, separately or in common with other securities for the sum due to you thereon or for a greater sum and without retaining in your possession or control for delivery a like amount of similar securities. The IRS requires Broker Dealers to treat dividend payments on loaned securities positions as payments received in lieu of dividends for 1099 tax reporting purposes. Taxation of substitute dividend payments may be greater than ordinary on qualified dividends. It is understood, however, that you agree to deliver to Me upon My demand and upon payment of the full amount due thereon, all securities in such accounts, but without obligation to deliver the same certificates or securities deposited by Me originally. Any securities in My margin or short account may be borrowed by you, or lent to others.

#### **D. Interest.**

Debit balances in My Accounts shall be charged with interest in accordance with your established custom, as disclosed to Me in the Customer Information Brochure pursuant to the provisions of the Securities Exchange Act.

## **E. Margin.**

I agree to maintain in all accounts with Robinhood such positions and margins as required by all applicable statutes, rules, regulations, procedures and custom, or as you deem necessary or advisable. I agree to promptly satisfy all margin and maintenance calls.

## **F. Sales.**

I agree to specifically designate any order to sell a security, which I do not own as a short sale, and understands that Robinhood will mark such order as a short sale. I agree that any order which is not specifically designated as a short sale is a sale of securities owned by me, and that I will deliver the securities on or before settlement date, if not already in the account. If I should fail to make such delivery in the time required, Robinhood is authorized to borrow such securities as necessary to make delivery for the sale, and I agree to be responsible for any loss you may thereby sustain, or which you may sustain as a result of your inability to borrow such securities.

## **36. Consent to Electronic Delivery of Documents.**

### **A. Consent.**

**By agreeing to electronic delivery, I am giving My informed consent to electronic delivery of all Account Documents, as defined below, other than those I have specifically requested to be delivered in paper form.** "Account Documents" include notices, disclosures, current and future account statements, regulatory communications (such as prospectuses, proxy solicitations, and privacy notices), trade confirmations, tax-related documents, and any other information, documents, data, and records regarding My Account, this Agreement (including amendments to this Agreement), and the agreements and disclosures governing the services delivered or provided to Me by Robinhood Financial, the issuers of the securities or other property in which I invest, and any other parties. I agree that I can access, view, download, save, and print any Account Documents I receive via electronic delivery for My records.

### **B. Electronic Delivery System.**

I acknowledge that Robinhood's primary methods of communication with Me include (A) posting information on the Website, (B) providing information via the App, (C) sending email(s) to My email address of record, and, to the extent required by law, (D) providing Me with notice(s) that will direct Me to the App or the Website where I can read and print such information. Unless otherwise required by law, Robinhood reserves the right to post Account Documents on the Website without providing notice to Me. Further, Robinhood reserves the right to send Account Documents to My postal or email address of record, or via the App or Website. I agree that all Account Documents provided to Me in any of the foregoing manner is considered delivered to Me personally when sent or posted by Robinhood, whether I receive it or not.

All e-mail notifications regarding Account Documents will be sent to My e-mail address of record. I agree to maintain the e-mail address that I have provided Robinhood until I provide Robinhood with a new one. I understand that e-mail messages may fail to transmit promptly or properly, including being delivered to SPAM folders. I further understand that it is My sole responsibility to ensure that any emails from Robinhood or its Affiliates are not marked as SPAM. Regardless of whether or not I receive an e-mail notification, I agree to check the Website regularly to avoid missing any information, including time-sensitive or otherwise important communication. If I authorize someone else to access the e-mail account I have provided Robinhood, I agree to tell them to share the Account Documents with Me promptly, and I accept the risk that they will see My sensitive information. I understand that if I use a work e-mail address or computing or communications device, My employer or other employees may have access to the Account Documents.

Additionally, I acknowledge that the Internet is not a secure network and agree that I will not send any confidential information, including Account numbers or passwords, in any unencrypted e-mails. I also

understand that communications transmitted over the Internet may be accessed by unauthorized or unintended third parties and agree to hold Robinhood, its Affiliates, and Robinhood and its Affiliates' respective officers and employees harmless for any such access regardless of the cause.

I agree to promptly and carefully review all Account Documents when they are delivered and notify Robinhood Financial in writing within five (5) calendar days of delivery if I object to the information provided (or other such time specified herein). If I fail to object in writing within such time, Robinhood Financial is entitled to treat such information as accurate and conclusive. I will contact Robinhood to report any problems with accessing the Account Documents.

### **C. Costs.**

Potential costs associated with electronic delivery of Account Documents may include charges from Internet access providers and telephone companies, and I agree to bear these costs. Robinhood Financial will not charge Me additional online access fees for receiving electronic delivery of Account Documents.

### **D. Archival.**

Upon My request, I may obtain copies of up to six (6) prior years of account statements, and three (3) prior years of trade confirmations.

### **E. Revocation of Consent.**

Subject to the terms of this Agreement, I may revoke or restrict My consent to electronic delivery of Account Documents at any time by notifying Robinhood Financial in writing of My intention to do so. I also understand that I have the right to request paper delivery of any Account Document that the law requires Robinhood Financial to provide Me in paper form. Robinhood Financial will not treat My request for paper copies as a withdrawal of My consent to electronic delivery of Account Documents. I understand that if I revoke or restrict My consent to electronic delivery of Account Documents or request paper delivery of same, Robinhood Financial, in its sole discretion, may charge Me a reasonable service fee for the delivery of any Account Document that would otherwise be delivered to Me electronically, restrict or close My account, or terminate My access to Robinhood Financial's services. I understand that neither My revocation or restriction of consent, My request for paper delivery, nor Robinhood Financial's delivery of paper copies of Account Documents will affect the legal effectiveness or validity of any electronic communication provided while My consent was in effect.

### **F. Duration of Consent.**

My consent to receive electronic delivery of Account Documents will be effective immediately and will remain in effect unless and until either I or Robinhood Financial revokes it. I understand that it may take up to three (3) Business Days to process a revocation of consent to electronic delivery, and that I may receive electronic notifications until such consent is processed.

### **G. Hardware and Software Requirements.**

I understand that in order to receive electronic deliveries, I must have access to a computer or Mobile Device with Internet access, a valid e-mail address, and the ability to download such applications as Robinhood Financial may specify and to which I have access. I also understand that if I wish to download, print, or save any information I wish to retain, I must have access to a printer or other device in order to do so.

## **H. Consent and Representations.**

I hereby agree that I have carefully read the above information regarding informed consent to electronic delivery and fully understand the implications thereof. Additionally, I hereby agree to all conditions outlined above with respect to electronic delivery of any Account Document. I will maintain a valid e-mail address and continue to have access to the Internet. If My e-mail address changes, I agree to immediately notify Robinhood Financial of My new e-mail address in writing.

## **37. Miscellaneous Provisions.**

The following provisions shall also govern this Agreement:

### **A. Contact Information.**

Robinhood Customer Service may be contacted by visiting [support.robinhood.com](https://support.robinhood.com) or by email at [help@robinhood.com](mailto:help@robinhood.com).

### **B. Interpretation.**

The heading of each provision hereof is for descriptive purposes only and shall not be (1) deemed to modify or qualify any of the rights or obligations set forth herein or (2) used to construe or interpret any of the provisions hereunder. When a reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The word "or," when used in this Agreement, has the inclusive meaning represented by the phrase "and/or." Unless the context of this Agreement otherwise requires: (i) words using the singular or plural number also include the plural or singular number, respectively; and (ii) the terms "hereof," "herein," "hereunder" and derivative or similar words refer to this entire Agreement. References to any law shall be deemed to refer to such law as amended from time to time and to any rules or regulations promulgated thereunder.

### **C. Binding Effect; Assignment.**

This Agreement shall bind My heirs, assigns, executors, successors, conservators and administrators. I may not assign this Agreement or any rights or obligations under this Agreement without first obtaining Robinhood's prior written consent. Robinhood may assign, sell, or transfer My Account and this Agreement, or any portion thereof, at any time, without My prior consent.

### **D. Severability.**

If any provisions or conditions of this Agreement are or become inconsistent with any present or future law, rule, or regulation of any applicable government, regulatory or self-regulatory agency or body, or are deemed invalid or unenforceable by any court of competent jurisdiction, such provisions shall be deemed rescinded or modified, to the extent permitted by applicable law, to make this Agreement in compliance with such law, rule or regulation, or to be valid and enforceable, but in all other respects, this Agreement shall continue in full force and effect.

### **E. Website Postings.**

I agree and understand that Robinhood Financial may post other specific agreements, disclosures, policies, procedures, terms, and conditions that apply to My use of the App, the Website, or My Account

on the Website ("Website Postings"). I understand that it is My continuing obligation to understand the terms of the Website Postings, and I agree to be bound by the Web Postings as are in effect at the time of My use.

## **F. Entirety of Agreement.**

This Agreement, any attachments hereto, other agreements and policies referred to in this Agreement (including the Website Postings), and the terms and conditions contained in My Account statements and confirmations, contain the entire agreement between Robinhood and Me and supersede all prior or contemporaneous communications and proposals, whether electronic, oral, or written, between Robinhood and Me, provided, however, that any and all other agreements between Robinhood and Me, not inconsistent with this Agreement, will remain in full force and effect.

## **G. Amendment.**

Robinhood may at any time amend this Agreement without prior notice to Me. The current version of the Agreement will be posted on the Website and My continued Account activity after such amendment constitutes My agreement to be bound by all then-in-effect amendments to the Agreement, regardless of whether I have actually reviewed them. Continued use of the App, the Website or any other Robinhood Financial services after such posting will constitute My acknowledgment and acceptance of such amendment. I agree to regularly consult the Website for up-to-date information about Robinhood Financial services and any modifications to this Agreement. Robinhood is not bound by any verbal statements that seek to amend the Agreement.

## **H. Termination.**

Robinhood may terminate this Agreement, or close, deactivate, or block access to My Account at any time in its sole discretion. I will remain liable to Robinhood for all obligations incurred in My Account, pursuant to this Agreement, or otherwise, whether arising before or after termination. I may terminate this Agreement after paying any obligations owed upon written notice. This Agreement survives termination of My Account.

## **I. No Waiver; Cumulative Nature of Rights and Remedies.**

I understand that Robinhood's failure to insist at any time upon strict compliance with any term contained in this Agreement, or any delay or failure on Robinhood's part to exercise any power or right given to Robinhood in this Agreement, or a continued course of such conduct on Robinhood's part, shall at no time operate as a waiver of such power or right, nor shall any single or partial exercise preclude any other further exercise. All rights and remedies given to Robinhood in this Agreement are cumulative and not exclusive of any other rights or remedies to which Robinhood is entitled.

## **J. International Customers.**

The products and services described on the Website are offered only in jurisdictions where they may be legally offered. Neither the Website nor the App shall be considered a solicitation for or offering of any investment product or service to any person in any jurisdiction where such solicitation or offering would be illegal. I understand that Robinhood, in its sole discretion, may accept unsolicited accounts from non-U.S. residents, depending on the country of residence and other factors. I understand that Robinhood is based in the United States and that Robinhood accepts only U.S. currency in Robinhood's customer accounts.

## K. Governing Law.

This Agreement and all transactions made in My Account shall be governed by the laws of the State of California (regardless of the choice of law rules thereof), except to the extent governed by the federal securities laws, FINRA Rules, and the regulations, customs and usage of the exchanges or market (and its clearing house) on which transactions are executed.

## 38. Arbitration.

**A. This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement, the parties agree as follows: (1) All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed. (2) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited. (3) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings. (4) The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date. (5) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry. (6) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court. (7) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement. B. Any controversy or claim arising out of or relating to this Agreement, any other agreement between Me and Robinhood, any Account(s) established hereunder, any transaction therein, shall be settled by arbitration in accordance with the rules of FINRA Dispute Resolution, Inc. ("FINRA DR"). I agree to arbitrate any controversy or claim before FINRA DR in the State of California. C. This agreement to arbitrate constitutes a waiver of the right to seek a judicial forum unless such a waiver would be void under the federal securities laws. If I am a foreign national, non-resident alien, or if I do not reside in the United States, I agree to waive My right to file an action against Robinhood in any foreign venue. D. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (1) the class certification is denied; or (2) the class is decertified; or (3) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.**

ACCEPTED AND AGREED: I acknowledge that I have read the preceding terms and conditions of this Agreement, that I understand them and that I hereby manifest my assent to, and my agreement to comply with, those terms and conditions by accepting this agreement. **I ALSO UNDERSTAND THAT BY ACCEPTING THIS AGREEMENT I HAVE ACKNOWLEDGED THAT THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE IN SECTION 38 HEREIN. I ALSO AGREE (1) THAT ANY OF MY MARGIN ACCOUNT SECURITIES MAY BE BORROWED BY ROBINHOOD OR LOANED TO OTHERS; (2) I HAVE RECEIVED OF A COPY OF THIS AGREEMENT AND (3) I HAVE REVIEWED A COPY OF THE MARGIN DISCLOSURE STATEMENT.**

## Appendix A

### Electronic Fund Transfer Services Disclosures

The following disclosures apply to the use of any EFT services offered by Robinhood, including the Card, ACH transactions and the Move Money functionality of the App.

Solely for purposes of these disclosures: (i) references to the Bank shall include any financial institution that issues the Card or provides services in connection with ACH, Move Money or other EFT transactions; (ii) "you" and "your" mean the owner of the Account; and (iii) "we" and "us" means Robinhood and the Bank collectively.

## 1. Your Liability.

Contact Robinhood Customer Service AT ONCE if you believe your Card or PIN has been lost or stolen or if you believe that an electronic fund transfer has been made without your permission. Telephoning is the best way of keeping your losses down. You could lose all the Available Funds in your Account (plus your maximum overdraft line of credit). If you tell Robinhood within 2 business days after you learn of the loss or theft of your Card or PIN, you can lose no more than \$50 if someone used your Card or PIN without your permission.

If you do NOT tell Robinhood within 2 business days after you learn of the loss or theft of your Card or PIN, and Robinhood can prove that it could have stopped someone from using your Card or PIN without your permission if you had told Robinhood, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by Card or using your PIN, tell Robinhood at once. If you do not tell Robinhood within sixty (60) days after the statement was mailed to you, or otherwise made available to you, you may not get back any money you lost after the sixty (60) days if Robinhood can prove that Robinhood could have stopped someone from taking the money if you had told Robinhood in time. If a good reason (such as a long trip or a hospital stay) kept you from telling Robinhood, Robinhood will extend the time periods.

## 2. Contact in event of unauthorized transfer.

If you believe your Card or PIN has been lost or stolen, contact Robinhood by emailing [help@robinhood.com](mailto:help@robinhood.com).

## 3. Business Days.

Business Days are Monday through Friday, excluding federal holidays.

## 4. Transfer Types and Limitations.

You may use your Card to make purchases at any merchant that accepts Mastercard debit cards or debit cards of other networks in which the Bank participates, and to make ATM withdrawals, in each case subject to the Available Funds in your Account, the transaction limits described below, and the other terms and conditions of this Agreement. You acknowledge and agree that the value available to you for use with the Card is limited to the Available Funds in your Account. So long as you do not exceed the Available Funds in your Account, you may use the Card to purchase goods or services wherever the Card is honored, and to obtain cash by initiating cash withdrawal transactions through the Card from any financial institution or ATM that accepts the Card. Each time you use the Card, you authorize Robinhood to reduce the Available Funds in your Account by the amount of the purchase or withdrawal and any applicable fees, costs, or holdings. Nevertheless, if you exceed the Available Funds in your Account you shall remain fully liable to Robinhood for the amount of the transactions and any applicable fees and charges.

You may also make ACH withdrawals from your Account, either originated through Robinhood or originated by a third party (a "non-originated" withdrawal), subject to the Available Funds in your Account, the transaction limits described below, and the other terms and conditions of this Agreement. You also may make ACH deposits to your Account, either originated through Robinhood or originated by a third party (a "non-originated" deposit), subject to the transaction limits described below.

There are limits on the dollar amount of transactions you can make with your Card each day and each month, and limits on the amount of ACH withdrawals and deposits you can make each day. The following lists the limits for each type of transaction:

**Originated ACH Withdrawals\*** Daily Limit: \$50,000.00  
Weekly Limit: N/A Monthly Limit: N/A

**Originated ACH Deposits\*** Daily Limit: \$50,000.00  
Weekly Limit: N/A Monthly Limit: N/A

**Non-Originated ACH Withdrawals\*** Daily Limit: \$250,000.00  
Weekly Limit: N/A Monthly Limit: N/A

**Non-Originated ACH Deposits\*** Daily Limit: \$250,000.00  
Weekly Limit: N/A Monthly Limit: N/A

**Point of Sale Purchases with the Card\*** Daily Limit: \$5,000.00 Weekly Limit: N/A Monthly Limit: \$15,000.00

**ATM Withdrawals\*** Daily Limit: \$510.00 Weekly Limit: N/A Monthly Limit: \$5,000.00

**Originated ACH\*** Daily Limit: N/A, subject to the Weekly Limit Weekly Limit: \$2,999 Monthly Limit: N/A

## 5. Fees.

We will not charge you any fees for use of ATMs that are part of the AllPoint or MoneyPass ATM networks, or for point of sale transactions using the Card, or for initiating other EFTs on your behalf. If you withdraw funds from ATMs outside of the AllPoint or MoneyPass ATM networks, you may be separately assessed fees by those ATM owners or operators.

## 6. Confidentiality.

We may disclose information to third parties about you, your Card, or the transactions you make using any of the EFT services we provide:

1. Where it is necessary or helpful for completing or correcting transactions and resolving claims regarding transactions;
2. In order to verify the existence and condition of your Card or your Account for a third party, such as a merchant;
3. In order to comply with a valid request by a government agency, a court order, or other legal or administrative reporting requirements;
4. If you consent by giving us your written permission;
5. To our employees, auditors, affiliates, service providers, or attorneys as needed;
6. In order to prevent, investigate or report possible illegal activity;
7. In order to issue authorizations for transactions on the Card;
8. As permitted by applicable law; or
9. Otherwise as necessary to fulfill our obligations under this Agreement and the terms applicable to the EFT service you are using.

Please see Robinhood's privacy policy, available at [about.robinhood.com/legal](https://www.robinhood.com/legal), and the applicable Bank's privacy policy, available at <https://www.suttonbank.com/kcms-doc/85/49033/WK-Privacy-Disclosure-1218.pdf>, for further details. (The Robinhood privacy policy and the applicable Bank's privacy policy are referred to collectively as the "Privacy Policies"). You hereby agree to Robinhood's and the Bank's collection, use and sharing of information about you and the Card as provided in the Privacy Policies, which are made a part of this Agreement. The Privacy Policies also tell you how you can (i) limit the ways in which Bank and Robinhood share information about you, or (ii) request corrections to the information that Bank or Robinhood maintain about you. You agree that information you provide in connection with your Card or other EFT services you use is being provided directly to both Robinhood as the holder of the Account associated with the service and the Bank as the Card issuer or provider of the EFT service, as applicable.

## 7. Documentation.

*Terminal Transfers.* You can get a receipt at the time you make any transfer to or from your Account using an ATM from the AllPoint or MoneyPass ATM networks or at the point of sale.

*Preauthorized Credits.* If you have arranged to have direct deposits made to your Account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money. You can also check your Account online to see if a deposit has been received.

*Periodic Statements.* You will get a monthly Account statement, unless there are no transfers in a particular month. In any case you will get the statement at least quarterly. You may obtain information about the Available Funds in your Account and a history of your Cash Management transactions on the App.

## **8. Preauthorized Payments/Stop Payment Procedure and Notice of Varying Amounts.**

You do not have the right to request that Robinhood in advance make regular payments out of your Account, although you may ask third parties to initiate regular payments out of your Account.

*Right to stop payment:* If you have automatic recurring payments taken out of your Account, you can stop any of these payments by contacting us at [help@robinhood.com](mailto:help@robinhood.com). You must contact us in time for us to receive your request at least three business days before the payment is scheduled to be made.

*Notice of varying amounts:* If these regular payments vary in amount, the party you are going to pay will tell you, 10 days before each payment, when the payment will be made and how much it will be. (The party you are going to pay may allow you to choose to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

*Liability for failure to stop payment of a preauthorized transfer:* If you order us to stop a payment at least three business days before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.

## **9. Our Liability.**

If we do not complete a transaction to or from your Account on time or in the correct amount according to our Agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If through no fault of Robinhood or the Bank, you do not have enough Available Funds in your Account to complete the transaction;
2. If a merchant refuses to accept your Card;
3. If an electronic terminal where you are making a transaction does not operate properly, and you knew about the problem when you initiated the transaction;
4. If access to your Card has been blocked after you reported your Card lost or stolen;
5. If there is a hold or your funds are subject to legal or administrative process or other encumbrance restricting their use;
6. If Robinhood or the Bank have reason to believe the requested transaction is unauthorized;
7. If circumstances beyond the control of Robinhood or the Bank (such as fire, flood, or computer or communication failure) prevent the completion of the transaction, despite reasonable precautions that Robinhood or the Bank have taken; or
8. For any other exception stated in this Agreement with you or by applicable law.

## 10. Errors or Questions About Electronic Transfers.

In case of errors or questions about your electronic transfers, including your Card transactions, or if you think your statement or receipt is wrong or if you need more information about a transaction listed on the statement or receipt, contact Robinhood by emailing [help@robinhood.com](mailto:help@robinhood.com). Robinhood must hear from you no later than sixty (60) days after you were sent the FIRST statement on which the problem or error appeared.

1. Tell Robinhood your name and account number.
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell Robinhood the dollar amount of the suspected error.

Robinhood will determine whether an error occurred within ten (10) business days after Robinhood hears from you and will correct any error promptly. If Robinhood needs more time, however, it may take up to forty-five (45) days to investigate your complaint or question. If Robinhood decides to do this, Robinhood will credit your Account within ten (10) business days for the amount you think is in error, so that you will have the use of the money during the time it takes Robinhood to complete our investigation.

For errors involving new accounts, point of sale, or foreign initiated transactions, Robinhood may take up to ninety (90) days to investigate your complaint or question. For new accounts, Robinhood may take up to twenty (20) business days to credit your Account for the amount you think is in error.

Robinhood will tell you the results of our investigation within three (3) business days after completing the investigation. If Robinhood decides that there was no error, Robinhood will send you a written explanation. You may ask for copies of the documents that Robinhood used in our investigation.

# **EXHIBIT B**

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13 **UNITED STATES DISTRICT COURT**  
14 **CENTRAL DISTRICT OF CALIFORNIA**

15 LEVI COBOS, an individual and  
16 those similarly situated,

17 Plaintiff(s),

18 v.

19 ROBINHOOD FINANCIAL LLC, a  
20 Delaware limited liability company;  
21 ROBINHOOD SECURITIES, LLC, a  
22 Delaware limited liability company;  
23 and ROBINHOOD MARKETS, INC.,  
a Delaware corporation,

24 Defendants.  
25  
26  
27

Case No. 21-cv-00843-VAP-MRW

[Related Cases 2:21-cv-00835-VAP  
(MRWx); 2:21-cv-00837-VAP (MRWx)]

**ROBINHOOD FINANCIAL LLC,  
ROBINHOOD SECURITIES, LLC  
AND ROBINHOOD MARKETS,  
INC.’S MEMORANDUM OF LAW IN  
OPPOSITION TO PLAINTIFF’S EX  
PARTE APPLICATION FOR A  
TEMPORARY RESTRAINING  
ORDER AND ORDER SHOWING  
CAUSE FOR A PRELIMINARY  
INJUNCTION**

Judge: Hon. Virginia A. Phillips  
Courtroom: 8A  
Hearing Date: February 10, 2021  
Hearing Time: 10:00 A.M.

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## PRELIMINARY STATEMENT

1  
2 Plaintiff Levi Cobos seeks an extraordinary temporary restraining  
3 order to force Defendants Robinhood Financial LLC (“RHF”), Robinhood  
4 Securities, LLC (“RHS”) and Robinhood Markets, Inc. (“RHM”) (collectively,  
5 “Robinhood”) to accept customer trades for *any* stock without *any* limitation. This  
6 demand flies in the face of the statement issued *after the events at issue* by the  
7 responsible government agency—the Securities and Exchange Commission  
8 (“SEC”)—confirming in no uncertain terms that “broker-dealers may reserve the  
9 ability to reject or limit customer transactions. This may be done for legal,  
10 compliance, or risk management reasons, and is typically discussed in the customer  
11 account agreement.”<sup>1</sup> In fact, Robinhood explicitly reserved that very right to  
12 reject or limit customer transactions in the agreement that Mr. Cobos accepted  
13 upon opening his account. Granting Plaintiff’s requested relief would strip RHS  
14 (the Robinhood clearing broker) of the ability to prudently manage risk and stay in  
15 compliance with applicable deposit requirements and regulations.

16 Robinhood—a broker-dealer that is democratizing finance for all—made the  
17 difficult decision to limit customer purchases for a select number of highly volatile  
18 securities from January 28 through February 4, 2021. It did not make the decision  
19 as part of a nefarious conspiracy to benefit hedge funds. To the contrary, it made  
20 that decision for entirely lawful reasons. RHS is obligated to pay deposits to  
21 centralized clearinghouses to cover Robinhood customers’ trades during a two-day  
22 settlement period in which the clearinghouse processes the transactions. The  
23 purpose of the deposits—which RHS covers with its own capital—is to cover  
24 potential risk to the firm. Clearinghouses require these deposits to protect the  
25 integrity and stability of the stock market as a whole.

26  
27 <sup>1</sup> See Securities and Exchange Comm’n, “Thinking About Investing in the  
28 Latest Hot Stock?” (Jan. 30, 2021) (“SEC Statement”),  
<https://www.sec.gov/oiea/investor-alerts-and-bulletins/risks-short-term-trading-based-social-media-investor-alert>.

1           On the days at issue here, high trading volume and extreme volatility  
2 in certain stocks that had become “memes” on the internet resulted in an  
3 unprecedented deposit demand from a major clearinghouse. As a result, to manage  
4 its risk, Robinhood exercised the discretion that it reserved in its Customer  
5 Agreement and, consistent with the SEC’s guidance, decided to “limit customer  
6 transactions” in a small number of stocks. This temporary measure allowed  
7 Robinhood to continue to support customer trading in as many securities as  
8 possible for Robinhood’s entire customer base. This decision was made by  
9 Robinhood acting on its own, and not at the behest, or for the benefit, of any third  
10 party. As market conditions eased, Robinhood lifted *all* of the restrictions by  
11 February 5, 2021.

12           Plaintiff does not meet any of the four prongs of the *Winter* test  
13 necessary to obtain the requested injunction. *See Winter v. Nat. Res. Def. Council,*  
14 *Inc.*, 555 U.S. 7, 20 (2008). Robinhood’s temporary restrictions were authorized  
15 by its Customer Agreements, and did not violate the Securities Exchange Act, the  
16 Computer Fraud and Abuse Act or California’s Unfair Competition Law. As such,  
17 Plaintiff is highly unlikely to succeed on the merits. *See infra* Arg. Part I.

18           Plaintiff also cannot show that he has suffered or will suffer  
19 irreparable harm. Robinhood never prevented its customers from selling securities  
20 they already held; the temporary restrictions—which have now been lifted  
21 entirely—related only to the purchase of certain *additional* securities. It is entirely  
22 speculative whether Plaintiff would make or lose money on such purchases, and it  
23 is entirely speculative as to whether any restrictions will be implemented in the  
24 future and, if so, whether they will have any effect on Plaintiff. Moreover, there  
25 are other broker-dealers available from which Plaintiff could have purchased the  
26 securities that were temporarily restricted, or can purchase any other securities in  
27 the future. *See infra* Arg. Part II.



1 provides that “Robinhood may at any time, at its sole discretion and without prior  
2 notice to [the customer]: (i) prohibit or restrict [the customer’s] access to the use  
3 of the App or the Website or related services and [the customer’s] ability to trade,  
4 (ii) refuse to accept any of [the customer’s] transactions, (iii) refuse to execute any  
5 of [the customer’s] transactions, or (iv) terminate [the customer’s] Account”.  
6 (Bain Decl. Ex. D ¶ 16.)

7           Once an approved customer would like to place a trade, a number of  
8 steps occur behind the scenes. The basic mechanics works as follows: when a  
9 customer submits a “buy” or “sell” order for a security and RHF accepts the trade,  
10 RHF sends the order to RHS, which in turn sends the order to market makers to  
11 execute the trade. (Declaration of Jim Swartwout (“Swartwout Decl.”) ¶ 10.)  
12 Market makers send a record of the trade back to RHS, which works with a  
13 clearinghouse to process the trade. (*Id.* ¶ 6.) Clearinghouses are SEC-registered  
14 organizations that act as the central depository for securities. (*Id.* ¶¶ 5-7.) The  
15 main United States clearinghouse for equities is the National Securities Clearing  
16 Corporation (“NSCC”), part of a larger clearing organization called Depository  
17 Trust & Clearing Corporation (“DTCC”).<sup>2</sup> (*Id.* ¶ 6.) It takes two days for the  
18 clearinghouse to transfer the stock to the buyer and funds to the seller. (*Id.* ¶ 10.)  
19 This is known as the “settlement period” or the “T+2” settlement. (*Id.*)

20           The two-day period between execution and settlement leaves open a  
21 risk that a participant in the transaction will be unable to meet its obligations. A  
22 number of protections are in place to reduce this risk. First, clearinghouses require  
23 clearing brokers, like RHS, to pay a deposit to clearinghouses to facilitate and clear  
24 trades until the trades are settled. (*Id.* ¶ 11.) The deposit amount is based on risk,  
25 which the clearinghouses calculate by looking to, among other things, a firm’s  
26

27           <sup>2</sup> Telis Demos, *Why Did Robinhood Ground GameStop? Look at Clearing*,  
28 Wall St. J. (Jan. 29, 2021, 7:33 PM), <https://www.wsj.com/articles/how-clearing-demands-grounded-the-wallstreetbets-stocks-for-a-day-11611966092>.

1 customer holdings and using a volatility multiplier. (*Id.*) To clear and settle  
 2 customer transactions, clearing brokers, like RHS, must satisfy those deposit  
 3 requirements, which can change throughout the course of a single day. (*Id.* ¶ 12.)

4           Second, SEC regulations require broker-dealers like RHS and RHF to  
 5 maintain a certain level of net capital to ensure the ability to promptly satisfy their  
 6 liabilities at all times. (*Id.* ¶ 14.) Together, the clearinghouse deposits and the net  
 7 capital requirements require Robinhood to carefully monitor liquidity. This can be  
 8 particularly challenging for any broker-dealer during periods of volatility. But the  
 9 purpose of these requirements is simple—to protect investors. (*Id.* ¶ 15.)

## 10 **II. Robinhood’s Response to Unprecedented Trading Volatility.**

11           The week of January 25 to 29, 2021 presented unprecedented  
 12 challenges to Robinhood’s ability to satisfy its obligations to clearinghouses. That  
 13 week, the financial markets experienced extreme levels of volatility and  
 14 unprecedented volume, well outside the bounds expected in the ordinary course of  
 15 business. For example, on January 27, 2021, the Chicago Board Options Exchange  
 16 Volatility Index, or “VIX”, spiked by 62%, a dramatic increase that the Wall Street  
 17 Journal reported was the third-largest percentage daily gain since 1990.<sup>3</sup>

18           During this period, Robinhood observed that a number of specific  
 19 securities were subject to particularly rapid price fluctuations, including GameStop  
 20 Corp. (“GME”), whose stock opened on January 22, 2021 at \$42.59 per share, rose  
 21 to \$76.79 by the end of January 25, 2021, and then spiked to \$347.51 per share at  
 22 market close January 27, 2021, a 716% increase over four trading days. In  
 23 response to these securities’ price volatility, beginning on January 25, 2021, RHF  
 24 (the Robinhood introducing broker) began proactively increasing the stocks’  
 25 margin maintenance requirements to 100%—requiring purchasers to pay for their  
 26

27 <sup>3</sup> Quentin Webb, *Volatility Index Soars*, Wall St. J. (Jan. 27, 2021, 10:43 PM),  
 28 <https://www.wsj.com/livecoverage/amc-gamestop-stock-market/card/G0TKmyrTdokxPNjwjtwe>.

1 shares in full—to begin to mitigate the risks that extreme market volatility posed to  
2 both the company and investors. (Declaration of Shiv Verma (“Verma Decl.”)  
3 ¶ 10.) RHF also limited the number of options contract for these stocks that could  
4 be acquired on Robinhood’s platform to ensure that RHF and RHS could  
5 sufficiently apply their capital to serve *all* of its customers. (*Id.*)

6 This surge in volatility and volume also led to a surge in  
7 clearinghouse-mandated deposit requirements. (*Id.* ¶¶ 11-12; Swartwout Decl.  
8 ¶¶ 25-26.) From January 25 to 27, 2021 alone, the NSCC increased RHS’s deposit  
9 requirements by several hundred million dollars, which RHS met. (Verma Decl.  
10 ¶ 11.) In response, Robinhood strengthened its cash position by drawing down on  
11 an existing line of credit from January 25 to 28, 2021. (*Id.* ¶ 18.)

12 Then, early in the morning on January 28, 2021, Robinhood’s  
13 operations team was notified that the NSCC had again responded to the immense  
14 volatility in the markets, this time increasing RHS’s deposit requirements by more  
15 than \$3 billion. (*Id.* ¶ 12; Swartwout Decl. ¶ 25.)

16 A substantial portion of the increased deposit requirement was due to  
17 NSCC’s value-at-risk (“VaR”) calculation for specific stocks, including GME and  
18 AMC Entertainment Holdings, Inc. (“AMC”). (Verma Decl. ¶ 13; Swartwout  
19 Decl. ¶ 26.) To mitigate this sudden increase, Robinhood proposed that, as a  
20 temporary measure, it would limit customer purchases for certain volatile stocks  
21 driving the increased deposit requirements. (Verma Decl. ¶ 13; Swartwout Decl.  
22 ¶ 26.) Robinhood left available the option for customers to sell their positions, a  
23 “position closing only” restriction. (Verma Decl. ¶ 14; Swartwout Decl. ¶ 27.)

24 The purchase restrictions were a necessary, but difficult step, which  
25 RHS instructed RHF to take to protect the company, its customers and the markets.  
26 Following this preventative measure, the NSCC lowered the deposit requirement  
27 for January 28. (Verma Decl. ¶¶ 15-16; Swartwout Decl. ¶ 28.) While the balance  
28

1 remained hundreds of millions of dollars above typical levels, Robinhood  
 2 immediately paid all such requirements that morning. (Verma Decl. ¶ 13;  
 3 Swartwout Decl. ¶ 26.) RHS was therefore able to meet its deposit requirements  
 4 and serve its growing customer base. (Verma Decl. ¶ 14; Swartwout Decl. ¶ 27.)

5 Beginning after market close on January 28, 2021, Robinhood began  
 6 taking steps to ease the restrictions that it had placed on the most volatile stocks.  
 7 (Swartwout Decl. ¶¶ 30-32.) Rather than marking the relevant tickers “position  
 8 closing only,” Robinhood set a maximum number of shares or options contract for  
 9 each customer on a security-by-security basis, providing customers with an  
 10 opportunity to buy the impacted securities, albeit with caps. (*Id.*) RHM also raised  
 11 approximately \$3.4 billion in additional capital from private investors between  
 12 January 28 and February 1, 2021, \$1 billion of which it contributed to RHS so  
 13 RHS could further reduce trading restrictions. (Verma Decl. ¶¶ 17-21.)

14 Robinhood did not take any of the above steps at the behest, or for the  
 15 benefit, of any third party. (Verma Decl. ¶¶ 22-24; Swartwout Decl. ¶¶ 33-34.)  
 16 Nor did Robinhood take these steps to protect any positions it held on its own  
 17 account in the relevant securities. Robinhood did not hold any short positions in  
 18 any of the “meme” stocks during the relevant time period. (Verma Decl. ¶ 25;  
 19 Swartwout Decl. ¶ 35; Bain Decl. ¶ 35.)

20 The measures described above were not unique to Robinhood’s  
 21 platform during this period. (Swartwout Decl. ¶ 29.) The SEC released an  
 22 investor alert and bulletin on January 30, 2021, titled *Thinking About Investing in*  
 23 *the Latest Hot Stock? Understand the Significant Risks of Short-Term Trading*  
 24 *Based on Social Media*, which not only warned retail investors of the risks of  
 25 short-term investing in a volatile market, but also made clear that broker-dealers

26 may reserve the ability to reject or limit customer  
 27 transactions. This may be done for legal, compliance or  
 28 risk management reasons, and is typically discussed in the  
 customer account agreement. In certain circumstances,  
 broker-dealers may determine not to accept orders where

1 a transaction presents certain associated compliance or  
2 legal risks.

3 *See* SEC Statement. This guidance was consistent with the rationale behind  
4 Robinhood’s Customer Agreement trade restriction provisions, as discussed above.  
5 Indeed, the trading restrictions that Robinhood put in place were limited—just one  
6 week later, by February 5, 2021, Robinhood lifted *all* of the restrictions.  
7 (Swartwout Decl. ¶ 32.)

### 8 **LEGAL STANDARD**

9 A temporary restraining order (“TRO”) is “an extraordinary and  
10 drastic remedy, one that should not be granted unless the movant, *by a clear*  
11 *showing*, carries the burden of persuasion.” *Lopez v. Brewer*, 680 F.3d 1068, 1072  
12 (9th Cir. 2012) (citation omitted) (emphasis in original). To obtain either a TRO or  
13 a preliminary injunction, a plaintiff must prove, by a clear showing, that: (i) he is  
14 likely to succeed on the merits; (ii) he is likely to suffer irreparable harm in the  
15 absence of preliminary relief; (iii) the balance of equities tips in his favor; and  
16 (iv) an injunction is in the public interest. *See Winter v. Nat. Res. Def. Council,*  
17 *Inc.*, 555 U.S. 7, 20 (2008). Where a plaintiff shows only “serious questions going  
18 to the merits”, he must compensate by showing “a balance of hardships that tips  
19 sharply towards the plaintiff”, along with the irreparable harm and public interest  
20 prongs. *Brewer*, 680 F.3d at 1072 (citation omitted). Any injunctive relief  
21 awarded “must be tailored to remedy the specific harm alleged”. *Park Vill.*  
22 *Apartment Tenants Ass’n v. Mortimer Howard Tr.*, 636 F.3d 1150, 1160 (9th Cir.  
23 2011) (emphasis omitted) (citation omitted).

24 The Ninth Circuit has also made clear that when “a party seeks  
25 mandatory preliminary relief that goes well beyond maintaining the status quo  
26 *pendente lite*”, the court “should be extremely cautious”. *Martin v. Int’l Olympic*  
27 *Comm.*, 740 F.2d 670, 675 (9th Cir. 1984). That heightened standard applies here.  
28 Plaintiff seeks an Order requiring Robinhood to accept all customer-requested

1 trades on its transaction platform absent a court or government order. (Pl.’s Br.  
2 at 7.) That is not the status quo. *See Marlyn Nutraceuticals, Inc. v. Mucos Pharma*  
3 *GmbH & Co.*, 571 F.3d 873, 879 (9th Cir. 2009) (ordering affirmative steps “did  
4 not operate simply to preserve the status quo”). As the SEC’s January 30, 2021  
5 guidance confirms, Robinhood has always maintained the discretion to refuse to  
6 accept a transaction. (*See* Bain Decl. ¶¶ 12-13; Bain Decl. Exs. C, D ¶¶ 5.F, 16.)

7 **ARGUMENT**

8 **I. PLAINTIFF IS UNLIKELY TO SUCCEED ON THE MERITS.**

9 Plaintiff brings four legal claims. Each fails for a variety of legal and  
10 factual reasons. The first prong of the *Winter* test therefore favors denial.

11 A. Plaintiff’s Securities Exchange Act Claim Fails.

12 Plaintiff claims that Defendants violated Sections 9(a), 9(d) and 9(i)  
13 of the Securities Exchange Act. (Compl. ¶¶ 22, 43, 44.) None of these claims  
14 supports an injunction.

15 i. *Plaintiff Does Not Have a Viable Private Right of Action.*

16 A civil plaintiff can seek relief under the Exchange Act only with  
17 respect to those sections for which a private right of action was created.  
18 Section 9(f) of the Exchange Act creates potential civil liability for any person who  
19 “‘willfully participates’ in the manipulation of securities on a national exchange”  
20 in violation of one of Sections 9(a), 9(b) or 9(c). *Ernst & Ernst v. Hochfelder*, 425  
21 U.S. 185, 211 n.28 (1976) (provision was then codified as section 9(e)). This list  
22 notably excludes Sections 9(d) and 9(i), for which there is no private right of  
23 action. Plaintiff therefore has no claim under sections 9(d) or 9(i).

24 Plaintiff also has no claim under Section 9(a). While Section 9(f)  
25 provides a private right of action for violations of Section 9(a), it does so only for  
26 persons “*who shall purchase or sell any security at a price which was affected by*”  
27 the alleged violation of Section 9(a). 15 U.S.C. § 78i(f) (emphasis added). Here,  
28

1 Plaintiff does not allege he bought or sold a security at an inflated or deflated price;  
2 rather, he alleges Robinhood *prevented him* from buying certain securities.

3 (Compl. ¶¶ 25-26.) He therefore lacks standing under Section 9(f). *See*  
4 *Richardson v. Shearson/Am. Express Co.*, 573 F. Supp. 133, 136 (S.D.N.Y. 1983)  
5 (“[P]laintiffs do not claim that they purchased or sold [a security] at a price that  
6 was affected by [defendant’s] alleged violation of section 9. Rather, they assert  
7 that [defendant’s] conduct induced them not to sell the stock. For this reason  
8 alone, Count IV [alleging a violation of Section 9(f)] must be dismissed.”).<sup>4</sup>

9 ii. *Plaintiff Cannot Prove Section 9(a) Market Manipulation.*

10 Plaintiff’s Exchange Act claim also lacks merit because (i) he fails to  
11 allege any conduct that courts consider manipulative under Section 9(a)(2); and  
12 (ii) he fails to allege sufficiently that Robinhood acted with scienter.

13 (1) *Plaintiff Fails to Allege Manipulative Conduct.*

14 By Plaintiff’s own admission, actionable manipulation involves  
15 “deception of investors” (Pl.’s Br. at 6), and requires “a showing that the  
16 defendants took some action that was intended to mislead the investing public”.  
17 *Onel v. Top Ships, Inc.*, 806 F. App’x 64, 67 (2d Cir. 2020).

18 Plaintiff does not allege such “deception” here. Instead, Plaintiff  
19 concedes that Robinhood’s stock purchase restrictions were publicly announced,  
20 noting in the Complaint that Robinhood’s CEO discussed the restrictions publicly  
21 on television on the same day Plaintiff unsuccessfully attempted to buy BlackBerry  
22 stock. (Compl. ¶ 28.) Not mentioned in the Complaint are the facts that

23  
24 <sup>4</sup> Plaintiff also alleges violations of Section 9(a)(6). (Compl. ¶ 43; Pl.’s Br.  
25 at 12.) A violation of Section 9(a)(6) requires “pegging, fixing, or stabilizing the  
26 price of such security in contravention of such rules or regulations as the  
27 Commission may prescribe”. 15 U.S.C. § 78i(a)(6). However, the SEC has  
28 repealed the rules (Rules 10b-6 to 10b-8) formerly issued under Section 9(a)(6)  
and replaced them with rules that apply only to underwriters and other offering  
participants. *See* 62 Fed. Reg. 520 (Jan. 3, 1997). Because there are no longer any  
SEC rules applicable to broker-dealers under Section 9(a)(6), Plaintiff has no claim  
under that section.

1 Robinhood publicly posted its restrictions on its website (Bain Decl. ¶ 29) and the  
2 restrictions were one of the most covered news stories of the year.<sup>5</sup>

3 The cases Plaintiff cites in support of his argument that Robinhood  
4 engaged in “manipulation” only underscore the extent to which Robinhood’s  
5 conduct differs from the covert and deceptive conduct that courts have previously  
6 found to be manipulative. For example, Plaintiff cites *SEC v. Resch-Cassin & Co.*,  
7 362 F. Supp. 964, 978 (S.D.N.Y. 1973) and *SEC v. Malenfant*, 784 F. Supp. 141,  
8 142 (S.D.N.Y. 1992), both of which involve pump-and-dump schemes in which  
9 the defendants inflated the price of stock they owned through false and misleading  
10 statements in order to sell the stock later at a higher price. Each of these cases  
11 involved allegations that the defendant held a position in the relevant securities and  
12 used deceptive conduct to profit on those positions by tricking other market  
13 participants into engaging in their own purchases or sales. No such allegations  
14 exist here. Indeed, Robinhood did not hold a short position in any of the relevant  
15 stocks, and therefore did not stand to profit at all from a decrease in the relevant  
16 stock prices. (Verma Decl. ¶ 25; Swartwout Decl. ¶ 35; Bain Decl. ¶ 35.)<sup>6</sup>

17 Plaintiff does allege a conspiracy theory that Robinhood implemented  
18 trading restrictions beginning on January 28 at the behest, or for the benefit, of  
19 third parties such as Citadel Securities, which he incorrectly alleges has an  
20 ownership stake in Robinhood. (Compl. ¶ 12; Pl.’s Br. at 7.) This is nothing more  
21 than rank speculation, completely unsupported by any factual allegations and  
22 conclusively refuted by the sworn declarations submitted herewith. No third party  
23

24 <sup>5</sup> See, e.g., Joe Wallace, Amrith Ramkumar, Gunjan Banerji, *GameStop Mania*  
25 *Hits a Wall of Tighter Trading Terms*, Wall St. J. (Feb. 2, 2021, 6:06 PM),  
26 <https://www.wsj.com/articles/silver-etf-at-center-of-reddit-fueled-surge-11612281290>.

27 <sup>6</sup> *Crane Co. v. Westinghouse Air Brake Co.*, 419 F.2d 787 (2d Cir. 1969), also  
28 cited by Plaintiff, involved a defendant that sought to prevent a corporate takeover  
by engaging in “extraordinary buying [of target company stock] . . . coupled with  
[] large secret sales off the market”, *id.* at 793—a type of deception utterly absent  
here.

1 directed, or requested, that Robinhood implement the trading restrictions. (Verma  
 2 Decl. ¶¶ 22-24.) And, contrary to Plaintiff’s allegations, Citadel does *not* hold any  
 3 ownership stake directly, or to Robinhood’s knowledge indirectly, in Robinhood.  
 4 (Verma Decl. ¶ 23; Swartwout Decl. ¶ 34.) These conspiratorial allegations and  
 5 claims of conflict of interest are “incomprehensible, conclusory statements about  
 6 harm, and [are] devoid of any facts or authorities to support Plaintiff’s claims”.  
 7 *McElroy v. Majchrzak*, No. EDCV 20-2228 (JGB) (PLAx), 2020 WL 7248373, at  
 8 \*1 (C.D. Cal. Oct. 27, 2020). “A preliminary injunction is an extraordinary and  
 9 drastic remedy”, *id.*, and one that requires more than such “mere allegations of  
 10 wrongdoing”. *Maxlite, Inc. v. ATG Elecs., Inc.*, 2020 WL 6260007, at \*2 (C.D.  
 11 Cal. July 13, 2020).

12 Finally, none of the claimed “deceptive” conduct is even alleged to  
 13 have affected the price of securities. *See Jolley v. Welch*, 904 F.2d 988, 992 (5th  
 14 Cir. 1990) (“[S]ection 9 does not govern manipulative practices that do not directly  
 15 affect the market or purchase price of a security.”); *Jewelcor Inc. v. Pearlman*, 397  
 16 F. Supp. 221, 244 (S.D.N.Y. 1975) (same). While Plaintiff contends that  
 17 Robinhood deceived its users “into believing that they were trading on a platform  
 18 adequately capitalized” and that Robinhood did not disclose that Citadel Securities  
 19 was a “major investor” in Robinhood (Pl.’s Br. at 7), Plaintiff does not even  
 20 attempt to show that these alleged misrepresentations or omissions actually  
 21 affected the price of any securities. Rather, to the extent Plaintiff alleges that  
 22 Robinhood’s conduct affected the securities market, it is only through the publicly  
 23 disclosed purchase restrictions Robinhood implemented. (*See* Compl. ¶¶ 16-17.)

24 (2) *Plaintiff Cannot Prove Scienter.*

25 Plaintiff’s claim fails for the separate and independent reason that  
 26 Plaintiff cannot prove scienter, as required for a Section 9(a) claim. *See Connolly*  
 27 *v. Havens*, 763 F. Supp. 6, 11-12 (S.D.N.Y. 1991). In fact, because the scienter  
 28

1 element is subject to the heightened pleading requirements of Rule 9(b) and the  
 2 Private Securities Litigation Reform Act of 1995, *see* Fed. R. Civ. P. 9(b); 15  
 3 U.S.C. § 78u-4(b)(2)(A), this claim will not even survive a motion to dismiss.

4 Plaintiff contends that he can satisfy the scienter requirement by a  
 5 showing of mere negligence. (Pl.’s Br. at 9-10.) The 50-year-old precedents  
 6 Plaintiff cites for this contention have been overruled. Section 9 of the Exchange  
 7 Act “contains a state-of-mind condition requiring something more than  
 8 negligence”—specifically, it requires a showing of “willful[] participat[ion]” in the  
 9 manipulation of securities. *Ernst & Ernst*, 425 U.S. at 211 n.28; *see also Dekalb*  
 10 *Cty. Pension Fund v. Transocean Ltd.*, 817 F.3d 393, 403 (2d Cir. 2016) (same).

11 Robinhood implemented temporary purchase restrictions as a risk  
 12 mitigant to reduce the amount of the clearinghouse deposit requirement and ensure  
 13 the stability of its trading platform. (Verma Decl. ¶¶ 26-28; Swartwout Decl.  
 14 ¶¶ 25-28.) It did not do so to benefit itself, and it did not do so at the behest, or for  
 15 the benefit, of any third-party. (*See* Verma Decl. ¶¶ 22-25; Swartwout Decl. ¶¶ 33-  
 16 35.) Contrasted against these sworn statements, Plaintiff offers nothing more than  
 17 conclusory allegations. (*See, e.g.*, Compl. ¶ 18 (“Robinhood’s actions were done  
 18 purposefully and knowingly to manipulate, or with reason to know, that its  
 19 customers would be harmed and without employing any reasonable protections for  
 20 its retail investor customers affected . . .”).) These are insufficient. *See In re Wet*  
 21 *Seal, Inc. Sec. Litig.*, 518 F. Supp. 2d 1148, 1157 (C.D. Cal. 2007) (“[P]laintiffs  
 22 cannot allege ‘intent’ in general terms or simply ‘motive and opportunity’ or  
 23 ‘recklessness,’ but instead must ‘plead, at a minimum, particular facts giving rise  
 24 to a strong inference of deliberate or conscious recklessness.’” (citation omitted)).

25 **B. Plaintiff’s Computer Fraud and Abuse Act Claim Fails.**

26 Plaintiff asserts a claim under Section 1030(a)(5)(A) of the Computer  
 27 Fraud and Abuse Act (“CFAA”). (Compl. ¶ 49.) To prevail, Plaintiff must prove  
 28

1 that Robinhood (1) “knowingly” caused the “transmission of a program,  
2 information, code, or command” (2) to “intentionally” cause damage (3) “without  
3 authorization, to a protected computer”. *See Thurmond v. Compaq Comp. Corp.*,  
4 171 F. Supp. 2d 667, 675 (E.D. Tex. 2001); 18 U.S.C. § 1030(g) (private right of  
5 action for a violation of Section 1030). Plaintiff cannot do so.

6 *First*, Robinhood’s purchase restrictions did not involve an actionable  
7 “transmission”. Plaintiff’s misunderstanding of how Robinhood’s app works is  
8 apparent from his brief, where he asserts that “Robinhood transmitted a program,  
9 code, or command to Plaintiff’s computer and smartphone device (and to those  
10 similarly situated) that disabled the ‘buy’ feature/button on its app.” (Pl.’s Br.  
11 at 14.) As set forth in the Bain Declaration, that is simply untrue. When a  
12 customer uses the Robinhood app (or the web-based Robinhood interface) to make  
13 trades, the customer views information on Robinhood’s servers. (Bain Decl. ¶¶ 27-  
14 29.) In implementing the purchase restrictions, Robinhood did not “transmit” a  
15 program, code or command to customers’ smartphones or computers to alter the  
16 functionality of the app. To the contrary, it implemented the purchase restrictions  
17 in software and databases on its own servers. (*Id.* ¶ 31.)<sup>7</sup>

18 *Second*, Robinhood did not “damage” Plaintiff’s computer or  
19 smartphone. The customer device, and the Robinhood app installed on that device,  
20 work just as before. The only change is to the cloud-based functionality available  
21 on Robinhood’s own servers. (*Id.* ¶¶ 27-29.)

22 *Third*, any alleged “transmission” was not unauthorized within the  
23 meaning of the CFAA. *Pulte Homes, Inc. v. Laborers’ Int’l Union of N. Am.*, 648  
24 F.3d 295, 304 (6th Cir. 2011) (defining “without authorization” as used in CFAA  
25

26 <sup>7</sup> It is for this reason that Plaintiff’s citation to *United States v. Raisley* is  
27 unavailing. 466 F. App’x 125 (3d Cir. 2012). In that case, the defendant  
28 distributed a “malware” program, which installed itself (unbeknownst to their  
owners) on thousands of computers, which then launched a “Distributed Denial of  
Service” attack to render a webpage unavailable for its intended users. *Id.* at 127.  
There was no such unauthorized transmission (or damage) here.

1 as “without sanction or permission”). Plaintiff willingly downloaded the  
 2 Robinhood application himself, opened an account and agreed to the Customer  
 3 Agreement. The Customer Agreement grants Robinhood the authority, “at any  
 4 time” and “without prior notice,” to “prohibit or restrict” Plaintiff’s “access to the  
 5 use” of the app or website. (Bain Decl. Ex. D ¶ 16.) It further permits Robinhood  
 6 to “prohibit or restrict” Plaintiff’s “ability to trade”, “refuse to accept any of”  
 7 Plaintiff’s transactions, or “refuse to execute any of” Plaintiff’s transactions. (*Id.*);  
 8 *see also LVRC Holdings LLC v. Brekka*, 581 F.3d 1127, 1135 (9th Cir. 2009)  
 9 (affirming dismissal of CFAA claim because, where an employee had permission  
 10 from his employer to use the computer, he did not access the computer “without  
 11 authorization”).

12 C. Plaintiff’s Unfair Competition Law Claim Fails.

13 Plaintiff cannot show a likelihood of success on the merits of his  
 14 claim under California’s Unfair Competition Law (“UCL”), Cal. Bus. & Prof.  
 15 Code § 17200, *et seq.*, because (i) he lacks standing to bring such a claim, and  
 16 (ii) even if he had standing, his claim is doomed to fail on the merits.

17 i. *Plaintiff Lacks Standing to Pursue His UCL Claim.*

18 “Standing under the UCL . . . is substantially narrower than standing  
 19 under Article III of the Constitution.” *Wright v. Gen. Motors Acceptance Corp.*,  
 20 545 F. App’x 686, 688 (9th Cir. 2013) (internal quotation marks omitted). To have  
 21 standing to bring a UCL claim, “a plaintiff suing under the UCL must (1) establish  
 22 . . . *economic injury*, and (2) show that the economic injury was the result of, i.e.,  
 23 *caused by*, the unfair business practice . . . that is the gravamen of the claim.” *Id.*  
 24 (alterations in original) (citations omitted) (internal quotation marks omitted).

25 Plaintiff has not alleged a cognizable injury. He alleges that he tried  
 26 to purchase AMC shares using the Robinhood app on January 28, 2021, and that he  
 27 tried to “access the ‘buy’ feature” for BlackBerry shares that same day. (Cobos  
 28

1 Decl. ¶ 7.) What he ignores is that he remained free to purchase these stocks from  
 2 other broker-dealers. Robinhood did not prevent—and could not prevent—  
 3 Plaintiff from buying these stocks; it simply did not provide a means for him to  
 4 buy those stocks through Robinhood. Moreover, it is entirely speculative whether  
 5 Plaintiff would have made or lost money if he had actually bought additional  
 6 shares.<sup>8</sup> See *Lanovaz v. Twinings N. Am., Inc.*, 726 F. App'x 590, 591 (9th Cir.  
 7 2018) (“A ‘some day’ intention[]—without any description of concrete plans . . .  
 8 —does not support a finding of the ‘actual or imminent’ injury that Article III  
 9 requires.”) (alteration in original) (quoting *Lujan v. Defenders of Wildlife*, 504 U.S.  
 10 555, 564 (1992)).

11 Plaintiff’s allegations regarding his BlackBerry options contract fare  
 12 no better. If he had exercised his call option on January 28 (as he could have done  
 13 had he spoken to a live broker), he would have immediately *lost* money as the  
 14 stock was trading well below the strike price of \$24.00. (See Cobos Decl. ¶ 5;  
 15 Cobos Decl. Ex. 2.) That option remained out of the money when it expired the  
 16 following day, and BlackBerry shares have not traded above \$24.00 through filing.

17 ii. *Plaintiff’s UCL Claim Cannot Succeed on the Merits.*

18 Plaintiff likewise cannot show a likelihood of success on the merits of  
 19 his UCL claim. To state a claim under the UCL, a plaintiff must allege that the  
 20 defendant engaged in an “unlawful, unfair or fraudulent business act or practice”.  
 21 Cal. Bus. & Prof. Code § 17200. Plaintiff cannot show any unlawful conduct.

22 *First*, as discussed above in Sections I.A and I.B, Plaintiff’s claims  
 23 under 15 U.S.C. § 78i(a) and 18 U.S.C. § 1030(a) are without merit, and thus  
 24 cannot support a UCL claim. See *Bejou v. Bank of Am.*, No. CV F 13-0125 LJO

25  
 26  
 27 <sup>8</sup> Plaintiff allegedly tried to purchase these stocks using the Robinhood app at a  
 28 time on January 28 when they were trading at \$7.92 (AMC) and \$15.31 (BB).  
 (Cobos Decl. ¶ 6; Cobos Decl. Exs. 1-2.) The Court can take judicial notice that  
 these stocks closed on Monday, February 8, at \$6.18 (AMC) and \$13.76 (BB).

1 SMS, 2013 WL 1759126, at \*5 (E.D. Cal. Apr. 24, 2013) (“Reliance on other  
2 invalid claims fails to support a viable UCL claim.”).

3           *Second*, to the extent Plaintiff alleges separate liability under Section  
4 9(d) or 9(i) of the Exchange Act, Plaintiff’s claim also fails. Section 9(d) prohibits  
5 a person from manipulating a “short sale of any security”. 15 U.S.C. § 78i(d).  
6 Plaintiff alleges that Robinhood’s stock restriction prevented him from buying  
7 additional AMC stock, not shorting. (Compl. ¶ 25.) Customers cannot engage in  
8 short sales on the Robinhood platform. (Swartwout Decl. ¶ 4.) Moreover, Plaintiff  
9 does not allege that he suffered *any* loss as a result of a short sale by another  
10 market participant, and therefore lacks standing to bring such a claim.

11           Section 9(i) prohibits any person from violating “*such rules or*  
12 *regulations as the Commission may adopt*, consistent with the public interest, the  
13 protection of investors, and the maintenance of fair and orderly markets”. 15  
14 U.S.C. § 78i(i) (emphasis added). Plaintiff fails to cite any specific SEC “rules or  
15 regulations” that Robinhood allegedly violated that would give rise to liability.  
16 Instead, Plaintiff alleges generally that Robinhood’s “suspension of purchasing  
17 was contrary to the rules and regulations requiring a fair and orderly market”.  
18 (Pl.’s Br. at 13.) Such vague allegations are insufficient to survive a motion to  
19 dismiss, much less serve as a basis for obtaining temporary injunctive relief.

20           *Third*, to the extent Plaintiff alleges separate liability under Rule 5310  
21 of the Financial Industry Regulation Authority (“FINRA”), Plaintiff’s claim fails  
22 again.<sup>9</sup> Robinhood’s decision to decline or limit trades does not violate Rule 5310.  
23 Rule 5310—the “Best Execution and Interpositioning” rule—applies to the level of  
24 care with which a broker-dealer must exercise with an *accepted* trade order. *See In*  
25 *the Matter of Scottrade, Inc.*, Exchange Act Release No. 58012, 93 S.E.C. Docket  
26

27           <sup>9</sup> In addition to these grounds for why a UCL claim fails, it is well established  
28 that there is no private right of action for a violation of FINRA Rules. *See Gurfein*  
*v. Ameritrade, Inc.*, 312 F. App’x 410, 414 (2d Cir. 2009).

1 1550, 2008 WL 2510611, at \*5 (June 24, 2008) (“By *accepting* an order, a broker-  
2 dealer impliedly represents that the order will be executed in a manner consistent  
3 with the duty of best execution.” (emphasis added)). In other words, the Rule  
4 applies to *how* a trade is executed, not to a broker-dealer’s decision as to *whether*  
5 to execute a particular trade. As Plaintiff concedes, RHF temporarily did *not*  
6 accept any purchase orders for either AMC Entertainment or BlackBerry stock.

7 *Fourth*, Plaintiff cannot show any unfair or fraudulent conduct. As  
8 discussed above, Plaintiff’s speculative conflict of interest allegation concerning  
9 Citadel Securities is refuted by the record evidence. *See supra* Section II(A)(ii).

10 iii. *Robinhood’s Lawful Acts Cannot Violate the UCL.*

11 By definition, lawful acts cannot violate the UCL. *See Nuvasive, Inc.*  
12 *v. Cadwell Indus., Inc.*, No. 12CV3065 JLS (JMA), 2013 WL 12096625, at \*5  
13 (S.D. Cal. Nov. 4, 2013) (“[T]he UCL may not be used to impose liability for  
14 allegedly unfair practices that have been affirmatively declared to be lawful.”).  
15 Specifically, a UCL claim cannot succeed where the challenged conduct is an  
16 essential part of the company’s business operations and is consistent with industry  
17 practices. *See Byars v. SCME Mortg. Bankers, Inc.*, 109 Cal. App. 4th 1134, 1149  
18 (2003) (holding that a lender’s conduct did not violate the UCL because that  
19 conduct was “widespread and commonly used as a method to compensate  
20 mortgage brokers for services provided to borrowers and the lender”).

21 But that is all that is challenged here: lawful acts undertaken by  
22 Robinhood that are consistent with industry practice to ensure compliance with  
23 clearinghouse requirements and SEC regulations. (*See Swartwout Decl.* ¶¶ 25-29;  
24 *Verma Decl.* ¶¶ 12-16.) These acts were explicitly permitted by the Customer  
25 Agreement (*Bain Decl.* ¶¶ 8-21), and the SEC confirmed in its January 30, 2021  
26 Bulletin the right of broker-dealers to take such actions. *See SEC Statement.*  
27 Indeed, other broker-dealers also set purchase restrictions on the “meme” stocks.  
28

1           D.     Plaintiff’s Negligence Claim Fails.

2           Plaintiff does not appear to rely on his negligence claim to support his  
3 Application, nor could he. *See* Pl.’s Br. at 11-17 (arguing only the first three  
4 causes of action). Plaintiff cannot show (1) the existence of a duty of care; (2) a  
5 breach of that duty; (3) proximate cause; or (4) damages, as are all required to  
6 prove a successful claim for negligence under California law. *Peredia v. HR*  
7 *Mobile Servs., Inc.*, 25 Cal. App. 5th 680, 687 (2018).

8           Most fundamentally, Robinhood’s duties to Plaintiff sound in  
9 contract, not tort. *See Sheen v. Wells Fargo Bank, N.A.*, 38 Cal. App. 5th 346, 357  
10 (2019) (“[T]he duties of care between parties who negotiate contracts are not  
11 governed by the law of tort.”). Here, the Customer Agreement permits Robinhood  
12 to restrict the ability to purchase certain securities. (*See* Bain Decl. Ex. D ¶¶ 5.F,  
13 16.) A tort claim for conduct expressly permitted by contract is barred. *See, e.g.*,  
14 *Mackell v. Wells Fargo Home Mortg.*, No. 16-CV-04202-BLF, 2017 WL 373077,  
15 at \*8 (N.D. Cal. Jan. 26, 2017). Moreover, every customer agrees that “My  
16 Account is self-directed” (Bain Decl. Ex. D ¶ 5.A), meaning that the customer is  
17 fully responsible for his or her own investment decisions and is not relying on any  
18 advice or recommendations from Robinhood. To the extent that a broker-dealer  
19 owes any duty beyond its contractual relationship with its customer, it owes those  
20 duties only for each individual transaction it accepts and processes for the  
21 customer. *See de Kwiatkowski v. Bear, Stearns & Co.*, 306 F.3d 1293, 1302 (2d  
22 Cir. 2002) (“On a transaction-by-transaction basis, the broker owes duties of  
23 diligence and competence in executing the client’s trade orders, and is obliged to  
24 give honest and complete information when recommending a purchase or sale.  
25 The client may enjoy the broker’s advice and recommendations with respect to a  
26 given trade, but has no legal claim on the broker’s ongoing attention.”). There is  
27 no duty to accept all trades for all customers at all times.

28

1 FINRA Rule 5310 does not save Plaintiff’s negligence claim. As  
 2 noted above, the duty of best execution under FINRA Rule 5310 concerns only  
 3 *how* an accepted trade is executed, not *whether* a broker will accept a trade. *See*  
 4 *id.*; *see also In the Matter of Scottrade*, 2008 WL 2510611, at \*5 (“By *accepting*  
 5 an order, a broker-dealer impliedly represents that the order will be executed in a  
 6 manner consistent with the duty of best execution.”) (emphasis added). Robinhood  
 7 did not accept any trades at issue. FINRA Rule 5310 is irrelevant.

8 **II. PLAINTIFF CANNOT CLEARLY SHOW IRREPARABLE HARM.**

9 Plaintiff must demonstrate by a clear showing that he will suffer  
 10 irreparable injury, and that the injury is likely and imminent, not remote or  
 11 speculative. *See Caribbean Marine Servs. Co. v. Baldrige*, 844 F.2d 668, 674 (9th  
 12 Cir. 1988); *Brewer*, 680 F.3d at 1072. Plaintiff fails to make a clear showing that  
 13 he will suffer irreparable harm. Indeed, he has failed to demonstrate any harm at  
 14 all—past, present or future—and any alleged harm can be remedied by damages.

15 A. Plaintiff Has Not Demonstrated Past, Present or Imminent Harm.

16 Allegations of past harm cannot support an injunction; Plaintiff must  
 17 instead articulate a threat of ongoing injury that is “likely” or “imminent”. *See*  
 18 *Baldrige*, 844 F.2d at 675. Prior to the market open on February 5, 2021,  
 19 Robinhood lifted all of the temporary restrictions that it had previously put in place  
 20 (Swartwout Decl. ¶ 32), mooted Plaintiff’s assertion of imminent harm. At this  
 21 point, whether—and to what extent—Robinhood may again decide it is necessary  
 22 to implement restrictions on any securities is entirely speculative, as is the question  
 23 of whether any such limitations would relate to any securities that have anything to  
 24 do with Plaintiff.

25 Moreover, Plaintiff’s theory of imminent harm appears to be that  
 26 restrictions (if Robinhood reinstates them in the future) might lead to “depressed”  
 27 prices in certain securities. (Pl.’s Br. at 12, 15, 17.) This could only conceivably  
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1 harm Plaintiff with respect to securities he already held before the purchase  
2 restrictions went into effect. For the reasons discussed below, Plaintiff’s  
3 speculative, conclusory assertions of harm that he *might* suffer in the future are  
4 insufficient to warrant a grant of injunctive relief. *See Herb Reed Enterprises, LLC*  
5 *v. Florida Ent. Mgmt., Inc.*, 736 F.3d 1239, 1250 (9th Cir. 2013) (a party seeking  
6 injunctive relief may not rely on “unsupported and conclusory statements  
7 regarding harm [the plaintiff] might suffer” in the future).

8 *First*, Plaintiff’s theory is predicated on assuming that—if Robinhood  
9 had not placed temporary restrictions on AMC (now lifted)—he *would have*  
10 purchased AMC shares, those shares *would have* risen in value and then he *would*  
11 *have* sold those shares for a profit. Yet Plaintiff cannot show that he would have  
12 purchased AMC shares at a low price, held them for the right amount of time and  
13 then sold them at a higher price for a profit. Any attempt to do so would simply be  
14 with the benefit of hindsight. Plaintiff could have *lost* money buying additional  
15 AMC shares instead of *making* money. The same will be true for any future  
16 restrictions Robinhood may put in place. Pure speculation about lost profits on  
17 stock-market trading does not entitle Plaintiff to sweeping injunctive relief. *See id.*

18 *Second*, Plaintiff cannot show that he was foreclosed (or is now  
19 foreclosed) from carrying trades on the open market. Nothing obligated Plaintiff to  
20 trade on Robinhood’s platform. Robinhood was not an exclusive broker for any of  
21 these stocks. Plaintiff admits that “[o]ther retail customers at other brokerage firms  
22 at the same time are and were permitted to purchase *or* sell the same stocks”.  
23 (Pl.’s Br. at 11.) This alone defeats Plaintiff’s Application.

24 *Third*, Plaintiff’s theory of harm assumes that Robinhood’s temporary  
25 purchase restrictions moved the market price of those securities. There is no  
26 evidence that RHF, a single broker-dealer in the market for securities, has the  
27 ability to move markets when investors could still purchase and sell shares through  
28

1 other broker-dealers. This thread of loosely-tied, speculative assertions is  
 2 misguided, strains logic and certainly does not entitle Plaintiff to injunctive relief.  
 3 *See In re Excel Innovations, Inc.*, 502 F.3d 1086, 1098-99 (9th Cir. 2007)  
 4 (“[C]onclusory allegations are insufficient to establish irreparable harm.”).

5 **B. Any Alleged Harm Can Be Remedied with Damages.**

6 Even if Plaintiff had shown that he has suffered or will suffer harm—  
 7 which he has not—the only appropriate remedy would be damages. “A plaintiff is  
 8 not entitled to an injunction if money damages would fairly compensate him for  
 9 any wrong he may have suffered.” *Youngstown Sheet & Tube Co. v. Sawyer*, 343  
 10 U.S. 579, 595 (1952) (Frankfurter, J., concurring). Any injury that Plaintiff might  
 11 suffer from the inability to trade securities on Robinhood’s platform is *monetary*  
 12 injury, which “is not normally considered irreparable”. *See Los Angeles Mem’l*  
 13 *Coliseum Comm’n v. Nat’l Football League*, 634 F.2d 1197, 1202 (9th Cir. 1980)  
 14 (holding it is “well established” that injuries in the form of lost revenue are not  
 15 normally irreparable); *Bofi Fed. Bank v. Erhart*, 2016 WL 4680291, at \*8 (S.D.  
 16 Cal. Sept. 7, 2016) (“[E]ven if the Court considered a precipitous decline in stock  
 17 price as irreparable harm, [Plaintiff] has not demonstrated a likelihood of suffering  
 18 this harm again in the absence of a preliminary injunction.”); *Sierra Military*  
 19 *Health Servs., Inc. v. United States*, 58 Fed. Cl. 573, 582 (2003) (same).

20 **III. THE BALANCE OF THE EQUITIES FAVORS DEFENDANTS.**

21 In considering whether to grant or deny injunctive relief, a district  
 22 court “must balance the competing claims of injury and must consider the effect on  
 23 each party of the granting or withholding of the requested relief.” *N. Cheyenne*  
 24 *Tribe v. Norton*, 503 F.3d 836, 843-44 (9th Cir. 2007) (quoting *Amoco Prod. Co. v.*  
 25 *Vill. of Gambell*, 480 U.S. 531, 542 (1987)).

26 The balance of equities tips decidedly in favor of denying the  
 27 requested relief. Granting Plaintiff’s requested relief would risk serious harm to  
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1 Robinhood’s business, its customers, and the broader stock market. It would  
2 deprive RHF and RHS of the use of an important tool essential to the continued  
3 operation of any broker-dealer. RHS instructed RHF to impose certain temporary  
4 purchase restrictions to mitigate risk in connection with its clearinghouse deposit  
5 requirements. This ensured continuity of operations on the Robinhood platform,  
6 providing access to millions of customers to trading in thousands of securities.  
7 (Swartwout Decl. ¶ 28; Verma Decl. ¶ 26.) While the recent capital infusion and  
8 use of purchase restrictions has helped RHS manage its clearinghouse deposit  
9 requirements, enjoining Robinhood from exercising its discretion to limit trading in  
10 volatile securities would impose an unlimited capital requirement on the business.  
11 (Verma Decl. ¶ 27-28.) No broker-dealer could possibly have the capital to  
12 support limitless trades, especially in volatile securities. Enjoining Robinhood’s  
13 ability to restrict trading in certain stocks that jeopardizes the continued operation  
14 of the entire platform would risk serious harm to Robinhood’s business and loss of  
15 goodwill with its broker-dealers’ customers—causing Robinhood irreparable harm.  
16 *See Stuhlberg Int’l Sales Co. v. John D. Brush & Co.*, 240 F.3d 832, 841 (9th Cir.  
17 2001) (holding “threatened loss of prospective customers or goodwill certainly  
18 supports a finding of the possibility of irreparable harm”).

19           Indeed, granting the requested relief could force Robinhood into an  
20 impossible Catch-22 scenario. On the one hand, RHS could comply with this  
21 Court’s order and become the only broker-dealer in the United States that is  
22 exposed to the risk of limitless collateral deposit requirements. On the other hand,  
23 RHS could act consistently with its Customer Agreement and SEC guidance by  
24 exercising discretion to limit trades to ensure that it can meet all collateral deposit  
25 requirements and net capital regulations (*e.g.*, Swartwout Decl. ¶¶ 26-29), but, in  
26 doing so, violate the Court’s order.

1           Simply put, RHS’s discretion to instruct RHF to apply trading  
 2 restrictions is one tool that RHS uses to satisfy its obligations to the entire  
 3 Robinhood customer base, its clearinghouses and the SEC. Removing that tool  
 4 would directly, and irreparably, interfere with those efforts. *See John Labatt Ltd.*  
 5 *v. Onex Corp.*, 890 F. Supp. 235, 249 (S.D.N.Y. 1995) (finding that the balance of  
 6 hardships tipped in favor of defendants who were entitled to conduct their business  
 7 pursuant to Canadian law and regulations, and noting that granting the relief sought  
 8 “would superimpose another—potentially inconsistent—regulatory scheme on the  
 9 transaction”). By contrast, denial of the injunction would impose little, if any,  
 10 hardship on Plaintiff. The temporary restrictions have already been lifted, and  
 11 even when they were in place Plaintiff was free to execute trades elsewhere.  
 12 (Swartwout Decl. ¶ 32.)

13 **IV. A TEMPORARY RESTRAINING ORDER IS NOT IN THE PUBLIC**  
 14 **INTEREST.**

15           The sweeping relief that Plaintiff seeks would do far more harm than  
 16 good to the public, and the fourth *Winter* factor fails. *Winter*, 555 U.S. at 20.

17           As described above, preserving Robinhood’s discretion to impose  
 18 trading restrictions on volatile stocks benefits the public by ensuring stability for  
 19 the millions of Robinhood customers and, by extension, the entire market. The  
 20 requested injunction would tie RHF’s and RHS’s hands from complying with other  
 21 broker-dealer requirements that help to protect the public interest, such as  
 22 restricting transactions in situations involving suspected insider trading or money  
 23 laundering. Should the Court order the requested relief, RHS could find itself in  
 24 the position of having to choose between, on the one hand, violating clearinghouse  
 25 obligations and undermining the regulatory regime designed to protect the public  
 26 or, on the other, violating this Court’s order. That is not in the public interest. *See*  
 27 *Video Gaming Techs., Inc. v. Bureau of Gambling Control*, 356 F. App’x 89, 94  
 28

1 (9th Cir. 2009) (finding that a preliminary injunction conflicted with the public  
2 interest where the injunction was inconsistent with gaming regulations).

3 The SEC and FINRA already inspect and regulate broker-dealers.  
4 The SEC has stated—*following media attention on Robinhood’s actions*—that  
5 “broker-dealers may reserve the ability to reject or limit customer transactions.”  
6 *See* SEC Statement. These agencies are best positioned to assess whether that  
7 discretion should be narrowed in the future.

8 **V. PLAINTIFF WOULD HAVE TO POST A BOND SUFFICIENT TO**  
9 **COVER ALL POTENTIAL HARM TO ROBINHOOD.**

10 Plaintiff argues that he should be required to post only a nominal bond  
11 of \$1,000 given the supposed absence of any harm to Robinhood. (Pl.’s Br. at 19.)  
12 Plaintiff is wrong on the facts and the law. Under Federal Rule of Civil Procedure  
13 65(c), a “court may issue a preliminary injunction or a temporary restraining order  
14 *only* if the movant gives security in an amount that the court considers proper to  
15 pay the costs and damages sustained by any party found to have been wrongfully  
16 enjoined or restrained.” Fed. R. Civ. P. 65(c) (emphasis added); *see Moroccanoil,*  
17 *Inc. v. Zotos Int’l, Inc.*, 230 F. Supp. 3d 1161, 1179 (C.D. Cal. 2017) (requiring a  
18 bond in the amount of \$250,000, taking into account the costs the defendant would  
19 incur). Plaintiff would have to post a bond of *at least* \$3 billion, the incremental  
20 amount originally required by the clearinghouse before the trading restrictions  
21 were implemented. (Swartwout Decl. ¶ 25; Verma Decl. ¶ 12.) Plaintiff obviously  
22 cannot bond such an amount. The magnitude of such a bond confirms why the  
23 balance of hardships tilts so decidedly against an injunction.

24 **CONCLUSION**

25 For the foregoing reasons, Defendants respectfully submit that the  
26 Application must be denied.

1 Dated: February 8, 2021

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By: /s/ Naeun Rim

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11 *Robinhood Securities, LLC; and Robinhood Markets, Inc.*

12  
13 **UNITED STATES DISTRICT COURT**  
14 **CENTRAL DISTRICT OF CALIFORNIA**

15  
16 LEVI COBOS, an individual on behalf  
of those similarly situated,

17  
18 Plaintiff,

19 v.

20 ROBINHOOD FINANCIAL LLC, a  
21 Delaware Corporation; ROBINHOOD  
SECURITIES, LLC, a Delaware  
22 Corporation; and ROBINHOOD  
23 MARKETS, INC., a Delaware  
corporation; and DOES 1 through 1000,  
24 inclusive,

25 Defendants.  
26  
27  
28

Case No. 21-cv-00843-VAP-MRW

[Related Cases 2:21-cv-00835-VAP  
(MRWx); 2:21-cv-00837-VAP  
(MRWx)]

**DECLARATION OF BRIANNA  
BAIN**

Judge: Hon. Virginia A. Phillips  
Courtroom: 8A  
Hearing Date: February 10, 2021  
Hearing Time: 10:00 A.M.

1 I, Brianna Bain, declare as follows:

2 1. I am the Head of Market Operations at Robinhood Financial LLC  
3 (“RHF”). I have been registered at RHF since 2016. In my position, I am  
4 responsible for supervising RHF’s ability to accept customer orders as well as  
5 margin and options operations and supervision. I have personal knowledge of the  
6 facts stated in this declaration, except for those matters stated on information and  
7 belief, and if called upon to do so, I could and would so testify.

8 2. I respectfully submit this Declaration in support of Robinhood’s  
9 Opposition to Plaintiff’s Motion for a Temporary Restraining Order.

10 3. Robinhood Markets, Inc. (“RHM”) is a financial services company  
11 headquartered in Menlo Park, California. RHM wholly owns RHF, which acts as  
12 an introducing broker for its customers by taking their trade orders. RHF is  
13 headquartered in Menlo Park, California. RHM also wholly owns Robinhood  
14 Securities, LLC (“RHS”), which, as a member of SEC-registered clearinghouses,  
15 serves as a clearing broker for RHF. In that capacity, RHS executes customer  
16 orders received from RHF by routing them to market-makers and also clears and  
17 settles trades for RHF. RHS’s headquarters is registered with FINRA and the SEC  
18 in Lake Mary, Florida. Throughout this Declaration, I refer to these three entities  
19 collectively as “Robinhood.”

20 4. In my capacity as Head of Market Operations at RHF, I supervise a  
21 number of our customer-facing functions, including equity and options trading, and  
22 margin. Among other responsibilities, I supervise aspects of the customer interface  
23 on the RHF platform. I am familiar with how our customer-facing applications are  
24 programmed, maintained and updated. I also am involved with reviewing and  
25 approving new customer account applicants.

26 5. I understand that the plaintiff in this case is Levi Cobos. Mr. Cobos is  
27 a Robinhood customer. In preparing this declaration, I reviewed Mr. Cobos’s  
28

1 account and application history. I also confirmed that I approved Mr. Cobos's  
2 account when he first applied.

3 **I. Robinhood's Customer Accounts and Agreements.**

4 6. Prospective customers can open a Robinhood account on the web or  
5 by downloading the Robinhood app onto their mobile device. In both instances,  
6 prospective customers provide certain personal information as part of submitting  
7 an application.

8 7. As part of the application process, prospective customers are asked to  
9 review and accept a number of agreements, and terms and conditions before their  
10 account can be approved and they can begin investing using the Robinhood  
11 platform.

12 8. On October 29, 2020, Mr. Cobos applied to be a Robinhood  
13 customer. He provided his contact and employment information, verified his  
14 identity and described his level of investment experience. Like other customers  
15 who signed up for Robinhood, when he did so, he expressly assented to the  
16 following provision:

17 I agree to this Robinhood Financial Brokerage Application  
18 Agreement (this "Application Agreement"). I also agree  
19 to the terms of the RHF-RHS Customer Agreement,  
20 Robinhood Terms and Conditions, RHF Use and Risk  
21 Disclosures, RHF PFO Disclosure, RHF Business  
Continuity Plan Summary, and FINRA Public Disclosure  
Program, which are incorporated by reference and  
constitute part of this Application Agreement.

22 9. A true and correct screenshot where the above-quoted provision is  
23 viewable to prospective customers is attached hereto as **Exhibit A**.

24 10. The Brokerage Application Agreement incorporated the terms of six  
25 other, related agreements: (i) RHF-RHS Customer Agreement, (ii) Robinhood  
26 Terms and Conditions, (iii) RHF Use and Risk Disclosures, (iv) RHF PFO  
27 Disclosure, (v) RHF Business Continuity Plan Summary and (vi) FINRA Public  
28 Disclosure Program. Mr. Cobos, like all other prospective customers, was

1 provided the hyperlinks to each of these agreements to review their terms before  
2 joining the Robinhood platform and thereby agreed to the terms and conditions  
3 contained in those documents. A true and correct copy of the Brokerage  
4 Application Agreement in effect in October 2020 is attached hereto as **Exhibit B**.

5 11. Consistent with FINRA Rules, the RHF-RHS Customer Agreement  
6 (the “Customer Agreement”) includes terms that govern the RHF and RHS  
7 contractual relationship with its customers, including the terms on which customer  
8 accounts are maintained and trades effectuated, as well as the applicable dispute  
9 resolution procedures. When Mr. Cobos agreed to the Brokerage Application  
10 Agreement, he confirmed that he reviewed the Customer Agreement and assented  
11 to its terms. A true and correct copy of the Customer Agreement in effect in  
12 October 2020 is attached hereto as **Exhibit C**. A true and correct copy of the  
13 current version of the Customer Agreement is attached hereto as **Exhibit D**.

14 12. Paragraph 5.F of the Customer Agreement that Mr. Cobos accepted  
15 provides that Robinhood “may at any time, in its sole discretion and without prior  
16 notice to [the customer], prohibit or restrict [the customer’s] ability to trade  
17 securities.” (Ex. C, ¶ 5.F.)

18 13. Paragraph 16 of the Customer Agreement that Mr. Cobos accepted  
19 provides that “Robinhood may at any time, at its sole discretion and without prior  
20 notice to [the customer]: (i) prohibit or restrict [the customer’s] access to the use  
21 of the App or the Website or related services and [the customer’s] ability to trade,  
22 (ii) refuse to accept any of [the customer’s] transactions, (iii) refuse to execute any  
23 of [the customer’s] transactions, or (iv) terminate [the customer’s] Account.”  
24 (Ex. C, ¶ 16.)

25 14. In the Customer Agreement, Mr. Cobos also agreed that his securities  
26 could be sold without notice. Specifically, the agreement provides that “whenever  
27 it is necessary for Robinhood’s protection or to satisfy a margin call . . . Robinhood  
28 may (but is not required to) sell, assign, deliver all or any part of the securities in

1 [the customer's] Account, or close any or all transactions in [the customer's]  
2 Account." Furthermore, the customer agrees that "Robinhood may, but is not  
3 obligated to, attempt to contact [the customer] before taking any such action." The  
4 customer also agrees that "Robinhood reserves the right to take any such action  
5 without prior notice or demand for additional collateral, and free of any right of  
6 redemption, and that any prior demand, call or notice will not be considered a  
7 waiver of [Robinhood's] right to sell or buy without demand, call or notice."  
8 Robinhood "may choose which securities to buy or sell, which transactions to  
9 close, and the sequence and timing of liquidation, and may take such actions on  
10 whatever exchange or market and in whatever manner (including public auction or  
11 private sale) that Robinhood chooses in the exercise of its business judgment."  
12 (Ex. C, ¶ 31.)

13 15. Paragraph 5.A of the Customer Agreement that Mr. Cobos accepted  
14 provides that his account is "self-directed" and that "neither Robinhood nor any of  
15 its employees, agents, principals, or representatives . . . provide investment advice  
16 in connection with this Account." (Ex. C, ¶ 5.A.)

17 16. The Robinhood Terms and Conditions (the "Terms and Conditions")  
18 govern customers' use of software, products, goods, services, content, tools, and  
19 information provided by RHF and RHS. By submitting his application, Mr. Cobos  
20 also agreed to the Terms and Conditions. A true and correct copy of the version of  
21 the Terms and Conditions in effect when Mr. Cobos submitted his application in  
22 October 2020 is attached hereto as **Exhibit E**.

23 17. The first page of the Terms and Conditions defines "[t]he Robinhood  
24 website and mobile application" as "the Service." On the next page, the Terms and  
25 Conditions provide, in bold capital letters, that RHF and RHS "will not be liable  
26 for any direct, indirect, incidental, special, consequential or exemplary  
27 damages . . . resulting from . . . the use of or the inability to use the . . . Service."  
28 (Ex. E, at 1-2.)

1           18. When Mr. Cobos submitted his application and assented to the various  
2 agreements described above, he was advised that those documents might be  
3 modified from time to time. For example, the first page of the Customer  
4 Agreement provides in bold capital letters that it may be amended from time to  
5 time, with the most up-to-date agreement (if there are any revisions) posted on the  
6 Robinhood website. Mr. Cobos agreed to check for updates to the Customer  
7 Agreement, and that by continuing to maintain a brokerage account with  
8 Robinhood, to be bound by the Customer Agreement as it might be amended from  
9 time to time. (Ex. C, at 1, ¶ 37.G.)

10           19. Similarly, the final page of the Terms and Conditions includes a  
11 provision titled “Revisions”: “Robinhood may at any time revise these Terms and  
12 Conditions by updating this document. You agree to be bound by subsequent  
13 revisions and agree to review these Terms and Conditions periodically for changes.  
14 The most updated version of this document will be available for your review under  
15 the ‘Robinhood Terms and Conditions’ link that appears on the Robinhood website  
16 and mobile application.” (Ex. E, at 5.)

17           20. The current versions of the Customer Agreement and Terms and  
18 Conditions are readily available on a dedicated page on Robinhood’s website,  
19 called the Disclosure Library, so that customers are aware of the terms and  
20 conditions under which they use Robinhood’s trading platform. A true and correct  
21 copy of a screenshot of the relevant page of the Robinhood website is attached  
22 hereto as **Exhibit F**.

23           21. The relevant provisions detailed above form the agreements in effect  
24 at the time Mr. Cobos opened his account and have not changed in any of the  
25 subsequent versions of those agreements, including the current versions publicly  
26 available in Robinhood’s Disclosure Library. (See **Exhibits B, D and E** (true and  
27 correct copies of the current versions of the Brokerage Application Agreement, the  
28 Customer Agreement and the Terms and Conditions).)

1       **II. Mr. Cobos' Call Option Contract.**

2           22. I understand that Mr. Cobos claims to have purchased a call option for  
3 BlackBerry, Ltd. (“BlackBerry” or “BB”) stock with a strike price of \$24.00 and  
4 an expiration date of January 29, 2021. (See Declaration of Cobos ¶ 5 (Dkt. No. 9-  
5 0 (“Cobos Decl.”).) I have reviewed his account and option contract and  
6 confirmed both the strike price and expiration date.

7           23. I also understand that Mr. Cobos claims to have attempted to exercise  
8 his BB call option on January 28, 2021, and was unable to do so. (Cobos Decl.  
9 ¶ 7.)

10          24. My review of the options contract and publicly available stock prices  
11 indicates that from January 28, 2021, through the January 29, 2021, expiration  
12 date, Mr. Cobos' call option was never in the money. At all times on January 28  
13 and January 29, 2021, BB traded below the \$24.00 strike price, and was therefore  
14 out of the money (“OTM”) at the January 29, 2021 expiration date. Had Mr.  
15 Cobos exercised his call option as he claims he tried to do, he would have  
16 immediately suffered a loss.

17          25. Robinhood had a practice (predating the purchase restrictions for  
18 certain securities implemented on January 28, 2021) of not permitting the in-app or  
19 online exercise of OTM options. This practice protects Robinhood customers from  
20 a money-losing exercise of OTM options. As a result, Mr. Cobos was unable to  
21 exercise his OTM BB call option on the Robinhood app or online on either January  
22 28 or 29. He could have sold his options contract during this time.

23          26. If an option is in the money as it nears expiration, Robinhood takes  
24 proactive steps to ensure that customers do not miss out on available profits. Thus,  
25 Robinhood will typically exercise an ITM option so long as the customer's account  
26 has the required buying power (*i.e.*, available cash on hand) to do so. If a customer  
27 lacks the buying power to exercise the option, Robinhood will typically attempt to  
28 sell the ITM option in the market shortly before expiration, if it has not received

1 contrary instructions from the customer. Robinhood followed this practice with  
2 respect to open options contracts for BlackBerry stock that expired on January 29,  
3 2021. As a result, any BlackBerry option contracts that were ITM and set to expire  
4 were exercised or sold on behalf of the customer, and any BlackBerry option  
5 contracts that were OTM and expired on that date were allowed to expire by their  
6 own terms.

7 **III. Updates to the Robinhood Trading Platform.**

8 27. Many of Robinhood's customers access the Robinhood platform by  
9 downloading the Robinhood mobile app to their smartphone or other mobile  
10 device. In addition to the website, the app is available on the Google Android and  
11 Apple iOS operating systems. Once a customer has downloaded the Robinhood  
12 app and Robinhood has approved the account, he or she can use the mobile app to,  
13 among other things, deposit funds, make trades and read investment news.

14 28. While the customer experiences the features of the Robinhood  
15 platform through the app on his or her mobile device or via the web, much of the  
16 functionality of the Robinhood platform is supported by Robinhood servers, which  
17 customer devices access remotely. These servers house the software that runs  
18 trading functions that the customer experiences through the app or the web-based  
19 interface.

20 29. In the ordinary course of business, Robinhood makes changes from  
21 time to time to the software and databases on its servers that run the Robinhood  
22 platform. These changes are effectuated entirely on Robinhood's servers, and not  
23 on the customer's mobile device or computer. These changes do not involve any  
24 transmission of any program or code to the customer's mobile device or computer,  
25 nor do they alter the customer's mobile device or computer. In other instances,  
26 RHF may update the Robinhood app itself, and customers must download the  
27 update.

28

1           30. On Thursday, January 28, 2021, in response to unprecedented market  
2 volatility and trading volume in certain stocks, Robinhood designated certain  
3 volatile stocks “position closing only,” meaning that customers could not purchase  
4 additional shares in those stocks, but were permitted to sell their positions or  
5 exercise ITM options. Customers were advised of these limited designations  
6 through Robinhood’s public website.

7           31. In enacting these temporary measures, Robinhood made changes  
8 solely to the software and/or databases on its own servers. Robinhood did not  
9 transmit any program or code to any customer’s mobile device or computer. The  
10 changes were performed entirely on Robinhood’s servers. They did not involve  
11 updates to the Robinhood app itself.

12           32. After market close on Thursday, January 28, 2021, Robinhood took  
13 steps to ease the restrictions. Rather than marking the relevant tickers “position  
14 closing only,” Robinhood set a maximum number of shares or options contracts for  
15 each customer on a security-by-security basis, thereby permitting certain limited  
16 buying in the impacted securities. In the following days, Robinhood modified the  
17 restrictions a number of times as necessary to respond to developing market  
18 conditions.

19           33. Once again, in enacting and revising these temporary measures,  
20 Robinhood made changes solely to the software and/or databases on its own  
21 servers. Robinhood did not transmit any program or code to any customer’s  
22 mobile device or computer. The changes were performed entirely on Robinhood’s  
23 servers.

24           34. As of February 5, 2021, Robinhood no longer has any maximum share  
25 restrictions on a security-by-security basis.



# EXHIBIT A



## Submit Your Application

Before we can create your account, please review the information below.

### Brokerage Application Agreement

By tapping or clicking the "Submit Application" button, I agree to this Robinhood Financial Brokerage Application Agreement (this "Application Agreement"). I also agree to the terms of the [RHF-RHS Customer Agreement](#), [Robinhood Terms and Conditions](#), [RHF Use and Risk Disclosures](#), [RHF PFO Disclosure](#), [RHF Business Continuity Plan Summary](#), and [FINRA Public Disclosure Program](#), which are incorporated by reference and constitute part of this Application Agreement.

In addition, I may, in the future, receive from You supplemental disclosures, terms, and agreements that pertain to certain account types, features, or services. References to this Application Agreement include such supplemental disclosures, terms, and agreements. Capitalized, undefined terms in this Application Agreement have the meaning given in the Robinhood Financial Customer Agreement. I agree to read this Application Agreement and all incorporated disclosures, terms, and agreements carefully and retain copies for My records.

[Submit Application](#)

All investments involve risk and the past performance of a security, or financial product does not guarantee future results or returns. Keep in mind that while diversification may help spread risk it does not assure a profit, or protect against loss, in a down market. There is always the potential of losing money when you invest in securities, or other financial products. Investors should consider their investment objectives and risks carefully before investing.

All securities and investments are offered to self-directed customers by Robinhood Financial, LLC, member [FINRA](#) & [SIPC](#). Additional information about your broker can be found by clicking [here](#). Robinhood Financial, LLC is a wholly owned subsidiary of Robinhood Markets, Inc.

Check the background of Robinhood Financial LLC and Robinhood Securities, LLC on [FINRA's BrokerCheck](#).

# **EXHIBIT B**

## Robinhood Financial LLC

### Form CRS Relationship Summary Effective June 30, 2020

#### 1. Introduction

Robinhood Financial LLC ("Robinhood Financial", "we," "our," or "us") is registered with the Securities and Exchange Commission as a broker-dealer. Brokerage and investment advisory services and fees differ; and it is important that you understand these differences. Free and simple tools are available for you to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

#### 2. What investment services and advice can you provide me?

Robinhood Financial offers brokerage services to retail investors. Our services involve effecting securities transactions for investors exclusively online. We buy and sell securities only at your direction and we do not offer recommendations of securities, strategies involving securities or securities accounts to you. We do not monitor your account or individual investments, unless we state otherwise in writing. We do not have any account minimums. We offer access to investment tools and education to help you make investment decisions, but this information is for informational and educational purposes only. Robinhood Financial is an introducing broker dealer. Your funds and securities will be custodied by our affiliate, Robinhood Securities, LLC ("Robinhood Securities" and together with Robinhood Financial, "Robinhood"), which services your account by executing, clearing and settling your trades; preparing and distributing your account statements and trade confirmations; and extending credit to margin accounts. We offer NYSE and NASDAQ listed stocks, exchange traded funds ("ETFs"), options and American depository receipts ("ADRs"), as well as certain stocks and ADRs traded in over-the-counter markets. We also offer fractional shares in many of the same stocks, ETFs, and ADRs. We do not offer proprietary products or limit our platform to products that pay us revenue sharing or other compensation.

**For more information about our products and services**, please visit our website at <https://robinhood.com/us/en/about/>.

**Conversation starters:** Given my financial situation, should I choose a brokerage service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean? Responses to these questions can be found at: <https://rbnhd.co/crs-rs>.

#### 3. What fees will I pay?

Robinhood does not charge fees or commissions for executing buy and sell orders. Other fees will apply. The primary fees you should expect to pay us include:

**Robinhood Gold Fees:** Robinhood charges a monthly fee for access to premium features such as bigger instant deposits, professional research from Morningstar, and Level II NASDAQ market data, as disclosed in the Robinhood Fee Schedule.

**Margin Interest:** Robinhood Securities charges a percentage on funds you borrow to purchase securities in a margin account.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

**For more information about fees and costs,** please refer to the Robinhood Fee Schedule on the Robinhood mobile application ("App") and website. Fees may change without notice and any changes will be reflected in the Robinhood Fee Schedule.

**Conversation starters:** Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me? Responses to these questions can be found at: <https://rbnhd.co/crs-rs>.

**What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?**

We **do not** provide recommendations. The way we make money may create some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the services we provide you. Here are some examples to help you understand what this means:

**Cash Management - Cash Sweeps** Each bank that participates in the Robinhood cash management program (called the "Sweep Service") that receives sweeps of your cash awaiting investment in securities into deposit accounts ("Program Bank") pays a fee to Robinhood equal to a certain percentage of the daily deposit balance of your cash deposited at the Program Bank. These fees may vary depending on the Program Bank. This creates an incentive for us to use Program Banks that pay greater compensation to us however, all Program Banks pay the same interest rates to all customers. The interest rates on your funds deposited at a Program Bank will be determined by the amount the Program Banks are willing to pay minus the fees paid to Robinhood. The interest rates paid by a Program Bank may be higher or lower than the interest rates available to depositors making deposits directly with a Program Bank or other depository institution in comparable accounts. Over time, the interest rates provided by Program Banks may be lower than the rate of return available through other investment options or deposit products that are not FDIC insured.

For more information about the Sweep Service, please refer to the Insured Network Deposit Sweep Program Disclosures available in the Robinhood Disclosure Library. Specific information about your deposit accounts may be found on the Robinhood website, App, or by e-mailing [help@robinhood.com](mailto:help@robinhood.com) or visiting <https://robinhood.com/contact>.

**Examples of other Revenue Robinhood Receives:** • Interest on uninvested cash deposited in interest-bearing bank accounts outside the Sweep Service. • Stock loan income from lending the stocks you purchase on margin. • Interchange fees from purchases made by you with the Sweep Service debit card. • Rebates from market centers to which we route customer orders.

**Conversation starters:** How might your conflicts of interest affect me, and how will you address them? Our response to this question can be found at: <https://rbnhd.co/crs-rs>.

**For more information about conflicts of interest,** please visit the Robinhood Disclosure Library.

**How do your financial professionals make money?** Robinhood Financial professionals do not receive commissions or other compensation related to client assets or clients' investment activities. Robinhood Financial professionals receive salaries and bonuses that are based on their overall job responsibilities and performance.

**4. Do you or your financial professionals have legal or disciplinary history?**

Yes. Visit Investor.gov/CRS for a free and simple search tool to research Robinhood and Robinhood financial professionals.

**Conversation starters:** As a financial professional, do you have any disciplinary history? For what type of conduct? Our responses to these questions are found on our website: <https://rhnhd.co/crs-rs>.

**5. For more information about our services or financial professionals** or to request an up-to-date version of this Form and our Written Responses, please email [help@robinhood.com](mailto:help@robinhood.com) or visit <https://robinhood.com/contact>.

**Conversation starters:** Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me? Our responses to these questions can be found at: <https://rhnhd.co/crs-rs>.

**Brokerage Application Agreement**

By tapping or clicking the "Submit Application" button, I agree to this Robinhood Financial Brokerage Application Agreement (this "Application Agreement"). I also agree to the terms of the RHF-RHS Customer Agreement, Robinhood Terms and Conditions, RHF Use and Risk Disclosures, RHF PFO Disclosure, RHF Business Continuity Plan Summary, and FINRA Public Disclosure Program, which are incorporated by reference and constitute part of this Application Agreement.

In addition, I may, in the future, receive from You supplemental disclosures, terms, and agreements that pertain to certain account types, features, or services. References to this Application Agreement include such supplemental disclosures, terms, and agreements. Capitalized, undefined terms in this Application Agreement have the meaning given in the Robinhood Financial Customer Agreement. I agree to read this Application Agreement and all incorporated disclosures, terms, and agreements carefully and retain copies for My records.

**MY WARRANTIES AND REPRESENTATIONS**

**I represent and warrant that:**

1. This brokerage account is not maintained by a current or former Politically Exposed Person or Public Official (includes U.S. and Foreign Individuals).
2. This brokerage account is not maintained by a Foreign Financial Institution as defined by Title 30 of the Code of Federal Regulations.
3. This brokerage account is not a Foreign Bank organized under foreign law and located outside of the United States as defined by Title 31 of the Code of Federal Regulations.

4. I have carefully reviewed, understand and agree to the terms and provisions of the following: RHF-RHS Financial Customer Agreement, Robinhood Terms and Conditions, RHF Use and Risk Disclosures, RHF PFO Disclosure, RHF Business Continuity Plan Summary, and FINRA Public Disclosure Program.
5. I consent to receive all future brokerage account information electronically.
6. Tapping or clicking the "Submit Application" button is equivalent to My written signature, and I understand that I am entering into legal agreements.
7. I HAVE READ THE RHF-RHS CUSTOMER ACCOUNT AGREEMENT WHICH CONTAINS A PREDISPUTE ARBITRATION CLAUSE (SECTION 28 ON PAGES 20 AND 21) AND AGREE IN ADVANCE TO ARBITRATE ANY CONTROVERSIES WHICH MAY ARISE BETWEEN OR AMONG ME, YOU, AND/OR ROBINHOOD SECURITIES IN ACCORDANCE WITH SUCH SECTION 28.
8. ALL OF THE INFORMATION I HAVE PROVIDED IN THIS APPLICATION IS ACCURATE. You can rely on it and are authorized to verify this information.
9. I AGREE TO NOTIFY YOU PROMPTLY REGARDING ANY CHANGE IN THE INFORMATION PROVIDED ON THIS APPLICATION.

**RULE 14b-1(c)**

I acknowledge that Rule 14b-1(c) of the Securities Exchange Act, unless I object, requires You to disclose to an issuer, upon its request, the names, addresses, and securities positions of Your customers who are beneficial owners of the issuer's securities held by You in nominee name. The issuer would be permitted to use My name and other related information for corporation communication only. If I object, I will send an email to support@robinhood.com with "Rule 14b-1(c) objection" in the subject.

**TAXES**

Under penalties of perjury, I certify that: (1) the number provided with this application is My correct taxpayer identification number (or I am waiting for a number to be issued to Me), and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified Me that I am no longer subject to backup withholding, and (3) I am a U.S. citizen or other U.S. person (defined below).

If I have been notified by the IRS that I am currently subject to backup withholding because I have failed to report all interest and dividends on My tax return, I will send an email to support@robinhood.com with "Backup Withholding" in the title.

Definition of a U.S. person. For federal tax return purposes, I am considered a U.S. person if I am: An individual who is a U.S. citizen or U.S. resident alien, a partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, an estate (other than a foreign estate), or a domestic trust (as defined in Regulations section 301.7701-7).

The Internal Revenue Service does not require My consent to any provisions of this document other than the certifications required to avoid backup withholding.

## MY AUTHORIZATION AND MY AGREEMENT

I authorize You and/or RHS to obtain a consumer report at the time of application to verify My creditworthiness and to obtain a consumer report from time to time for updates, renewals, extensions, and collection activity on any approved brokerage account. Upon My written request, You and/or RHS will disclose to Me whether it obtained a report, and if so, the name and address of the consumer-reporting agency that provided it. In the event that My brokerage account is denied by RHS as a result of the consumer report verification, I authorize RHS to provide to You the reason(s) for such denial.

## MARKET DATA

Robinhood Financial may choose to make certain market data available to you pursuant to the terms and conditions set forth in this Agreement. By executing this Agreement, I agree to comply with those terms and conditions.

## Definitions

1. "Market Data" means (a) last sale information and quotation information relating to securities that are admitted to dealings on the New York Stock Exchange ("NYSE"), (b) such bond and other equity last sale and quotation information, and such index and other market information, as United States-registered national securities exchanges and national securities associations (each, an "Authorizing SRO") may make available and as the NYSE may from time to time designate as "Market Data"; and (c) all information that derives from any such information.
2. "Nonprofessional" means any natural person who receives market data solely for his/her personal, non-business use and who is not a "Professional." A "Professional" includes an individual who, if working in the United States, is: (i) registered or qualified with the Securities and Exchange Commission (the "SEC"), the Commodity Futures Trading Commission (the "CFTC"), any state securities agency, any securities exchange or association, or any commodities or futures contract market or association; (ii) engaged as an "investment advisor" as that term is defined in Section 202 (a) (11) of the Investment Advisers Act of 1940 (whether or not registered or qualified under that Act), or (iii) employed by a bank or other organization exempt from registration under federal and/or state securities laws to perform functions that would require him or her to be so registered or qualified if he or she were to perform such functions for an organization not so exempt. A person who works outside of the United States will be considered a "Professional" if he or she performs the same functions as someone who would be considered a "Professional" in the United States.

## Provisions Applicable to All customers

1. *Proprietary Nature of Data.* I understand and acknowledge that each Authorizing SRO and Other Data Disseminator (as defined below) has a proprietary interest in the Market Data that originates on or derives from it or its market(s). I agree not to reproduce, distribute, sell or commercially exploit the Market Data in any manner.

2. **Enforcement.** I understand and acknowledge that (a) the Authorizing SROs are third-party beneficiaries under this Agreement and (b) the Authorizing SROs or their authorized representative(s) may enforce this Agreement, by legal proceedings or otherwise, against Me or any person that obtains Market Data that is made available pursuant to this Agreement other than as this Agreement contemplates.
  
3. **Data Not Guaranteed.** I understand that neither You nor any Authorizing SRO, other entity whose information is made available over the Authorizing SROs' facilities (an "Other Data Disseminator"), or information processor that assists any Authorizing SRO or Other Data Disseminator in making Market Data available (collectively, the "Disseminating Parties") guarantees the timeliness, sequence, accuracy, completeness, reliability, or content of Market Data or of other market information or messages disseminated to or by any Disseminating Party. I understand that neither Robinhood Financial nor any Disseminating Party guarantees the timeliness, sequence, accuracy, completeness, reliability or content of market information, or messages disseminated to or by any party. I understand that neither Robinhood Financial nor any Disseminating Party warrants that the service provided by any such entity will be uninterrupted or error-free. I further understand that Market Data by Xignite provides market data to Robinhood Financial customers. NEITHER ROBINHOOD FINANCIAL, ANY OF ITS AFFILIATES, THEIR RESPECTIVE OFFICERS OR EMPLOYEES, NOR ANY DISSEMINATING PARTY SHALL BE LIABLE IN ANY WAY FOR (A) ANY INACCURACY, ERROR OR DELAY IN, OR OMISSION OF, (I) ANY MARKET DATA, INFORMATION OR MESSAGE, OR (II) THE TRANSMISSION OR DELIVERY OF ANY SUCH DATA, INFORMATION OR MESSAGE; OR (B) ANY LOSS (AS DEFINED IN THIS AGREEMENT) OR DAMAGE ARISING FROM OR OCCASIONED BY (I) ANY SUCH INACCURACY, ERROR, DELAY OR OMISSION, (II) NON-PERFORMANCE OR (III) INTERRUPTION IN ANY SUCH MARKET DATA, INFORMATION, OR MESSAGE, WHETHER DUE TO ANY ACT OR OMISSION BY ROBINHOOD FINANCIAL, ANY OF ITS AFFILIATES, THEIR RESPECTIVE OFFICERS OR EMPLOYEES, OR ANY DISSEMINATING PARTY, OR TO ANY "FORCE MAJEURE" (E.G., FLOOD, EXTRAORDINARY WEATHER CONDITIONS, EARTHQUAKE OR OTHER ACT OF GOD, FIRE, WAR, INSURRECTION, RIOT, LABOR DISPUTE, ACCIDENT, ACTION OF GOVERNMENT, OR COMMUNICATIONS OR POWER FAILURE, EQUIPMENT OR SOFTWARE MALFUNCTION) OR ANY OTHER CAUSE BEYOND THE REASONABLE CONTROL OF ROBINHOOD FINANCIAL, ITS AFFILIATES, THEIR RESPECTIVE OFFICERS AND EMPLOYEES, OR ANY DISSEMINATING PARTY.
  
4. **Permitted Use.** I shall not furnish Market Data to any other person or entity. If I receive Market Data other than as a Nonprofessional, I shall use Market Data only for My individual use.
  
5. **Dissemination, Discontinuance, or Modification.** I understand and acknowledge that, at any time, the Authorizing SROs may discontinue disseminating any category of Market Data, may change or eliminate any transmission method and may change transmission speeds or other signal characteristics. The Authorizing SROs shall not be liable for any resulting liability, loss or damages that may arise therefrom.
  
6. **Duration; Survival.** This Section of this Application Agreement remains in effect for so long as I have the ability to receive Market Data as contemplated by this Section. In addition, Sections

2(B)(1)-(3) and the first two sentences of Section 2(B)(7), survive any termination of this Application Agreement.

7. *Miscellaneous.* The laws of the State of New York shall govern this Section 2 and it shall be interpreted in accordance with those laws. This subsection is subject to the Securities Exchange Act of 1934, the rules promulgated under that act, and the joint-industry plans entered into pursuant to that act.

#### Provisions Applicable to Nonprofessionals

1. *Permitted Receipt.* I understand that I may not receive Market Data from You as a Nonprofessional, and You may not provide Market Data to Me as a Nonprofessional, unless You first properly determine that I qualify as a Nonprofessional as defined above and I in fact qualify as a Nonprofessional. I agree that, as a prerequisite to Robinhood Financial qualifying Me as a Nonprofessional, I will provide to You truthful and accurate information about Me, such as: my occupation, employer, employment position and functions; my use of Market Data; my registration status with any securities agency, exchange, association, or regulatory body, or any commodities or future contract market, association, or regulatory body, whether in the United States or elsewhere; and any compensation of any kind I may receive from any individual or entity for my trading activities, asset management, or investment advice. Except as otherwise declared to You in writing, by tapping or clicking the "Submit Application" button, I certify that I meet the definition of Nonprofessional as set forth in this Application Agreement.
2. *Permitted Use.* If I am a Nonprofessional, I agree to receive Market Data solely for my personal, non-business use.
3. *Notification.* I shall notify You promptly in writing of any change in my circumstances that may cause Me to cease to qualify as a Nonprofessional.

#### Extended Hours Trading Disclosure

You should consider the following points before engaging in extended hours trading. "Extended hours trading" means trading outside of "regular trading hours." "Regular trading hours" generally means the time between 9:30 a.m. and 4:00 p.m. Eastern Standard Time.

*Risk of Lower Liquidity.* Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours. As a result, Your order may only be partially executed, or not at all.

*Risk of Higher Volatility.* Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, Your order may only be partially executed, or not at all, or You may receive an inferior price when engaging in extended hours trading than You would during regular trading hours.

**Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next morning. As a result, You may receive an inferior price when engaging in extended hours trading than You would during regular trading hours.

**Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, You may receive an inferior price in one extended hours trading system than You would in another extended hours trading system.

**Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

**Risk of Wider Spreads.** The spread refers to the difference in price between for what price You can buy a security and at what price You can sell it. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

Extended Hours Trading Order Types and Expiration Settings. You may place only unconditional limit orders and typical Robinhood Financial Market Orders.

1. **Limit Orders.** GFD Limit Orders placed during the Day session will expire at the close of the afterHours session for that day, if not executed. "GFD" may also be substituted with an exact time for additional clarification, ex: "This order will automatically expire at 6pm ET if not executed or canceled by You.". GTC Limit Order placed during any session will stand through all sessions until executed or canceled. Any Limit order placed while all sessions are closed will be queued for the opening of the next session.
2. **Market Orders.** All Robinhood Financial Market Orders are technically limit orders with a 5% collar, although during the extended hours trading, these types of orders will be available for only a select list of securities as determined by Robinhood Financial and based on extended hours trading spreads. Orders in securities that do not fit into this category will be effected only as traditional Limit Orders, in which case You will not be shown an option to place a Market Order. Any Market Order placed while all sessions are closed will be queued for the opening of the next session.

BY TAPPING OR CLICKING ON THE "SUBMIT APPLICATION" BUTTON, I: (1) ACKNOWLEDGE THAT I HAVE RECEIVED THE FORM CRS RELATIONSHIP SUMMARY, AND (2) AGREE TO THIS APPLICATION AGREEMENT.

### Robinhood Instant Agreement

This Robinhood Instant Agreement (the "Instant Agreement") sets forth the terms and conditions for a Robinhood Financial LLC ("Robinhood Financial") customer ("I"), to open the type of margin account described herein as "Robinhood Instant."

Robinhood Instant is a service offering margin accounts that allow customers to trade using unsettled funds up to the amount in their Robinhood Instant account. Robinhood Instant requires a minimum deposit of \$2,000 or 100 percent of the purchase price—whichever is less—in the account before purchasing a security.

By tapping or clicking the “SUBMIT APPLICATION” button below, I: (1) acknowledge that I have carefully read and agree to this Instant Agreement and all incorporated disclosures, terms, and agreements, and retained copies for my records; (2) authorize Robinhood Financial to accept instructions to allow for trading no more than the amount held in my Robinhood Instant account; (3) agree to open, or convert my Robinhood Financial account into, a Robinhood Instant account under all of the aforementioned terms and conditions; and (4) also agree to the terms of the RHF Margin Agreement.

I understand that I have the option to borrow funds in my Robinhood Instant account, provided I meet the necessary requirements and receive the approval of Robinhood Financial. I acknowledge that I have read and that it is important that I fully understand the risks involved in trading securities on margin as described in the Margin Disclosure Statement.

Robinhood Financial will monitor trading activities in Robinhood Instant accounts and alert those customers at risk of qualifying as “pattern day traders.” A pattern day trader, as defined under FINRA Rule 4210(f)(8)(B), is any customer who executes four or more day trades within five business days, provided the number of day trades is more than six percent of the total trades in the account during that period. All Robinhood Instant accounts designated as a pattern day trading accounts will be required to maintain \$25,000 equity at all times in order to continue day trading. I acknowledge it is important that I fully understand the risks involved in day trading securities, as described in the Day Trading Risk Disclosure.

I understand that this Instant Agreement is not a recommendation to make a specific investment or use any specific investment strategy. Robinhood Financial provides no investment, legal or tax advice. Robinhood Instant is not necessarily suitable for everyone. I agree to examine my investment objectives, financial resources and risk tolerance to determine whether Robinhood Instant meets my investment needs.

By using a Robinhood Instant account, I acknowledge that I remain subject to all other terms and conditions provided in the RHF-RHS Customer Account Agreement, RHS Customer Margin and Short Account Agreement, Margin Disclosure Statement, and Day Trading Risk Disclosure, which are incorporated by reference and constitute part of this Instant Agreement. In addition, I acknowledge that, in the future, I may receive supplemental disclosures, terms, and agreements that pertain to certain account types, features, or services.

BY TAPPING OR CLICKING ON THE "SUBMIT APPLICATION" OR "ACCEPT" BUTTON BELOW, I: (1) ACKNOWLEDGE THAT I HAVE READ THIS INSTANT AGREEMENT AND ALL INCORPORATED DISCLOSURES, TERMS, AND AGREEMENTS CAREFULLY, AND RETAINED COPIES FOR MY RECORDS; (2) AUTHORIZE ROBINHOOD FINANCIAL TO ACCEPT INSTRUCTIONS TO ALLOW FOR TRADING NO MORE THAN THE AMOUNT HELD IN MY ROBINHOOD INSTANT ACCOUNT; AND (3) AGREE TO OPEN, OR CONVERT MY ROBINHOOD FINANCIAL ACCOUNT INTO, A ROBINHOOD INSTANT ACCOUNT UNDER ALL OF THE AFOREMENTIONED TERMS AND CONDITIONS.



# EXHIBIT C

Revised June 22, 2020

## Robinhood Financial LLC & Robinhood Securities, LLC Customer Agreement

In consideration of Robinhood Financial LLC, Robinhood Securities, LLC, and their agents and assigns (collectively, "Robinhood") opening one or more accounts on my behalf ("My Account(s)" or the "Account(s)") for the purchase, sale or carrying of securities or contracts relating thereto and/or the borrowing of funds, which transactions are cleared through Robinhood Securities, I represent and agree with respect to all Accounts, whether margin or cash, to the terms set forth below (the "Agreement"). When used in this Agreement, the words "I", "Me", "My", "We", or "Us" mean the owner(s) of the Account. For purposes of this Agreement, Business Days are Monday through Friday, excluding federal holidays. Any references to "days" found in this Agreement are calendar days unless indicated otherwise.

**I UNDERSTAND THAT THE TERMS AND CONDITIONS OF THIS AGREEMENT GOVERN ALL ASPECTS OF MY RELATIONSHIP WITH ROBINHOOD REGARDING MY ACCOUNTS. I WILL CAREFULLY READ, UNDERSTAND AND ACCEPT THE TERMS AND CONDITIONS OF THIS AGREEMENT BEFORE I CLICK "SUBMIT APPLICATION" OR OTHER SIMILARLY WORDED BUTTON. IF I HAVE ANY QUESTIONS ABOUT ANY OF THE PROVISIONS IN THIS AGREEMENT, I WILL EMAIL [HELP@ROBINHOOD.COM](mailto:HELP@ROBINHOOD.COM). I UNDERSTAND THAT CLICKING "SUBMIT APPLICATION" IS THE LEGAL EQUIVALENT OF MY MANUALLY SIGNING THIS AGREEMENT AND I WILL BE LEGALLY BOUND BY ITS TERMS AND CONDITIONS. BY ENTERING INTO THIS AGREEMENT, I ACKNOWLEDGE RECEIPT OF THE ROBINHOOD PRIVACY POLICY AND PRIVACY AND SECURITY STATEMENT. I UNDERSTAND THAT THIS AGREEMENT MAY BE AMENDED FROM TIME TO TIME BY ROBINHOOD, WITH REVISED TERMS POSTED ON THE ROBINHOOD WEBSITE. I AGREE TO CHECK FOR UPDATES TO THIS AGREEMENT. I UNDERSTAND THAT BY CONTINUING TO MAINTAIN MY SECURITIES BROKERAGE ACCOUNT WITHOUT OBJECTING TO ANY REVISED TERMS OF THIS AGREEMENT, I AM ACCEPTING THE TERMS OF THE REVISED AGREEMENT AND I WILL BE LEGALLY BOUND BY ITS TERMS AND CONDITIONS. IF I REQUEST OTHER SERVICES PROVIDED BY ROBINHOOD THAT REQUIRE ME TO AGREE TO SPECIFIC TERMS AND CONDITIONS ELECTRONICALLY (THROUGH CLICKS OR OTHER ACTIONS) OR OTHERWISE, SUCH TERMS AND CONDITIONS WILL BE DEEMED AN AMENDMENT AND WILL BE INCORPORATED INTO AND MADE PART OF THIS AGREEMENT. I ALSO UNDERSTAND THAT BY CLICKING "SUBMIT APPLICATION" I HAVE ACKNOWLEDGED THAT THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE IN SECTION 38 HEREIN.**

### 1. Capacity and Status.

If an individual, I am of legal age under the laws of the state where I reside and authorized to enter into this Agreement. If an entity, I am duly formed, validly existing and in good standing in My state of organization, have full power and authority to enter and perform this Agreement, and the persons signing the account application are fully authorized to act on My behalf. No person, except Myself, has any interest in the Account opened pursuant to this Agreement. I acknowledge that unless Robinhood receives written objection from Me, Robinhood may provide My name, address, and securities positions to requesting companies in which I hold securities. Except as otherwise disclosed to Robinhood in writing, neither I nor any member of My immediate family is an employee of any exchange, any corporation of which any exchange owns a majority of the capital stock, a member of any exchange or self-regulatory organization, a member of any firm or member corporation registered on any exchange, a bank, trust company, insurance company or any corporation, firm or individual engaged in the business of dealing either as a broker-dealer or as principal in securities. I understand and agree that I am obligated to promptly notify Robinhood in writing if I or a member of My immediate family becomes registered or employed in any of the above-described capacities. Except as otherwise disclosed to Robinhood in writing, I am not a Professional (as defined below). I further agree to promptly notify Robinhood in writing if I am now or if I become a Professional or an officer, director or 10% stockholder of any publicly traded company.

### 2. Market Data.

Robinhood may choose to make certain market data available to Me pursuant to the terms and conditions set forth in this Agreement. By executing this Agreement, I agree to comply with those terms and conditions.

## A. Definitions.

1. "Market Data" means (a) last sale information and quotation information relating to securities that are admitted to dealings on the New York Stock Exchange ("NYSE"), (b) such bond and other equity last sale and quotation information, and such index and other market information, as United States-registered national securities exchanges and national securities associations (each, an "Authorizing SRO") may make available and as the NYSE may from time to time designate as "Market Data"; and (c) all information that derives from any such information.
2. "Nonprofessional" means any natural person who receives market data solely for his/her personal, non-business use and who is not a "Professional." A "Professional" includes an individual who, if working in the United States, is: (i) registered or qualified with the Securities and Exchange Commission (the "SEC"), the Commodity Futures Trading Commission (the "CFTC"), any state securities agency, any securities exchange or association, or any commodities or futures contract market or association; (ii) engaged as an "investment advisor" as that term is defined in Section 202 (a) (11) of the Investment Advisers Act of 1940 (whether or not registered or qualified under that Act), or (iii) employed by a bank or other organization exempt from registration under federal and/or state securities laws to perform functions that would require him or her to be so registered or qualified if he or she were to perform such functions for an organization not so exempt. A person who works outside of the United States will be considered a "Professional" if he or she performs the same functions as someone who would be considered a "Professional" in the United States.

## B. Provisions Applicable to All Users.

1. Proprietary Nature of Data. I understand and acknowledge that each Authorizing SRO and Other Data Disseminator (as defined below) has a proprietary interest in the Market Data that originates on or derives from it or its market(s). I agree not to reproduce, distribute, sell or commercially exploit the Market Data in any manner.
2. Enforcement. I understand and acknowledge that (a) the Authorizing SROs are third-party beneficiaries under this Agreement and (b) the Authorizing SROs or their authorized representative(s) may enforce this Agreement, by legal proceedings or otherwise, against Me or any person that obtains Market Data that is made available pursuant to this Agreement other than as this Agreement contemplates.
3. Data Not Guaranteed. I understand that neither Robinhood nor any Authorizing SRO, other entity whose information is made available over the Authorizing SROs' facilities (an "Other Data Disseminator"), or information processor that assists any Authorizing SRO or Other Data Disseminator in making Market Data available (collectively, the "Disseminating Parties") guarantees the timeliness, sequence, accuracy, completeness, reliability, or content of Market Data or of other market information or messages disseminated to or by any Disseminating Party. I understand that neither Robinhood Financial nor any Disseminating Party guarantees the timeliness, sequence, accuracy, completeness, reliability or content of market information, or messages disseminated to or by any party. I understand that neither Robinhood Financial nor any Disseminating Party warrants that the service provided by any such entity will be uninterrupted or error-free. I further understand that Market Data by Xignite provides market data to Robinhood Financial customers. NEITHER ROBINHOOD FINANCIAL, ANY OF ITS AFFILIATES, THEIR RESPECTIVE OFFICERS OR EMPLOYEES, NOR ANY DISSEMINATING PARTY SHALL BE LIABLE IN ANY WAY FOR (A) ANY INACCURACY, ERROR OR DELAY IN, OR OMISSION OF, (I) ANY MARKET DATA, INFORMATION OR MESSAGE, OR (II) THE TRANSMISSION OR DELIVERY OF ANY SUCH DATA, INFORMATION OR MESSAGE; OR (B) ANY LOSS (AS DEFINED IN THIS AGREEMENT) OR DAMAGE ARISING FROM OR OCCASIONED BY (I) ANY SUCH INACCURACY, ERROR, DELAY OR OMISSION, (II) NON-PERFORMANCE OR (III) INTERRUPTION IN ANY SUCH MARKET DATA, INFORMATION, OR MESSAGE, WHETHER DUE TO ANY ACT OR OMISSION BY ROBINHOOD FINANCIAL, ANY OF ITS AFFILIATES, THEIR RESPECTIVE OFFICERS OR EMPLOYEES, OR ANY DISSEMINATING PARTY, OR TO ANY "FORCE MAJEURE" (E.G., FLOOD, EXTRAORDINARY WEATHER CONDITIONS, EARTHQUAKE OR OTHER ACT OF GOD, FIRE, WAR, INSURRECTION, RIOT, LABOR DISPUTE, ACCIDENT, ACTION OF GOVERNMENT, OR COMMUNICATIONS OR POWER FAILURE, EQUIPMENT OR SOFTWARE MALFUNCTION) OR ANY OTHER

CAUSE BEYOND THE REASONABLE CONTROL OF ROBINHOOD FINANCIAL, ITS AFFILIATES, THEIR RESPECTIVE OFFICERS AND EMPLOYEES, OR ANY DISSEMINATING PARTY.

4. Permitted Use. I shall not furnish Market Data to any other person or entity. If I receive Market Data other than as a Nonprofessional, I shall use Market Data only for My individual use.
5. Dissemination, Discontinuance, or Modification. I understand and acknowledge that, at any time, the Authorizing SROs may discontinue disseminating any category of Market Data, may change or eliminate any transmission method and may change transmission speeds or other signal characteristics. The Authorizing SROs shall not be liable for any resulting liability, loss or damages that may arise therefrom.
6. Duration; Survival. This Section 2 of this Agreement remains in effect for so long as I have the ability to receive Market Data as contemplated by this Section 2. In addition, Sections 2(B)(1)-(3) and the first two sentences of Section 2(B)(7), survive any termination of this Agreement.
7. Miscellaneous. The laws of the State of New York shall govern this Section 2 and it shall be interpreted in accordance with those laws. This Subsection is subject to the Securities Exchange Act of 1934, the rules promulgated under that act, and the joint-industry plans entered into pursuant to that act.

### **C. Provisions Applicable to Nonprofessionals.**

1. Permitted Receipt. I understand that I may not receive Market Data from Robinhood as a Nonprofessional, and Robinhood may not provide Market Data to Me as a Nonprofessional, unless Robinhood first properly determines that I qualify as a Nonprofessional as defined above and I in fact qualify as a Nonprofessional. I agree that, as a prerequisite to Robinhood Financial qualifying Me as a Nonprofessional, I will provide to Robinhood truthful and accurate information about Me, such as: my occupation, employer, employment position and functions; my use of Market Data; my registration status with any securities agency, exchange, association, or regulatory body, or any commodities or future contract market, association, or regulatory body, whether in the United States or elsewhere; and any compensation of any kind I may receive from any individual or entity for my trading activities, asset management, or investment advice. Except as otherwise declared to Robinhood in writing, by executing this Agreement, I certify that I meet the definition of Nonprofessional as set forth in this Agreement.
2. Permitted Use. If I am a Nonprofessional, I agree to receive Market Data solely for my personal, non-business use.
3. Notification. I shall notify Robinhood promptly in writing of any change in my circumstances that may cause Me to cease to qualify as a Nonprofessional.

### **3. NASDAQ OMX Information.**

#### **A. Definitions.**

1. "Information" means certain market data and other data disseminated that has been collected, validated, processed, and recorded by any system NASDAQ OMX has developed for the creation or dissemination of Information or other sources made available for transmission to and receipt from either a distributor such as RHF or from NASDAQ OMX relating to: a) eligible securities or other financial instruments, markets, products, vehicles, indicators, or devices; b) activities of a NASDAQ OMX company; c) other information and data from a NASDAQ OMX company. "Information" also includes any element of Information as used or processed in such a way that the Information can be identified, recalculated or re-engineered from the processed Information or that the processed Information can be used as a substitute for Information.
2. "NASDAQ OMX" means The NASDAQ OMX Group, Inc., a Delaware limited liability company and its subsidiaries and Affiliates (collectively, "NASDAQ OMX").

## **B. Use of Data.**

I understand that I may use the Information only for personal use and not for any business purpose. I may not sell, lease, furnish or otherwise permit or provide access to the Information to any other natural person or entity ("Person") or to any other office or place. I will not engage in the operation of any illegal business use or permit anyone else to use the Information, or any part thereof, for any illegal purpose or violate any NASDAQ OMX or SEC Rule or any FSA rule or other applicable law, rule or regulation. I may not present the Information rendered in any unfair, misleading or discriminatory format. I shall take reasonable security precautions to prevent any Person other than Myself from gaining access to the Information.

## **C. Proprietary Data.**

I acknowledge and agree that NASDAQ OMX has proprietary rights to the Information that originates on or derives from markets regulated or operated by NASDAQ OMX, and compilation or other rights to Information gathered from other sources. I further acknowledge and agree that NASDAQ OMX's third-party information providers have exclusive proprietary rights to their respective Information. In the event of any misappropriation or misuse by Me or anyone who accesses the Information through Me, NASDAQ OMX or its third-party information providers shall have the right to obtain injunctive relief for its respective materials.

## **D. System.**

I acknowledge that NASDAQ OMX, in its sole discretion, may from time-to-time make modifications to its system or the Information. Such modifications may require corresponding changes to be made in Robinhood Financial's service. Changes or the failure to make timely changes by Me may sever or affect My access to or use of the Information. I understand that neither NASDAQ OMX nor Robinhood shall be responsible for such effects.

## **E. NASDAQ OMX Limitation of Liability.**

Except as may otherwise be set forth herein, NASDAQ OMX shall not be liable to Me for indirect, special, punitive, consequential or incidental loss or damage (including, but not limited to, trading losses, lost profits, or other indirect loss or damage) of any nature arising from any cause whatsoever, even if NASDAQ OMX has been advised of the possibility of such damages. NASDAQ OMX shall not be liable to Me for any unavailability, interruption, delay, incompleteness or inaccuracy of the Information. This Section shall not relieve NASDAQ OMX or Me from liability for damages that result from their own gross negligence or willful tortious misconduct or from personal injury or wrongful death claims. I agree that the terms of this Section reflect a reasonable allocation of risk and limitation of liability.

## **F. Disclaimers of Warranties.**

NASDAQ OMX and its third-party information providers make no warranties of any kind with respect to the Information---express, implied or statutory (including without limitation, timeliness, truthfulness, sequence, completeness, accuracy, freedom from interruption), any implied warranties arising from trade usage, course of dealing, course of performance or the implied warranties of merchantability or fitness for a particular use or purpose or noninfringement.

## **G. Termination by NASDAQ OMX.**

I acknowledge that NASDAQ OMX, when required to do so in fulfillment of statutory obligations, may by notice to Robinhood unilaterally limit or terminate the right of any or all Persons to receive or use the

Information and that Robinhood will comply with any such notice and will terminate or limit the furnishing of the Information.

#### **4. Authorization.**

I understand that My Account is self-directed. Accordingly, I appoint Robinhood Financial as My agent for the purpose of carrying out My directions to Robinhood Financial in accordance with the terms and conditions of this Agreement and any attendant risks with respect to the purchase or sale of securities. Robinhood Financial is authorized to open or close My Account(s), place and withdraw orders and take such other steps as are reasonable to carry out My directions. All transactions will be effected only on My order or the order of My authorized delegate, except as described in Section 10. I understand Robinhood Financial provides trading and brokerage services through the Robinhood website (the "Website") and the Robinhood mobile application (the "App"). I agree to receive and transmit financial information through such electronic means. My use or My grant of access to My Account to any third party to access information or place transactions in My Account is solely at My risk.

#### **5. Customer Representations and Responsibilities.**

##### **A. Self-directed Account.**

I understand that My Account is self-directed, and so that I am solely responsible for any and all orders placed in My Account and that all orders entered by Me or on My behalf are unsolicited and based on My own investment decisions or the investment decision of My duly authorized representative or agent. Accordingly, I agree that neither Robinhood nor any of its employees, agents, principals, or representatives:

1. provide investment advice in connection with this Account;
2. recommend any security, transaction or order;
3. solicit orders;
4. act as a market maker in any security;
5. make discretionary trades; and
6. produce or provide first-party research providing a specific investment strategies such as buy, sell or hold recommendations, first-party ratings and/or price targets. To the extent research materials or similar information are available through the App or the Website or the websites of any entity controlled by, controlling, or under common control with Robinhood (such entity, an "Affiliate"), I understand that these materials are intended for informational and educational purposes only and they do not constitute a recommendation to enter into any securities transactions or to engage in any investment strategies.

##### **B. Information Accuracy.**

I: (i) certify that the information contained in this Agreement, the account application, and any other document that I furnish to Robinhood Financial in connection with My Account(s) is complete, true and correct, and acknowledge that knowingly giving false information for the purpose of inducing Robinhood Financial to extend credit is a federal crime; (ii) authorize Robinhood Financial to contact any individual or firm noted herein or on the documents referred to in subsection (i) of this Section and any other normal sources of debit or credit information; (iii) authorize anyone so contacted to furnish such information to Robinhood Financial as Robinhood may request; and (iv) agree that this Agreement, the account application and any other document I furnish in connection with My Account is Robinhood's property, as the case may be. I shall promptly advise Robinhood Financial of any changes to the information in such agreements and documents in writing within ten (10) calendar days. I authorize Robinhood Financial to obtain reports and provide information to others concerning My creditworthiness and business conduct. Upon My request, Robinhood agrees to provide Me a copy of any report so obtained. Robinhood may

retain this Agreement, the Account application, and all other such documents and their respective records at Its sole discretion, whether or not credit is extended.

### **C. Risks.**

I understand that all investments involve risk, that losses may exceed the principal invested, and that the past performance of a security, industry, sector, market, or financial product does not guarantee future results or returns.

### **D. Account Defaults.**

I understand that My Account comes with many defaulted service instruction features and preferences. I further understand that I am not required to use these defaulted options or preferences and that once My Account is approved and opened I have the sole discretion to control and adjust such defaulted service preferences that relate to My account.

### **E. Knowledge of Account.**

I understand that I am solely responsible for knowing the rights and terms for all securities purchased, sold and maintained in My Account including mergers, reorganizations, stock splits, name changes or symbol changes, dividends, option symbols, and option deliverables. I further understand that certain securities may grant Me valuable rights that may expire unless I take specific action. These securities include bonds, convertible securities, warrants, stock rights and securities subject to exchange offers or tenders. I am responsible for knowing all expiration dates, redemption dates, and the circumstances under which rights associated with My securities may be called, cancelled, or modified. Robinhood may, but are not obligated to, notify Me of any upcoming expiration or redemption dates, or take any action on My behalf without My specific instructions except as required by law and the rules of regulatory authorities. I acknowledge that Robinhood may adjust My Account to correct any error. If My Account has an option position on the last trading day prior to expiration, which is one cent or more in the money, Robinhood Financial will generally exercise the option, on My behalf. However, Robinhood Financial reserves the right at Its discretion to close any option position prior to expiration date or any position resulting from the exercising/assignment after option expiration. I will be charged a commission for any such transaction. Robinhood Financial is not obligated to take any of these actions and Robinhood Financial is not liable for Losses should it not take them.

### **F. Purchases.**

All orders for the purchase of securities given for My Account will be authorized by Me and executed in reliance on My promise that an actual purchase is intended. It is My obligation to pay for purchases immediately or on Robinhood's demand. I understand Robinhood may at any time, in its sole discretion and without prior notice to Me, prohibit or restrict My ability to trade securities. I further agree not to allow any person to trade for My Account unless a trading authorization for that person has been received and approved by Robinhood. Robinhood reserve the right to require full payment in cleared funds prior to the acceptance of any order. In the event that I fail to provide sufficient funds, Robinhood may, at its option and without notice to Me, i) charge a reasonable rate of interest, ii) liquidate the Property subject of the buy order, or iii) sell other Property owned by Me and held in any of My Accounts. Robinhood may also charge any consequential Loss to My Account. For purposes of this Agreement, "Property" shall mean all monies, contracts, investments and options, whether for present or future delivery, and all related distributions, proceeds, products and accessions.

### **G. Sales/Short Sales.**

I promise to deliver all securities sold in My Account and to provide collateral of a type and amount acceptable to Robinhood Financial for all short sales in My Account. Robinhood Financial requires that a security be held in My Account prior to the acceptance of a sell order with respect to such security unless the order is specifically designated as a "short sale." If a security is not held in My Account and a sell order is processed, I must promptly deliver such security to Robinhood Financial for receipt in good deliverable form on or before the settlement date. Any order accepted without negotiable certificates or positions in My Account will be subject, at Robinhood Financial's sole discretion, to cancellation or buy-in. To ensure this will not occur, I agree to only place sell orders for securities owned by Me and held in My Account at the time My order is placed.

Proceeds of a sale will not be paid to Me or released into My Account until Robinhood Financial has received the security in good deliverable form, whether from a transfer agent or from Me and the settlement of the security is complete. If the security is not received on or before settlement date, or as market conditions warrant, Robinhood Financial may in its sole discretion purchase the security on the open market for My Account and may liquidate and close out any and all securities in My Account in order to pay for such purchase. In the event a security is bought in, I will be responsible for all resulting Losses incurred by Robinhood Financial.

I understand that I may execute short sales only in a margin Account and that such execution must comply with applicable short sales rules.

### **H. Assistance by Robinhood.**

I understand that when I request assistance from Robinhood or its employees in using the investment tools available on the Website or the App, it will be limited to an explanation of the tool's functionality and, if requested by Me, to the entry by Robinhood or its employees of variables provided by Me, and that such assistance does not constitute investment advice, an opinion with respect to the suitability of any transaction, or solicitation of any orders.

### **I. No Tax or Legal Advice.**

I understand that Robinhood does not provide tax or legal advice.

### **J. Discontinuation of Services.**

I understand that Robinhood may discontinue My Account and any services related to My Account immediately by providing written notice to Me

### **K. Electronic Access.**

1. I am solely responsible for keeping My Account numbers and PINs confidential and will not share them with third parties. "PINs" shall mean My username and password.
2. I agree and accept full responsibility for monitoring and safeguarding My Accounts and access to My Accounts.
3. I agree to immediately notify Robinhood in writing, delivered via e-mail and a recognized international delivery service, if I become aware of: (i) any loss, theft, or unauthorized use of My PINs or Account numbers; (ii) any failure by Me to receive any communication from Robinhood indicating that an order was received, executed or cancelled, as applicable; (iii) any failure by Me to receive an accurate written confirmation of an order, execution, or cancellation; (iv) any receipt by Me of confirmation of an order, execution or cancellation, which I did not place; (v) any

inaccurate information in or relating to My orders, trades, margin status, Account balances, deposits, withdrawals, securities positions or transaction history; or (vi) any other unauthorized use or access of My Account.

4. Each of the events described in subsections (K)(3)(i)-(vi) shall be deemed a "Potential Fraudulent Event". The use and storage of any information including My Account numbers, PINs, portfolio information, transaction activity, account balances and any other information or orders available on My wireless, web-enabled cellular telephone or similar wireless communications device (collectively, "Mobile Device") or My personal computer is at My own risk and is My sole responsibility. I represent that I am solely responsible for and have authorized any orders or instructions appearing in, originating from, or associated with My Account, My Account number, My username and password, or PINs. I agree to notify Robinhood immediately after I discover any Potential Fraudulent Event, but in no event more than twenty-four (24) hours following discovery. Upon request by Robinhood, I agree to report any Potential Fraudulent Event promptly to legal authorities and provide Robinhood a copy of any report prepared by such legal authorities. I agree to cooperate fully with the legal authorities and Robinhood in any investigation of any Potential Fraudulent Event and I will complete any required affidavits promptly, accurately and thoroughly. I also agree to allow Robinhood access to My Mobile Device, My computer, and My network in connection with Robinhood's investigation of any Potential Fraudulent Event. I understand that if I fail to do any of these things I may encounter delays in regaining access to the funds in My Account. I agree to indemnify and hold Robinhood, its Affiliates, and Robinhood and its Affiliates' respective officers, directors, and employees harmless from and against any Losses arising out of or relating to any Potential Fraudulent Event. I acknowledge that Robinhood does not know when a person entering orders with My username and password is Me.
5. Trusted Contact Person. I understand that, pursuant to FINRA regulations, Robinhood is authorized to contact the Trusted Contact Person (as defined by FINRA Rule 4512) designated for My Account and to disclose information about My account to address possible financial exploitation, to confirm the specifics of My current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or as otherwise permitted by Rule 2165.

## 6. Clearance of Trades.

I understand that Robinhood Financial has entered into a clearing agreement with Robinhood Securities whereby Robinhood Financial will introduce My Account to Robinhood Securities, and Robinhood Securities will clear all transactions, on a fully-disclosed basis. I understand that Robinhood Securities carries My Account(s) and is responsible for the clearing and bookkeeping of transactions, but is not otherwise responsible for the conduct of Robinhood Financial.

Until receipt from Me of written notice to the contrary, Robinhood Securities may accept from Robinhood Financial, without inquiry or investigation, (i) orders for the purchase or sale of securities and other property on margin, if I have elected to have a margin account, or otherwise, and (ii) any other instructions concerning my Accounts. Robinhood Securities shall look solely to Robinhood Financial unless otherwise directed by Robinhood Financial, and not to Me, with respect to any such orders or instructions; except that I understand that Robinhood Securities will deliver confirmations, statements, and all written or other notices with respect to My Account directly to Me with copies to Robinhood Financial, and that Robinhood Securities will look directly to Me or Robinhood Financial for delivery of margin, payment, or securities. I agree to hold Robinhood Securities harmless from and against any Losses arising in connection with the delivery or receipt of any such communication(s), provided Robinhood Securities has acted in accordance with the above. The foregoing shall be effective as to My Account(s) until written notice to the contrary is received from Me by Robinhood Securities or Robinhood Financial.

## 7. Review of Confirmations and Statements.

I agree that it is My responsibility to review order execution confirmations and statements of My Account(s) promptly upon receipt. I agree to receive all confirmations and account statements, as well as all tax related documents, in electronic format. I understand that account statements will evidence all activity in My Account for the stated period, including securities transactions, cash balances, credits to My Account and all fees paid from My Account. Notwithstanding Section 36.B, confirmations will be considered binding on Me unless I notify Robinhood of any objections within two (2) calendar days from the date confirmations are sent. Account statements will be considered binding on Me unless I notify you

of any objections within ten (10) calendar days after My Account statements are posted online. Such objection may be oral or in writing, but any oral objection must be immediately confirmed in writing. In all cases, Robinhood reserves the right to determine the validity of My objection. If I object to a transaction for any reason, I understand and agree that I am obligated to take action to limit any losses that may result from such transaction or I will bear sole responsibility for any losses relating to the transaction, even if My objection to the transaction is ultimately determined to be valid. Nothing in this Section 7 shall limit My responsibilities as described in Section 5 of this Agreement.

## **8. Important Information Needed to Open a New Account.**

To help the government better detect the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. Therefore, I understand that when I open My Account Robinhood will ask for My name, address, date of birth and other identifying information. Robinhood may also ask copies of My driver's license, passport or other identifying documents. I understand that Robinhood may take steps to verify the accuracy of the information I provide to Robinhood in My Account application or otherwise, and that Robinhood may restrict My access to My Account pending such verification. I will provide prompt notification to Robinhood of any changes in the information including My name, address, e-mail address and telephone number.

I further understand that if I attempt to access My Account from a jurisdiction subject to certain U.S. sanctions or I am ordinarily resident in such a jurisdiction, or if you reasonably believe that I am attempting such access or have become a resident in such a jurisdiction, you may restrict My Account, and any pending orders may be cancelled. If this happens, I understand that I should contact [help@robinhood.com](mailto:help@robinhood.com), and that I may be asked to provide supplemental information as part of this process. I further understand that I must close My Account before establishing residency in any jurisdiction subject to U.S. sanctions.

## **9. Telephone Conversations and Electronic Communications.**

I understand and agree that Robinhood may record and monitor any telephone or electronic communications with Me. Unless otherwise agreed in writing in advance, Robinhood does not consent to the recording of telephone conversations by any third party or Me. I acknowledge and understand that not all telephone or electronic communications are recorded by Robinhood, and Robinhood does not guarantee that recordings of any particular telephone or electronic communications will be retained or capable of being retrieved.

## **10. Oral Authorization.**

I agree that Robinhood shall be entitled to act upon any oral instructions given by Me so long as Robinhood reasonably believes such instruction was actually given by Me or My authorized agent.

## **11. Applicable Laws and Regulations.**

All transactions in My Account will be subject to federal securities laws and regulations, the applicable laws and regulations of any state or jurisdiction in which Robinhood Financial is registered, the rules of any applicable self-regulatory organization of which Robinhood Financial is a member and the rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, where the transactions are executed. In no event will Robinhood Financial be obligated to effect any transaction it believes would violate any federal or state law, rule or regulation or the rules or regulations of any regulatory or self-regulatory organization.

## **12. Erroneous Distributions.**

I agree to promptly return to Robinhood any assets erroneously distributed to Me. In the event that I sell a security prior to its ex-dividend/distribution date, and I receive the related cash/stock dividend or distribution in error, I direct Robinhood on My behalf to pay such dividend/distribution to the entitled purchaser of the securities I sold, and I guarantee to promptly reimburse Robinhood for, or deliver to Robinhood, said dividend or distribution.

### **13. Market Volatility; Market Orders; Limit Orders; and Queued Orders.**

I understand that, whether I place a market or limit order, I will receive the price at which My order is executed in the marketplace, subject to any clarification stated below. Particularly during periods of high volume, illiquidity, fast movement or volatility in the marketplace, the execution price received may differ from the quote provided on entry of an order, and I may receive partial executions of an order at different prices. I understand that Robinhood Financial is not liable for any price fluctuations. I also understand that price quotes generally are for only a small number of shares as specified by the marketplace, and larger orders are relatively more likely to receive executions at prices that vary from the quotes or in multiple lots at different prices.

I understand that Robinhood Financial does not currently support sending traditional market buy orders and that Robinhood Financial collars all market buy orders (other than dollar-based buy orders executed during market hours) by using limit orders priced up to 5% above the last trade price. This is not the case for market sell orders. I further understand that when I send a market buy order through Robinhood Financial's trading system, the trading system generates a limit order up to 5% above the last trade price, and then Robinhood Financial sends the order to an executing broker. I understand that Robinhood Financial's implementation of market buy orders may vary depending on prices of instruments, market conditions, and other factors. I further understand that Robinhood Financial uses the following rounding mechanics with respect to buy orders: the last trade price is (i) multiplied by 1.05; (ii) rounded down to two decimal places if the last trade price is over \$1.00; otherwise, rounded down to four decimal places; and (iii) for securities included in the SEC's Tick Size Pilot Program, rounded down to the nearest \$.05 increment. I understand that securities may open for trading at prices substantially higher or lower than the previous closing price or the anticipated price. If I place a market order (whether during normal market hours or when the market is closed), I agree to pay or receive the prevailing market price at the time My market order is executed, subject to the specific clarification above relating to buy orders. I understand that the price I pay may be significantly higher or lower than anticipated at the time I placed the order. To avoid buying a security at a higher price and possibly exceeding My purchasing power, I understand My option to enter a limit order. I also understand that limit orders may not be executed at any particular time, or at all, if there is not sufficient trading at or better than the limit price I specify, and are only good until the end of the trading day in which they are entered. The Website contains further information regarding order types and limitations, which I agree to read and understand before placing such orders.

As a customer of Robinhood Financial, I understand that after the market has closed for the day, I have the ability to place in a queue order requests to be executed the following day upon the opening of the market ("Queued Order"). I understand that My Queued Order request is prioritized based on the order in which it is received by Robinhood Financial, and that the Queued Order requests are sent out for execution shortly after the market opens on the next day of trading. I further understand that each Queued Order request is sent out per customer and per security as Robinhood Financial market orders (described above), and that they are not aggregated.

A limit order may be "good till cancelled" which means the order remains valid until (A) it is executed; (B) I cancel the order; (C) approximately 90 days from when the order is placed; or (D) the contract to which it relates is closed. I understand that Robinhood will cancel a "good till cancelled" order at the end of every trading day (on the exchange on which the instrument to which the contract relates is traded) and place such order again at the start of the following trading day. This process will be repeated every day for as long as the "good till cancelled" order remains valid. I further agree that any "good till cancelled" orders I place should be treated as "do not reduce" orders.

### **14. Bulletin Board/Pink Sheet Stocks.**

Bulletin board, pink sheet and other thinly-traded securities (collectively "bulletin board stocks") present particular trading risks, in part because they are relatively less liquid and more volatile than actively traded securities listed on a major exchange. I understand that bulletin board stocks may be subject to different trading rules and systems than other securities and that I may encounter significant delays in executions, reports of executions, and updating of quotations in trading bulletin board stocks. Robinhood Financial in its sole discretion may require limit orders on certain bulletin board stock transactions.

### **15. Research and Internet Links.**

News, research, links to outside websites, and other information accessible through the App or Website ("Content") may be prepared by independent external providers not affiliated with Robinhood Financial,

including Morningstar, Inc. (all such providers, the "Providers"). I agree not to distribute, reproduce, sell, or otherwise commercially use the Content in any manner. I understand that Robinhood may terminate My access to the Content. I understand that none of the Content is a recommendation by Robinhood to buy or sell any securities or to engage in any investment strategy.

## **16. Restrictions on Trading.**

I understand that Robinhood may, in its discretion, prohibit or restrict the trading of securities, or the substitution of securities, in any of My Accounts. I understand that Robinhood may execute all orders by Me on any exchange or market, unless I specifically instruct Robinhood to the contrary. In the event of a breach or default by Me under this Agreement, Robinhood shall have all rights and remedies available to a secured creditor under all applicable laws and in addition to the rights and remedies provided herein. I understand that Robinhood may at any time, at its sole discretion and without prior notice to Me: (i) prohibit or restrict My access to the use of the App or the Website or related services and My ability to trade, (ii) refuse to accept any of My transactions, (iii) refuse to execute any of My transactions, or (iv) terminate My Account. The closing of My Account will not affect the rights or obligations of either party incurred prior to the date My Account is closed.

Further, Robinhood will not tolerate any foul or abusive language, physical violence, threatening behavior, or other inappropriate conduct directed toward Robinhood, its Affiliates' officers, employees, contractors or customers. If I engage in any such behavior, as determined by Robinhood in its sole discretion, I agree that Robinhood is authorized to: (i) liquidate any securities, instruments or other property in My Account, (ii) send Me the proceeds, and (iii) close My account. Robinhood will not be responsible for any Losses caused by the liquidation of securities, instruments or other property pursuant to this paragraph, including any tax liabilities.

## **17. Waiver; Limitation of Liability; Indemnification.**

I agree that My use of the App or the Website or any other service provided by Robinhood Financial or its Affiliates is at My sole risk. The Robinhood Financial service (including the App, the Website, the provision of Market Data, Information, Content, or any other information provided by Robinhood Financial, any of its Affiliates, or any third-party content provider or market data provider) is provided on an "as is," "as available" basis without warranties of any kind, either express or implied, statutory (including without limitation, timeliness, truthfulness, sequence, completeness, accuracy, freedom from interruption), implied warranties arising from trade usage, course of dealing, course of performance, or the implied warranties of merchantability or fitness for a particular purpose or application, other than those warranties which are implied by and incapable of exclusion, restriction or modification under the laws applicable to this Agreement.

Although considerable effort is expended to make the Website, App and other operational and communications channels available around the clock, Robinhood does not warrant that these channels will be available and error free every minute of the day. I agree that Robinhood will not be responsible for temporary interruptions in service due to maintenance, Website or App changes, or failures, nor shall Robinhood be liable for extended interruptions due to failures beyond our control, including but not limited to the failure of interconnecting and operating systems, computer viruses, forces of nature, labor disputes and armed conflicts.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, I UNDERSTAND AND AGREE THAT ROBINHOOD, ITS AFFILIATES, THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, AND THE PROVIDERS (COLLECTIVELY THE "ROBINHOOD PARTIES") WILL NOT BE LIABLE TO ME OR TO THIRD PARTIES UNDER ANY CIRCUMSTANCES, OR HAVE ANY RESPONSIBILITY WHATSOEVER, FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING TRADING LOSSES, DAMAGES, LOSS OF PROFITS, REVENUE, OR GOODWILL) THAT I MAY INCUR IN CONNECTION WITH MY USE OF THE SERVICE PROVIDED BY ROBINHOOD OR ANY OF ITS AFFILIATES UNDER THIS AGREEMENT (INCLUDING MY USE OF THE APP, THE WEBSITE, THE MARKET DATA, THE INFORMATION, OR THE CONTENT), BREACH OF THIS AGREEMENT, OR ANY TERMINATION OF THIS AGREEMENT, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, AND WHETHER OR NOT FORESEEABLE, EVEN IF ANY ROBINHOOD PARTY HAS BEEN ADVISED OR WAS AWARE OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. THE ROBINHOOD PARTIES SHALL NOT BE LIABLE BY REASON OF DELAYS OR INTERRUPTIONS OF THE SERVICE OR TRANSMISSIONS, OR FAILURES OF PERFORMANCE OF THEIR RESPECTIVE SYSTEMS,

REGARDLESS OF CAUSE, INCLUDING THOSE CAUSED BY GOVERNMENTAL OR REGULATORY ACTION, THE ACTION OF ANY EXCHANGE OR OTHER SELF REGULATORY ORGANIZATION, OR THOSE CAUSED BY SOFTWARE OR HARDWARE MALFUNCTIONS.

Except as otherwise provided by law, Robinhood or any of its affiliates or respective partners, officers, directors, employees or agents (collectively, "Indemnified Parties") shall not be liable for any expenses, losses, costs, damages, liabilities, demands, debts, obligations, penalties, charges, claims, causes of action, penalties, fines and taxes of any kind or nature (including legal expenses and attorneys' fees) (whether known or unknown, absolute or contingent, liquidated or unliquidated, direct or indirect, due or to become due, accrued or not accrued, asserted or unasserted, related or not related to a third party claim, or otherwise) (collectively, "Losses") by or with respect to any matters pertaining to My Account, except to the extent that such Losses are actual Losses and are determined by a court of competent jurisdiction or an arbitration panel in a final non-appealable judgment or order to have resulted solely from Robinhood's or any of its affiliates' gross negligence or intentional misconduct. In addition, I agree that the Indemnified Parties shall have no liability for, and I agree to indemnify, defend and hold harmless the Indemnified Parties from all Losses that result from: (i) any noncompliance by Me with any of the terms and conditions of this Agreement; (ii) any third-party actions related to My receipt and use of any Information, Market Data, Content, market analysis, other third-party content, or other such information obtained on the App or Website, whether authorized or unauthorized under this Agreement; (iii) any third-party actions related to My use of the App or the Website; (iv) My or My agent's misrepresentation or alleged misrepresentation, or act or omission; (v) Indemnified Parties following My or My agent's directions or instructions, or failing to follow My or My agent's unlawful or unreasonable directions or instructions; (vi) any activities or services of the Indemnified Parties in connection with My Account (including any technology services, reporting, trading, research or capital introduction services); or (vii) the failure by any person not controlled by the Indemnified Parties and their affiliates to perform any obligations to Me. Further, if I authorize or allow third parties to gain access to Robinhood's services, including My Accounts, I will indemnify, defend and hold harmless the Indemnified Parties against any Losses arising out of claims or suits by such third parties based upon or relating to such access and use. Robinhood does not warrant against loss of use or any direct, indirect or consequential damages or Losses to Me caused by My assent, expressed or implied, to a third party accessing My Account or information, including access provided through any other third party systems or sites.

I consent to the use of automated systems or service bureaus by Robinhood and its respective affiliates in conjunction with My Account, including automated order entry and execution, record keeping, reporting and account reconciliation and risk management systems (collectively "Automated Systems"). I understand that the use of Automated Systems entails risks, such as interruption or delays of service, errors or omissions in the information provided, system failure and errors in the design or functioning of such Automated Systems (collectively, a "System Failure") that could cause substantial damage, expense, or liability to Me. I understand and agree that Indemnified Parties will have no liability whatsoever for any of my Losses arising out of or relating to a System Failure.

I also agree that Indemnified Parties will have no responsibility or liability to Me in connection with the performance or non-performance by any exchange, clearing organization, market data provider, or other third party (including other broker-dealers and clearing firms, and banks) or any of their respective agents or affiliates, of its or their obligations relative to any securities. I agree that Indemnified Parties will have no liability, to Me or to third parties, or responsibility whatsoever for: (i) any Losses resulting from a cause over which Indemnified Parties do not have direct control, including the failure of mechanical equipment, unauthorized access, theft, operator errors, government restrictions, force majeure (as defined in this Agreement), market data availability or quality, exchange rulings or suspension of trading; and (ii) any special, indirect, incidental, consequential, punitive or exemplary damages (including lost profits, trading losses and damages) that I may incur in connection with My use of the App, the Website, Robinhood's brokerage, and other services provided by Indemnified Parties under this Agreement.

## **18. Mutual Fund Transactions.**

In the event that I purchase or hold a mutual fund, I agree to read and understand the terms of its prospectus. I understand that certain mutual funds reserve the right to change their purchasing, switching or redemption procedures or suspend or postpone redemptions under certain market conditions. I further understand that any mutual fund order entered with Robinhood is placed by Robinhood on a best efforts basis as prescribed and recognized by the individual fund, and that Robinhood is not responsible for unexecuted orders due to the failure of any communication system. I agree to be fully responsible for the information contained within the mutual fund prospectus and to hold Robinhood, its Affiliates, and Robinhood and its Affiliates' respective officers and employees harmless

for any deficiencies contained therein. I authorize Robinhood to act as My agent in the purchase and redemption of fund shares.

## **19. Exchange Traded Funds.**

I understand that I should consider the investment objectives and unique risk profile of Exchange Traded Funds ("ETFs") carefully before investing, and that ETFs are subject to risks similar to those of other diversified portfolios. I further understand that leveraged and inverse ETFs may not be suitable for all investors and may increase exposure to volatility through the use of leverage, short sales of securities, derivatives, and other complex investment strategies, and that although ETFs are designed to provide investment results that generally correspond to the performance of their respective underlying indices, they may not be able to exactly replicate the performance of the indices because of expenses and other factors. I further understand that ETFs are required to distribute portfolio gains to shareholders at year end, which may be generated by portfolio rebalancing or the need to meet diversification requirements, and that ETF trading will also generate tax consequences. I understand that I can obtain prospectuses from issuers or their third party agents who distribute and make prospectuses available for review. Additional regulatory guidance on ETFs can be found [here](#).

## **20. Effect of Attachment or Sequestration of Accounts.**

Robinhood shall not be liable for refusing to obey any orders given by or for Me with respect to any of My Accounts that has or have been subject to an attachment or sequestration in any legal proceeding against Me, and Robinhood shall be under no obligation to contest the validity of any such attachment or sequestration.

## **21. Event of Death.**

It is agreed that in the event of My death, the representative of My estate or the survivor or survivors shall immediately give Robinhood written notice thereof, and Robinhood may, before or after receiving such notice, take such proceedings, require such papers and inheritance or estate tax waivers, retain such portion of, or restrict transactions in the Account as Robinhood may deem advisable to protect Robinhood against any tax, liability, penalty or loss under any present or future laws or otherwise. Notwithstanding the above, in the event of My death, all open orders shall be canceled, but Robinhood shall not be responsible for any action taken on such orders prior to the actual receipt of notice of death. Further, Robinhood may in Its discretion close out any or all of the Accounts without awaiting the appointment of a personal representative for My estate and without demand upon or notice to any such personal representative. The estate of any of the Account holders who have died shall be liable and each survivor shall continue to be liable, jointly and severally, to Robinhood for any net debit balance or loss in said account in any way resulting from the completion of transactions initiated prior to the receipt by Robinhood of the written notice of the death of the decedent or incurred in the liquidation of the Account or the adjustment of the interests of the respective parties, and for all other obligations pursuant to this Agreement. Such notice shall not affect Robinhood's rights under this Agreement to take any action that Robinhood could have taken if I had not died.

## **22. Tax Reporting; Tax Withholding.**

The proceeds of sale transactions and dividends paid will be reported to the Internal Revenue Service ("IRS") in accordance with applicable law.

### **A. U.S. Persons.**

This subsection is applicable if I am a U.S. person. Under penalties of perjury, I certify that the taxpayer identification number that I have provided or will provide to Robinhood (including any taxpayer identification number on any Form W-9 that I have provided or will provide to Robinhood) is My correct taxpayer identification number. I certify that I am not subject to backup withholding and I am a United States Person (including a U.S. resident alien) as such term is defined in section 7701(a)(30) of the Internal Revenue Code of 1986, as amended ("U.S. Person"). If a correct Taxpayer Identification Number is not provided Robinhood Financial, I understand I may be subject to backup withholding tax at the appropriate rate on all dividends, interest and gross proceeds paid to me. Backup withholding taxes

are sent to the IRS and cannot be refunded by Robinhood Financial. I further understand that if I waive tax withholding and fail to pay sufficient estimated taxes to the IRS, I may be subject to tax penalties.

## **B. Non-U.S. Persons.**

This subsection is applicable if I am not a U.S. Person. I certify that I fully understand all the information on any Form W-8BEN that I have submitted or will submit to Robinhood. Under penalties of perjury, I declare that (i) I have examined all the information (including all the information in the English language) on any Form W-8BEN that I have submitted or will submit to Robinhood and (ii) to the best of My knowledge and belief all such information is true, correct, and complete. I authorize Robinhood to provide any such Form W-8BEN to Robinhood Securities or any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. I agree that I will submit a new Form W-8BEN to Robinhood within 30 calendar days if any certification made on any previously submitted Form W-8BEN becomes incorrect. I understand that the IRS does not require My consent to any provisions of such Form W-8BEN other than the certifications required to establish My status as a non-U.S. Person and, if applicable, obtain a reduced rate of withholding.

## **23. Equity Orders and Payment For Order Flow.**

SEC rules require all registered broker-dealers to disclose their policies regarding any "payment for order flow" arrangement in connection with the routing of customer orders. "Payment for order flow" includes, among other things, any monetary payment, service, property, or other benefit that results in remuneration, compensation, or consideration to a broker-dealer from any broker-dealer in return for directing orders. I understand that Robinhood transmits customer orders for execution to various exchanges or market centers based on a number of factors. These include: size of order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing and reduced execution costs through price concessions from the market centers. I further understand that certain of the exchanges or market centers may execute orders at prices superior to the publicly quoted market in accordance with their rules or practices and that while a customer may specify that an order be directed to a particular market center for execution, the order-routing policies, taking into consideration all of the factors listed above, are designed to result in favorable transaction processing for customers. The nature and source of any payments or credits received by Robinhood in connection with any specific transactions will be furnished upon written request.

## **24. Free Credit Balances and Sweep Service.**

If I enroll in Robinhood Financial Cash Management ("Cash Management"), I understand that I am electing to participate in the Insured Network Deposit ("IND") sweep service (the "Sweep Service"). Under the Sweep Service, free credit balances in My Account will be deposited into interest-bearing accounts at one or more banks ("Participating Depository Institutions"), in accordance with the Insured Network Deposit Sweep Program Disclosures ("IND Disclosures") available on the Website and in the App. By enrolling in Cash Management, I represent and warrant that I have reviewed the IND Disclosures and agree to the terms set forth in the IND Disclosures. If I am not enrolled in Cash Management, free credit balances in My Account will remain in My Account, will not earn interest and will not be eligible for FDIC insurance, but will be eligible for SIPC protection as described in the IND Disclosures.

## **25. Fees and Charges.**

I understand that Robinhood does not charge fees or commissions for executing buy and sell orders. However, I understand that other fees may apply. The current fees are included in the fee schedule available in the App and on the Website. I agree to pay any such fees at the then-prevailing rate. I acknowledge that the prevailing fees may change and that change may occur without notice. I agree to be bound by such changes once they are posted in the fee schedule available in the App and on the Website. I also agree to pay all applicable federal, state, local, and foreign taxes. I authorize Robinhood Financial to automatically debit My Account for any such fees and taxes. I also agree to pay such expenses incurred by Robinhood in connection with collection of any unpaid balance due on My Accounts including attorney's fees allowed by law.

## 26. ACH Transactions.

### A. Debit Transactions.

Robinhood will initiate an ACH debit at My request to debit funds from an account that I own at another financial institution ("External Account") for deposit into My Account. I understand that in order for Robinhood to initiate an ACH debit, the financial institution holding my External Account must participate in the ACH system. I understand that for the ACH transfers to be established, at least one common name must match exactly between My Account and My External Account. I authorize Robinhood to take such steps as it deems appropriate to verify my ownership of External Account, including by telling the bank at which such External Account is held that I have authorized and consented to such bank disclosing to Robinhood any information that Robinhood may request about Me or My External Account. I also agree to cooperate with Robinhood's verification of my ownership of such External Account by promptly providing any identification and/or other documentation that Robinhood may request regarding such External Account. I represent and warrant that there are sufficient funds in My External Account to cover the amount of the deposit to My Account. Robinhood will initiate the ACH debit to My External Account on the Business Day or next Business Day after I request the transfer. A transfer request will be deemed to have been made on a Business Day if it is received by Robinhood by 7:00 p.m. (Eastern Time) on such Business Day; if received after that time, the transfer request will be deemed to have been made on the next Business Day.

Within 60 days of the date of My ACH deposit, My funds may only be withdrawn to the External Account from which such funds were debited.

I understand that an ACH debit transfer may be reversed or rejected if: (A) there are insufficient funds in My External Account; (B) there is a duplicate transaction; (C) the transaction is denied by the bank holding My External Account; or (D) My External Account does not support ACH transfers. I acknowledge that in the event of an ACH reversal, I will incur a fee. Before initiating making an ACH debit transfer, I agree to check Robinhood Financial's most recent [Commissions and Fees Schedule](#). I agree that I am solely liable and responsible for any ACH reversal fees that I incur.

### B. Credit Transactions.

Robinhood will initiate an ACH credit at My request to transfer funds from My Account to a recipient that I designate. I agree that I will have sufficient Available Funds in My Account to cover the amount of any ACH credit that I ask Robinhood to initiate. Robinhood will debit the amount of such request from My Account on the Business Day or next Business Day after I request the transfer. A transfer request will be deemed to have been made on a Business Day if it is received by Robinhood on such Business Day; if received after that time, the transfer request will be deemed to have been made on the next Business Day.

I agree that Robinhood may use any means which Robinhood, in its sole discretion, considers suitable to execute my ACH credit transfers.

## 27. Fractional Shares.

I acknowledge and understand that Robinhood rounds all holdings of fractional shares to the sixth decimal place, the value of fractional shares to the nearest cent, and any dividends paid on fractional shares to the nearest cent. I further understand that Robinhood will not accept dollar-based purchases or sales of less than \$1.00 and that I will receive proceeds from the sale of any whole or fractional shares rounded to the nearest cent.

I understand that if I enter repeated fractional orders with individual notional values of less than \$0.01, my account may be restricted.

I understand that a vendor employed by Robinhood will aggregate any proxy votes for fractional shares of Robinhood's customers with all votes reported to the issuer or issuer's designated vote tabulator and that, while Robinhood's vendor will report such proxy votes on fractional shares, the issuer or tabulator may not fully count such votes.

I understand that Robinhood will execute all orders that include fractional shares ("Fractional Orders") on a principal basis. To the extent that Robinhood must purchase or sell shares in the market to fulfill any part of my Fractional Order, the fractional component of that order will be fulfilled at the execution price Robinhood received for the corresponding whole shares. To the extent that Robinhood fulfills my Fractional Order for national exchange-listed securities ("NMS Securities") entirely out of its inventory and without purchasing or selling shares in the market ("Inventory Fulfillment"), Robinhood will endeavor to price such shares or fractional shares at a price between the National Best Bid and Offer ("NBBO") at the time of the order for orders made during market hours, or, for such orders made during extended hours trading (9:00-9:30 a.m. and 4:00-6:00 p.m. Eastern), Robinhood will endeavor to price such orders between the best bid and offer at the time of the order, as reported by an external vendor ("Vendor BBO"). For Inventory Fulfillment of Fractional Orders for securities not listed on a national exchange ("Non-NMS Securities") made during market hours as well as extended hours trading, Robinhood will endeavor to price such orders between Vendor BBO.

All non-market orders placed outside market hours and extended hours trading are queued and fulfilled either at or near the beginning of extended hours trading (9:00 a.m. Eastern) or at or near market open (9:30 a.m. Eastern), according to my instructions. All market orders placed outside market hours and extended hours trading are queued and fulfilled at or near market open. To the extent that I trade outside of market hours, these trades are subject to Robinhood's [Extended Hours Trading Disclosure](#).

I understand Robinhood only accepts market orders for fractional shares at this time and does not permit limit orders for fractional shares. I understand that fractional shares within My Account (i) are unrecognized, unmarketable, and illiquid outside the Robinhood platform, (ii) are not transferrable in-kind, and (iii) may only be liquidated and the proceeds transferred out via a wire transfer. I acknowledge that, subject to applicable requirements, Robinhood may report holdings and transactions in My Account in terms of either U.S. Dollars, shares, or both.

## 28. Phone Calls.

You agree that, by providing information Robinhood requests, Robinhood and its third party services providers may contact you via mail, phone or email.

Specifically, if you provide us with a phone number: (a) you represent and warrant that the number you provide is your phone number, and you will promptly notify us if that changes, and (b) you consent to receive calls (including text messages) made to that phone number that may be prerecorded and/or completed with an automatic telephone dialing system (automated calls) for purposes including but not limited to providing account-related communications (including security alerts), investigating or preventing fraud, and/or collecting amounts owed to Robinhood. We may share your number with third parties that provide services to us in connection with any of the foregoing purposes, including but not limited to debt collectors. You understand that message, telephone minute and data rates may apply for calls made to a mobile phone number. You may opt out at any time from receiving these types of calls orally or in writing to [limitsharing@robinhood.com](mailto:limitsharing@robinhood.com). Please note, even if you opt out, we may still make other calls as permitted by law.

You consent to our recording of phone calls, including calls we make to you or that we receive from you.

## 29. Dividend Reinvestment Program.

Except as expressly stated otherwise, the provisions of this Section 29 will only apply if I am enrolled in Robinhood's Dividend Reinvestment Program ("DRIP"). My enrollment in the DRIP will be activated within three business days after I notify Robinhood of my intention to enroll an eligible security through the App. "Eligible security" means all shares available for fractional investing through Robinhood. I understand that in order to be eligible for dividend reinvestment, the securities must be held in My Account.

I may specify individual securities or have all Eligible securities in My Account enrolled for dividend reinvestment. If I choose to reinvest dividends from all Eligible securities, I understand that individual securities could subsequently no longer be Eligible securities at Robinhood's discretion or under applicable law. In those cases, only those securities will be discontinued from the DRIP. If I specify individual securities, I may add additional Eligible securities to the DRIP at any time if I hold a position in those securities. Enrollment with respect to these additional Eligible securities will be effective within three business days after Robinhood receives notification from me through the App. If I maintain open orders for securities I do not already hold, I may not enroll those securities for dividend reinvestment

until my open orders are executed. If my entire Account is set up for dividend reinvestment, any eligible securities I purchase in the future will automatically participate in the DRIP.

All eligible cash distributions will be reinvested on all securities I have selected in the DRIP, provided that I owned the securities on the record date for determining shareholders eligible to receive dividends, and continue to hold the securities through payable date. "Eligible cash distributions" means most cash distributions, including regular and optional dividends, cash-in-lieu payments, and capital gains distributions. Special dividends, late ex-date, liquidation, and miscellaneous payments may not be eligible distributions. Optional dividends will be processed in accordance with dividend reinvestment instructions. If I have a margin account, Robinhood is permitted to borrow a dividend paying stock in the normal course of business and, as a result, in such situations instead of a dividend payment I may receive a cash in lieu payment. If I receive a cash in lieu payment, I authorize Robinhood to treat such payment as if it was not "in lieu" and reinvest it accordingly.

Robinhood will credit My Account upon completion of the dividend reinvestment. Robinhood will reinvest dividends on the business day following receipt of funds. In the rare instance in which Robinhood is unable to reinvest all dividends on the business day following receipt, it will reinvest the remaining funds as soon as reasonably possible thereafter, which may take up to five business days. I will not have use of the funds prior to reinvestment.

I understand that my participation in the DRIP is voluntary and that Robinhood has not made any recommendation that I should participate. I further understand that Robinhood is not recommending or offering any advice regarding the purchase of any security included as an Eligible security in the DRIP. I further understand that dividend reinvestment does not assure profits on my investments, nor does it protect against losses in declining markets.

I may terminate my participation in the DRIP, or the enrollment of individual securities in the DRIP, at any time by giving notice through the App. Termination will take effect prior to the next Eligible cash distribution provided my notice to terminate was received at least three business days prior to the record date of that distribution. I understand that my notice to terminate my participation in the DRIP will not affect any obligations that may result from transactions initiated prior to Robinhood's receipt and processing of my notice.

If I participate in the DRIP, I understand Robinhood will reinvest the dividends of a particular stock at or near the opening price on the trading day following receipt of the dividend. Robinhood will combine Eligible cash distributions from My Account with those from other Robinhood clients requesting dividend reinvestment in the same security and use these combined funds to purchase securities on my behalf and on behalf of these other clients. If the combined reinvested funds do not total the purchase price of at least one share, the distribution will be invested in fractional shares. On that same day, Robinhood will credit My Account with that number of shares, including fractional shares, equal to my Eligible cash distribution divided by the purchase price per share. Robinhood does not intend to charge a fee for transactions executed pursuant to the DRIP.

Dividend reinvestment may result in my owning interests in fractional shares of a security. I will be entitled to receive future dividend payments on my fractional shares, although other corporate actions may result in allocation of only whole shares and cash in lieu of fractions as determined by the issuer. In mandatory corporate reorganizations, my partial interest will be handled according to the specific terms of the reorganization. In voluntary corporate reorganizations, Robinhood will act on my instructions with respect only to my whole shares.

Because fractional share positions cannot be transferred, reorganized, or issued in certificate form, my partial interest will be liquidated, without commission charges to me, at prevailing market prices in the event My Account is transferred or closed, the stock is reorganized, or stock certificates are ordered out of My Account. The timing of such liquidations will be at the discretion of Robinhood.

Reinvestment of dividends may result in my owning a fractional share position in securities that are callable in part. In the event of a call, fractional shares to be called will be determined through a random selection process. The probability of my fractional share holdings being called will be proportional to the holdings of all Robinhood clients who own a fractional share position in that security. Prior to the publication date of such a call, I have the right to withdraw from My Account cash in lieu of my uncalled, fully paid partial holdings. Once a call is announced, however, all shares, whether registered or held in street name, participate in the random selection process. If my fractional shares are selected and I no longer hold the shares that I held on the publication date of the call, I will be responsible for covering those shares.

### **30. Cash Management Services.**

Except as expressly stated otherwise, the provisions of this Section 30 will only apply if I am enrolled in Cash Management.

#### **A. General.**

I understand and agree that by enrolling in Cash Management, I may apply for a Robinhood-branded debit card issued by the bank identified in My Robinhood Debit Card Agreement ("Card"). I further understand and agree that by using My Card, exercising My electronic fund transfer ("EFT") privileges offered in connection with My Account, and/or by successfully completing a request using Pay by Check, I authorize Robinhood to debit My Account immediately whenever an electronic draft or Card transaction is presented for payment on My behalf, when an EFT transaction is effected, when a Pay by Check request is successfully completed on My Account and/or when any fee or charge is due (collectively "Payment" or "Payments"). I further understand and agree that when I request a Payment or withdrawal or instruct Robinhood to make a purchase of securities from My Account, Robinhood is authorized to place a block on the amount of the transaction ("Blocked Amounts") prior to the settlement date of the Payment, withdrawal or trade, and that the Blocked Amounts will not be available for use for additional Payments or the purchase of securities. I agree to maintain Available Funds sufficient to pay for Payments made by Me or any Authorized Card User (as defined below) and to pay for any securities trades and for interest on any margin loans and other transaction fees. For this purpose, "Available Funds" in My Account will fluctuate daily and means the sum of (i) free credit balances, (ii) deposits to Participating Depository Institutions through the Sweep Service, and (iii) available margin loan value if My Account has margin privileges, minus (x) uncleared funds, (y) Blocked Amounts, and (z) deposits subject to a hold. The loan value of eligible securities for the purpose of margin is subject to regulatory requirements and Robinhood credit policies then in effect.

#### **B. Payments and Withdrawals.**

I agree that any Payments that I make from My Account will be lawful. I agree that Payments will be deducted from the Available Funds in My Account in the following order: first, from free credit balances; second, by withdrawal of funds deposited to Participating Depository Institutions as part of the Sweep Service; and third, if My Account has margin privileges, from margin loans on the eligible securities in My margin Account. Robinhood will debit My Account only up to an amount equal to the Available Funds. I understand and agree that (i) if there are insufficient Available Funds in My Account to cover Payments when they become due, Robinhood has no obligation to make such Payments, and (ii) Robinhood has no obligation to make partial Payments. Robinhood will not charge a fee with respect to any declined Payment for which there were insufficient Available Funds. I acknowledge and agree, however, that Robinhood will not be responsible for any costs or losses that I may incur (including fees, costs, charges, attorneys' fees, investment losses, claims, demands, or liability resulting from any litigation or other actions) as a result of Robinhood's decision to decline any Payment or withdrawal or other transaction because My Account has insufficient Available Funds.

I understand that if a Payment is funded by a margin loan, I will incur interest until the margin loan is repaid.

I agree that if my Available Funds at any time falls below zero, Robinhood may suspend my ability to make Payments and terminate My Card. If this occurs, I agree to immediately pay all amounts owed to Robinhood, including any purchases on My Card which will be immediately charged to My Account.

I acknowledge and agree that Robinhood reserves the right to decline any Payments at any time for any reason with or without notice to Me. If Robinhood decides to take such action, I understand and agree that I am responsible for any pending debits, which will be processed and deducted from My Account.

I understand that transactions will post to My Account in any order determined by Robinhood and that Robinhood may change that order without prior notice to Me. Robinhood will comply with requirements of applicable law regarding the order of posting transactions.

### **C. Limitation of Liability.**

I agree that, subject to any limitations imposed by applicable law, and except as otherwise set forth in this Agreement or in the disclosures contained in the Robinhood Debit Card Agreement, which has been provided to Me or made available to me in connection with the opening of My Account, Robinhood, Robinhood's agents, any processing bank, and the Card issuer will not be liable for any loss I incur in connection with My Account and any Payments or other features of My Account unless Robinhood is grossly negligent in fulfilling this Agreement. In no event will Robinhood, Robinhood's agents, any processing bank, and the Card issuer shall not be liable for consequential, special or indirect damages or losses unless applicable law requires otherwise. I also agree that liability regarding online services or use of the App is further limited by the Robinhood Terms and Conditions, available at <https://about.robinhood.com/legal/>. To the extent I utilize online services or the App I acknowledge that I am bound by such Robinhood Terms and Conditions.

### **D. Debit Cards.**

I understand and agree that My use of the Card is subject to the terms, conditions and disclosures set forth in the Robinhood Debit Card Agreement, which has been provided to Me in connection with the opening of My Account and which I may access on the Website.

I understand and agree that I cannot request a Card for another person to use. I agree, however, that if I permit another person to have access to use My Card or Card number (an "Authorized Card User"), I am authorizing all Card transactions by such person and I agree that there are no limits to my authorization. I accept all liability with respect to the Card transactions effected by Me and any Authorized Card Users. I further agree that I may terminate the authority of an Authorized Card User only by contacting [help@robinhood.com](mailto:help@robinhood.com), to cancel my Card. I agree that the cancellation of My Card is effective only after Robinhood has a reasonable period to act on My notice.

If My Card is cancelled, I agree to destroy, or if requested by Robinhood, return the Card to Robinhood. I acknowledge that I will be responsible for any Card transactions that are processed because of My failure to destroy or return the Card following cancellation.

If My Account includes margin privileges, I agree that transactions that exceed My free credit balances and deposits in the Sweep Service may result in margin credit being extended to My Account, for which I will be charged interest. I agree to review the Margin Disclosure Statement, which is available at <https://about.robinhood.com/legal/>.

### **E. Deposits.**

The provisions in this Section 30.E shall apply to My Account whether or not I am enrolled in Cash Management.

*General; Holds.* I acknowledge and agree that funds that I deposit to My Account may be subject to one or more hold periods, which are described in the RHF Funds Availability schedule available at <https://about.robinhood.com/legal/>. I understand and agree that Robinhood reserves the right to modify the RHF Funds Availability schedule at any time by posting an updated schedule at <https://about.robinhood.com/legal/>, or otherwise providing notice to me. During the applicable hold period, My funds will not be available for Payments, withdrawal, or the settling of securities transactions, in each case as described in the RHF Funds Availability schedule. I further understand and agree that Robinhood reserves the right to further delay making deposited funds available for periods longer than the hold periods specified in the RHF Funds Availability schedule to the extent Robinhood determines that additional time is needed to verify information about the item deposited or the sender or if Robinhood otherwise believes there is a risk of fraud or other unlawful activity with respect to My Account.

*Mistaken Deposits.* If funds are deposited or transferred into My Account by mistake or otherwise, I agree that Robinhood may correct the situation and deduct any interest paid by Participating Depository Institutions, if applicable, without prior notice to Me.

*Returned Funds.* I acknowledge and agree that I am responsible for returned transactions. If I have funds transferred into My Account and that transfer is returned for any reason, Robinhood may charge the transfer and interest paid by Participating Depository Institutions, if applicable, against My Account, without prior notice to Me.

## **F. Electronic Fund Transfers.**

The provisions in this Section 30.F relating to EFTs other than Card transactions shall apply to My Account whether or not I am enrolled in Cash Management.

I understand that My Account may be eligible for a variety of EFTs, which may be subject to separate agreements, terms and conditions. These services may include use of the Card, and the "Move Money" functionality of the App. I understand that I may be required to agree to separate terms and conditions governing the particular service I use to initiate EFTs. In addition, I understand and agree that my use of EFT services are subject to the disclosures set forth in Appendix A (Electronic Fund Transfer Disclosures), and acknowledge that I have received and reviewed such disclosures.

## **G. Security.**

I agree to protect My Card, and My PINs, from access by anyone not authorized by Me to use them. I acknowledge that I will be liable for all Card and online transactions conducted by anyone to whom I have given access or who has obtained access even if not authorized by Me, up to applicable legal limits. I understand that I am responsible for reviewing My Account statement promptly to discover and report unauthorized activity, including use of My Card, Card number or PIN. I agree to notify Robinhood as provided in Appendix A (Electronic Fund Transfer Disclosures) if I believe or have reason to believe that there has been unauthorized activity in My Account or that My Card, Card number or PIN has been lost, stolen or may be used by an unauthorized person. Unless limited by law or as otherwise set forth in this Agreement or in the disclosures contained in Robinhood Debit Card Agreement, which is provided to Me as part of the Account opening process and is available on the Website, I agree that I will be responsible for losses that arise from My failure to (i) safeguard My Card and PINs, (ii) review My monthly statement for possible unauthorized activity and (iii) report any unauthorized activity to Robinhood as provided herein or in the Robinhood Debit Card Agreement.

## **H. No Illegal Purpose.**

I agree and understand that I may not use my debit card or any Payments on My Account for any illegal purpose. I agree and understand that Robinhood may, in its discretion, deny any transactions that appear to be made for an illegal purpose.

## **I. Pay by Check.**

I agree and understand that if I try to stop payment on a check after it has been mailed to the payee, Robinhood will attempt to but cannot guarantee that payment on the check will be stopped. I understand that a stop payment order on a check is valid for six months. I understand that if I wish to renew a stop payment on a check after the six month period, I must contact Robinhood to request another stop payment. I agree and understand that I may still be liable to the holder of the check even if I have requested a stop payment for the amount of the check. I agree and understand that Robinhood may deduct My Account for the amount on the check if the stop payment request is unsuccessful.

## **J. Disclosure of Information.**

I agree and understand that all disclosures of My non-public personal information shall be made in accordance with the terms of the this Agreement or the Robinhood Privacy Policy (available on the

Website at <https://about.robinhood.com/legal/>, as applicable. I agree that My consent to sharing non-public personal information will remain in effect until I revoke such consent by updating My settings and visibility, which I may do at any time through the App.

In addition, I understand and agree that Robinhood may disclose information about My Account and My related activities to third parties under the following circumstances: - As necessary to complete My Payment transactions; - To investigate any complaint, disputed transaction, transaction inquiry or request I make or as necessary to investigate potential fraud or misuse related to My Account; - To respond to requests from credit bureaus, creditors or other third parties for account-related information, to the extent such inquiries are necessary for processing My transactions or are usual and customary in the course of servicing similar products or accounts; - As necessary to comply with any applicable law, government or court order or subpoena; or - In accordance with My written permission or as otherwise permitted under the Robinhood Privacy Policy.

## **I. Termination.**

I understand that Robinhood may terminate my participation in Cash Management or in specific features of Cash Management for any reason, upon notice to me.

## **31. Consent to Redeem Shares.**

I understand and agree that whenever it is necessary for Robinhood's protection or to satisfy a margin call, deficiency, debit or other obligation owed to Robinhood, Robinhood may (but is not required to) sell, assign and deliver all or any part of the securities in My Account, or close any or all transactions in My Account. I understand that Robinhood may, but is not obligated to, attempt to contact Me before taking any such action. I understand and agree that Robinhood reserves the right to take any such action without prior notice or demand for additional collateral, and free of any right of redemption, and that any prior demand, call or notice will not be considered a waiver of our right to sell or buy without demand, call or notice.

I further understand that Robinhood may choose which securities to buy or sell, which transactions to close, and the sequence and timing of liquidation, and may take such actions on whatever exchange or market and in whatever manner (including public auction or private sale) that Robinhood chooses in the exercise of its business judgment. I agree not to hold Robinhood liable for the choice of which securities to buy or sell or of which transactions to close or for the timing or manner of the liquidation. I also agree not to hold Robinhood liable for taking such action.

I understand and agree that Robinhood is entitled to exercise the rights described in this section in its sole discretion, including, but not limited to, whenever any of the following occurs:

- The equity level in My Account falls below required minimums;
- Sufficient funds or securities are not deposited to pay for transactions in My Account;
- I reverse any ACH debit transfer to My Account;
- A petition of bankruptcy or for the appointment of a receiver is filed by or against Me;
- An attachment is levied against My Account;
- I die or become incapacitated or incompetent; or
- My Account is closed.

## **32. Electronic Delivery of Trade and Account Information; Notice.**

All communications, notices, legal disclosures, and other materials related to My Account or this Agreement, including account statements, trade confirmations, margin calls, notices, disclosures, regulatory communications and other information, documents, data and records regarding My Account (the "Communications"), or an alert that any such Communication has been posted to the secure section of the Website or the App, and is available for viewing, may be sent to Me at the mailing address for My Account or the e-mail address that I have given to Robinhood in My account application or at such other address as I may hereafter give Robinhood in writing or by e-mail at least ten (10) calendar days prior to delivery, and all communications so sent, whether in writing or otherwise, shall be deemed given to Me personally, whether actually received or not.

### **33. API.**

#### **A. Overview; Definitions.**

Robinhood may, in Robinhood's sole discretion, provide third parties with an application programming interface and other materials in accordance with any accompanying documentation (collectively, the "API Package") (such third parties, "API Licensees"), to make available certain features and functionality of Robinhood's mobile applications, websites, or technology platform via the API Licensees' products (such products, the "Licensee Products"). The API Package and the Licensee Products are collectively referred to as the "API Products". "Personal Information" means My personally identifiable information (including username, logon password, financial information, trade data, and other financial information) and all data exchanged between Robinhood and the API Products.

#### **B. Access to My Personal Information.**

Through My use of any API Products, I may be providing API Licensees with access to My Account and Personal Information. By using any API Products, I acknowledge that such API Products may employ security, policies, procedures and systems of API Licensees which may or may not be less stringent and secure than Robinhood's policies, procedures and systems. I agree that My use of any API Products shall be subject to the terms and conditions of this Agreement, in addition to any other agreements which I executed with respect to any such API Products. I understand and agree that any end user agreement that I executed with any API Licensee is concluded between Me and such API Licensee only, and not with Robinhood; and such API Licensee, not Robinhood, is solely responsible for such Licensee Product and the content thereof. I understand and agree that the API Products may deliver Personal Information to Robinhood, and that Robinhood is authorized to receive and store such Personal Information consistent with Robinhood's then-in-effect policies and procedures. Further, I agree that the API Products may request Personal Information stored by Robinhood, and I consent to Robinhood's disclosure of such Personal Information to the API Products.

#### **C. No Recommendations.**

To the extent the Licensee Products or API Licensees express opinions or make recommendations, I understand that such opinions and recommendations are expressed solely by API Licensees and are not the opinions or recommendations of Robinhood. The existence of the API Products and Robinhood's consent to any connectivity between any Licensee Products and Robinhood's technology, the App, the Website, or trading platform(s) does not constitute (i) any recommendation by Robinhood to invest in any security or utilize any investment strategy; or (ii) any representation, warranty, or other guarantee by Robinhood as to the present or future value or suitability of any sale, trade, or other transaction involving any particular security or any other investments. The existence of any and all information, tools and services provided by API Licensees or by the Licensee Products shall not constitute Robinhood's endorsement of API Licensees or the Licensee Products.

#### **D. Data Provided by Robinhood to API.**

From time to time, and subject to then-in-effect agreements between Robinhood and API Licensees, Robinhood may, in its own discretion, make market data feeds received from third parties available via the API Products. Robinhood does not make any guarantees in regard to such market data feeds. Furthermore, API Licensees or Licensee Products may make available to Me market data feeds independent of Robinhood. I am aware that from time to time that there may be discrepancy between the market data presented on the App or Website and information provided by any API Products due to a variety of reasons, including the time to update and transmit such data to a mobile application or website and latency caused by such API Product's or My local environment (such as computer set up, connection speed, etc.). Robinhood is not responsible for the accuracy of any market data displayed on any API Products or otherwise made available by API Licensees.

## **E. Risks; No Liability.**

I acknowledge that there may be latency between the time an order (or other Personal Information) is submitted from the API Products and the time such order or Personal Information is received by Robinhood. Latency may also affect order modification and order cancellation requests. The time an order or a request is actually received by Robinhood (including for execution) will be the official time, including for the purposes of routing the order to the market for execution. In addition, all orders submitted to Robinhood are subject to order vetting by Robinhood. Orders created and submitted through any API Products are not vetted until they are received by Robinhood. It is possible that Robinhood may reject an order placed through any API Products. Robinhood cannot guarantee that any order will be accepted when such order is routed to the market for execution, and Robinhood cannot guarantee that notifications and Personal Information provided to Me by Robinhood will be successfully delivered to or displayed by any API Products.

Without limiting the generality of any other terms in this Agreement, I agree that:

1. Robinhood or its Affiliates shall not be liable for any Losses as a result of any issues addressed in this Section 33 of this Agreement, nor shall Robinhood or its Affiliates be liable for any Losses realized for technical issues involving any API Products or API Licensee technology or product offerings (including system outages or downtime).
2. Robinhood or its Affiliates shall not be responsible for any investment research provided by any API Licensee or any Licensee Products.
3. Robinhood or its Affiliates makes no representations, warranties or other guarantees as to the accuracy, timeliness or efficacy of any market data, information, or other functionality made available by any API Licensee or any API Products.

## **F. Intellectual Property.**

My use of any API Products will not confer to Me any title, ownership interest or intellectual property rights that otherwise belongs to Robinhood or any of its affiliates. The API Package, including content, is protected under U.S. patent, copyright laws, international treaties or conventions, and other laws and will remain Robinhood's exclusive property, as applicable. Names, logos, and all related product and service names, design marks, and slogans displayed by or relating to Robinhood or any of its Affiliates or API Licensees in the context of the API Products shall remain the property of the respective owner, and use of such property by Robinhood or any API Licensee in marketing or provision of any API Products does not grant ownership of or entitle Me to use any such name or mark in any manner.

## **G. User's Representations and Warranties.**

I represent and warrant that:

1. By virtue of utilizing any API Products, I consent to and accept any risk associated with Robinhood's sharing of Personal Information with any API Licensee and shall not hold Robinhood, its Affiliates, or their respective officers, directors, or employees responsible for any Losses resulting from the sharing of such Personal Information.
2. I agree that My use of any API Products or API Licensee's content, information, technology, or functionality is at My own risk.
3. I agree that Robinhood may revoke any API Licensee or API Products' authorization at any time, for any reason, with or without cause and without prior notice to Me.

## **34. Electronic Signatures; Modifications to the Agreement.**

I agree to transact business with Robinhood electronically. By electronically signing an application for an Account, I acknowledge and agree that such electronic signature is valid evidence of My consent to be

legally bound by this Agreement and such subsequent terms as may govern the use of Robinhood's services. The use of an electronic version of any document fully satisfies any requirement that the document be provided to Me in writing. I accept notice by electronic means as reasonable and proper notice, for the purpose of any and all laws, rules and regulations. I acknowledge and agree that Robinhood Financial may modify this Agreement from time to time and I agree to consult the Website from time to time for the most up-to-date Agreement. The electronically stored copy of this Agreement is considered to be the true, complete, valid, authentic and enforceable record of the Agreement, admissible in judicial or administrative proceedings to the same extent as if the documents and records were originally generated and maintained in printed form. I agree to not contest the admissibility or enforceability of Robinhood Financial's electronically stored copy of the Agreement.

## **35. Margin Accounts.**

### **A. Election.**

This numbered section applies to my account to the extent I elect and am approved for a Robinhood Gold margin account.

### **B. Margin Trading.**

I understand that margin trading involves interest charges and risks, including the potential to lose more than deposited or the need to deposit additional collateral in a falling market. Before using margin, customers must determine whether this type of trading strategy is right for them given their specific investment objectives, experience, risk tolerance, and financial situation. If I have elected to have a margin Account, I represent that I have read the [Margin Disclosure Statement](#), [Day Trading Risk Disclosure](#), and [FINRA Investor Information](#). These disclosures contain information on Robinhood's lending policies, interest charges, and the risks associated with margin accounts.

### **C. Hypothecation.**

Within the limitations imposed by applicable laws, rules and regulations, all securities now or hereafter held by Robinhood, or carried by Robinhood in any account for Me (either individually or jointly with others), or deposited to secure same, may from time to time, without any notice, be carried in your general loans and may be pledged, repledged, hypothecated or re-hypothecated, separately or in common with other securities for the sum due to you thereon or for a greater sum and without retaining in your possession or control for delivery a like amount of similar securities. The IRS requires Broker Dealers to treat dividend payments on loaned securities positions as payments received in lieu of dividends for 1099 tax reporting purposes. Taxation of substitute dividend payments may be greater than ordinary on qualified dividends. It is understood, however, that you agree to deliver to Me upon My demand and upon payment of the full amount due thereon, all securities in such accounts, but without obligation to deliver the same certificates or securities deposited by Me originally. Any securities in My margin or short account may be borrowed by you, or lent to others.

### **D. Interest.**

Debit balances in My Accounts shall be charged with interest in accordance with your established custom, as disclosed to Me in the Customer Information Brochure pursuant to the provisions of the Securities Exchange Act.

## E. Margin.

I agree to maintain in all accounts with Robinhood such positions and margins as required by all applicable statutes, rules, regulations, procedures and custom, or as you deem necessary or advisable. I agree to promptly satisfy all margin and maintenance calls.

## F. Sales.

I agree to specifically designate any order to sell a security, which I do not own as a short sale, and understands that Robinhood will mark such order as a short sale. I agree that any order which is not specifically designated as a short sale is a sale of securities owned by me, and that I will deliver the securities on or before settlement date, if not already in the account. If I should fail to make such delivery in the time required, Robinhood is authorized to borrow such securities as necessary to make delivery for the sale, and I agree to be responsible for any loss you may thereby sustain, or which you may sustain as a result of your inability to borrow such securities.

## 36. Consent to Electronic Delivery of Documents.

### A. Consent.

**By agreeing to electronic delivery, I am giving My informed consent to electronic delivery of all Account Documents, as defined below, other than those I have specifically requested to be delivered in paper form.** "Account Documents" include notices, disclosures, current and future account statements, regulatory communications (such as prospectuses, proxy solicitations, and privacy notices), trade confirmations, tax-related documents, and any other information, documents, data, and records regarding My Account, this Agreement (including amendments to this Agreement), and the agreements and disclosures governing the services delivered or provided to Me by Robinhood Financial, the issuers of the securities or other property in which I invest, and any other parties. I agree that I can access, view, download, save, and print any Account Documents I receive via electronic delivery for My records.

### B. Electronic Delivery System.

I acknowledge that Robinhood's primary methods of communication with Me include (A) posting information on the Website, (B) providing information via the App, (C) sending email(s) to My email address of record, and, to the extent required by law, (D) providing Me with notice(s) that will direct Me to the App or the Website where I can read and print such information. Unless otherwise required by law, Robinhood reserves the right to post Account Documents on the Website without providing notice to Me. Further, Robinhood reserves the right to send Account Documents to My postal or email address of record, or via the App or Website. I agree that all Account Documents provided to Me in any of the foregoing manner is considered delivered to Me personally when sent or posted by Robinhood, whether I receive it or not.

All e-mail notifications regarding Account Documents will be sent to My e-mail address of record. I agree to maintain the e-mail address that I have provided Robinhood until I provide Robinhood with a new one. I understand that e-mail messages may fail to transmit promptly or properly, including being delivered to SPAM folders. I further understand that it is My sole responsibility to ensure that any emails from Robinhood or its Affiliates are not marked as SPAM. Regardless of whether or not I receive an e-mail notification, I agree to check the Website regularly to avoid missing any information, including time-sensitive or otherwise important communication. If I authorize someone else to access the e-mail account I have provided Robinhood, I agree to tell them to share the Account Documents with Me promptly, and I accept the risk that they will see My sensitive information. I understand that if I use a work e-mail address or computing or communications device, My employer or other employees may have access to the Account Documents.

Additionally, I acknowledge that the Internet is not a secure network and agree that I will not send any confidential information, including Account numbers or passwords, in any unencrypted e-mails. I also

understand that communications transmitted over the Internet may be accessed by unauthorized or unintended third parties and agree to hold Robinhood, its Affiliates, and Robinhood and its Affiliates' respective officers and employees harmless for any such access regardless of the cause.

I agree to promptly and carefully review all Account Documents when they are delivered and notify Robinhood Financial in writing within five (5) calendar days of delivery if I object to the information provided (or other such time specified herein). If I fail to object in writing within such time, Robinhood Financial is entitled to treat such information as accurate and conclusive. I will contact Robinhood to report any problems with accessing the Account Documents.

### **C. Costs.**

Potential costs associated with electronic delivery of Account Documents may include charges from Internet access providers and telephone companies, and I agree to bear these costs. Robinhood Financial will not charge Me additional online access fees for receiving electronic delivery of Account Documents.

### **D. Archival.**

Upon My request, I may obtain copies of up to six (6) prior years of account statements, and three (3) prior years of trade confirmations.

### **E. Revocation of Consent.**

Subject to the terms of this Agreement, I may revoke or restrict My consent to electronic delivery of Account Documents at any time by notifying Robinhood Financial in writing of My intention to do so. I also understand that I have the right to request paper delivery of any Account Document that the law requires Robinhood Financial to provide Me in paper form. Robinhood Financial will not treat My request for paper copies as a withdrawal of My consent to electronic delivery of Account Documents. I understand that if I revoke or restrict My consent to electronic delivery of Account Documents or request paper delivery of same, Robinhood Financial, in its sole discretion, may charge Me a reasonable service fee for the delivery of any Account Document that would otherwise be delivered to Me electronically, restrict or close My account, or terminate My access to Robinhood Financial's services. I understand that neither My revocation or restriction of consent, My request for paper delivery, nor Robinhood Financial's delivery of paper copies of Account Documents will affect the legal effectiveness or validity of any electronic communication provided while My consent was in effect.

### **F. Duration of Consent.**

My consent to receive electronic delivery of Account Documents will be effective immediately and will remain in effect unless and until either I or Robinhood Financial revokes it. I understand that it may take up to three (3) Business Days to process a revocation of consent to electronic delivery, and that I may receive electronic notifications until such consent is processed.

### **G. Hardware and Software Requirements.**

I understand that in order to receive electronic deliveries, I must have access to a computer or Mobile Device with Internet access, a valid e-mail address, and the ability to download such applications as Robinhood Financial may specify and to which I have access. I also understand that if I wish to download, print, or save any information I wish to retain, I must have access to a printer or other device in order to do so.

## **H. Consent and Representations.**

I hereby agree that I have carefully read the above information regarding informed consent to electronic delivery and fully understand the implications thereof. Additionally, I hereby agree to all conditions outlined above with respect to electronic delivery of any Account Document. I will maintain a valid e-mail address and continue to have access to the Internet. If My e-mail address changes, I agree to immediately notify Robinhood Financial of My new e-mail address in writing.

## **37. Miscellaneous Provisions.**

The following provisions shall also govern this Agreement:

### **A. Contact Information.**

Robinhood Customer Service may be contacted by visiting [support.robinhood.com](https://support.robinhood.com) or by email at [help@robinhood.com](mailto:help@robinhood.com).

### **B. Interpretation.**

The heading of each provision hereof is for descriptive purposes only and shall not be (1) deemed to modify or qualify any of the rights or obligations set forth herein or (2) used to construe or interpret any of the provisions hereunder. When a reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The word "or," when used in this Agreement, has the inclusive meaning represented by the phrase "and/or." Unless the context of this Agreement otherwise requires: (i) words using the singular or plural number also include the plural or singular number, respectively; and (ii) the terms "hereof," "herein," "hereunder" and derivative or similar words refer to this entire Agreement. References to any law shall be deemed to refer to such law as amended from time to time and to any rules or regulations promulgated thereunder.

### **C. Binding Effect; Assignment.**

This Agreement shall bind My heirs, assigns, executors, successors, conservators and administrators. I may not assign this Agreement or any rights or obligations under this Agreement without first obtaining Robinhood's prior written consent. Robinhood may assign, sell, or transfer My Account and this Agreement, or any portion thereof, at any time, without My prior consent.

### **D. Severability.**

If any provisions or conditions of this Agreement are or become inconsistent with any present or future law, rule, or regulation of any applicable government, regulatory or self-regulatory agency or body, or are deemed invalid or unenforceable by any court of competent jurisdiction, such provisions shall be deemed rescinded or modified, to the extent permitted by applicable law, to make this Agreement in compliance with such law, rule or regulation, or to be valid and enforceable, but in all other respects, this Agreement shall continue in full force and effect.

### **E. Website Postings.**

I agree and understand that Robinhood Financial may post other specific agreements, disclosures, policies, procedures, terms, and conditions that apply to My use of the App, the Website, or My Account

on the Website ("Website Postings"). I understand that it is My continuing obligation to understand the terms of the Website Postings, and I agree to be bound by the Web Postings as are in effect at the time of My use.

## **F. Entirety of Agreement.**

This Agreement, any attachments hereto, other agreements and policies referred to in this Agreement (including the Website Postings), and the terms and conditions contained in My Account statements and confirmations, contain the entire agreement between Robinhood and Me and supersede all prior or contemporaneous communications and proposals, whether electronic, oral, or written, between Robinhood and Me, provided, however, that any and all other agreements between Robinhood and Me, not inconsistent with this Agreement, will remain in full force and effect.

## **G. Amendment.**

Robinhood may at any time amend this Agreement without prior notice to Me. The current version of the Agreement will be posted on the Website and My continued Account activity after such amendment constitutes My agreement to be bound by all then-in-effect amendments to the Agreement, regardless of whether I have actually reviewed them. Continued use of the App, the Website or any other Robinhood Financial services after such posting will constitute My acknowledgment and acceptance of such amendment. I agree to regularly consult the Website for up-to-date information about Robinhood Financial services and any modifications to this Agreement. Robinhood is not bound by any verbal statements that seek to amend the Agreement.

## **H. Termination.**

Robinhood may terminate this Agreement, or close, deactivate, or block access to My Account at any time in its sole discretion. I will remain liable to Robinhood for all obligations incurred in My Account, pursuant to this Agreement, or otherwise, whether arising before or after termination. I may terminate this Agreement after paying any obligations owed upon written notice. This Agreement survives termination of My Account.

## **I. No Waiver; Cumulative Nature of Rights and Remedies.**

I understand that Robinhood's failure to insist at any time upon strict compliance with any term contained in this Agreement, or any delay or failure on Robinhood's part to exercise any power or right given to Robinhood in this Agreement, or a continued course of such conduct on Robinhood's part, shall at no time operate as a waiver of such power or right, nor shall any single or partial exercise preclude any other further exercise. All rights and remedies given to Robinhood in this Agreement are cumulative and not exclusive of any other rights or remedies to which Robinhood is entitled.

## **J. International Customers.**

The products and services described on the Website are offered only in jurisdictions where they may be legally offered. Neither the Website nor the App shall be considered a solicitation for or offering of any investment product or service to any person in any jurisdiction where such solicitation or offering would be illegal. I understand that Robinhood, in its sole discretion, may accept unsolicited accounts from non-U.S. residents, depending on the country of residence and other factors. I understand that Robinhood is based in the United States and that Robinhood accepts only U.S. currency in Robinhood's customer accounts.

## K. Governing Law.

This Agreement and all transactions made in My Account shall be governed by the laws of the State of California (regardless of the choice of law rules thereof), except to the extent governed by the federal securities laws, FINRA Rules, and the regulations, customs and usage of the exchanges or market (and its clearing house) on which transactions are executed.

## 38. Arbitration.

**A. This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement, the parties agree as follows: (1) All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed. (2) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited. (3) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings. (4) The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date. (5) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry. (6) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court. (7) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement. B. Any controversy or claim arising out of or relating to this Agreement, any other agreement between Me and Robinhood, any Account(s) established hereunder, any transaction therein, shall be settled by arbitration in accordance with the rules of FINRA Dispute Resolution, Inc. ("FINRA DR"). I agree to arbitrate any controversy or claim before FINRA DR in the State of California. C. This agreement to arbitrate constitutes a waiver of the right to seek a judicial forum unless such a waiver would be void under the federal securities laws. If I am a foreign national, non-resident alien, or if I do not reside in the United States, I agree to waive My right to file an action against Robinhood in any foreign venue. D. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (1) the class certification is denied; or (2) the class is decertified; or (3) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.**

ACCEPTED AND AGREED: I acknowledge that I have read the preceding terms and conditions of this Agreement, that I understand them and that I hereby manifest my assent to, and my agreement to comply with, those terms and conditions by accepting this agreement. **I ALSO UNDERSTAND THAT BY ACCEPTING THIS AGREEMENT I HAVE ACKNOWLEDGED THAT THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE IN SECTION 38 HEREIN. I ALSO AGREE (1) THAT ANY OF MY MARGIN ACCOUNT SECURITIES MAY BE BORROWED BY ROBINHOOD OR LOANED TO OTHERS; (2) I HAVE RECEIVED OF A COPY OF THIS AGREEMENT AND (3) I HAVE REVIEWED A COPY OF THE MARGIN DISCLOSURE STATEMENT.**

## Appendix A

### Electronic Fund Transfer Services Disclosures

The following disclosures apply to the use of any EFT services offered by Robinhood, including the Card, ACH transactions and the Move Money functionality of the App.

Solely for purposes of these disclosures: (i) references to the Bank shall include any financial institution that issues the Card or provides services in connection with ACH, Move Money or other EFT transactions; (ii) "you" and "your" mean the owner of the Account; and (iii) "we" and "us" means Robinhood and the Bank collectively.

## 1. Your Liability.

Contact Robinhood Customer Service AT ONCE if you believe your Card or PIN has been lost or stolen or if you believe that an electronic fund transfer has been made without your permission. Telephoning is the best way of keeping your losses down. You could lose all the Available Funds in your Account (plus your maximum overdraft line of credit). If you tell Robinhood within 2 business days after you learn of the loss or theft of your Card or PIN, you can lose no more than \$50 if someone used your Card or PIN without your permission.

If you do NOT tell Robinhood within 2 business days after you learn of the loss or theft of your Card or PIN, and Robinhood can prove that it could have stopped someone from using your Card or PIN without your permission if you had told Robinhood, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by Card or using your PIN, tell Robinhood at once. If you do not tell Robinhood within sixty (60) days after the statement was mailed to you, or otherwise made available to you, you may not get back any money you lost after the sixty (60) days if Robinhood can prove that Robinhood could have stopped someone from taking the money if you had told Robinhood in time. If a good reason (such as a long trip or a hospital stay) kept you from telling Robinhood, Robinhood will extend the time periods.

## 2. Contact in event of unauthorized transfer.

If you believe your Card or PIN has been lost or stolen, contact Robinhood by emailing [help@robinhood.com](mailto:help@robinhood.com).

## 3. Business Days.

Business Days are Monday through Friday, excluding federal holidays.

## 4. Transfer Types and Limitations.

You may use your Card to make purchases at any merchant that accepts Mastercard debit cards or debit cards of other networks in which the Bank participates, and to make ATM withdrawals, in each case subject to the Available Funds in your Account, the transaction limits described below, and the other terms and conditions of this Agreement. You acknowledge and agree that the value available to you for use with the Card is limited to the Available Funds in your Account. So long as you do not exceed the Available Funds in your Account, you may use the Card to purchase goods or services wherever the Card is honored, and to obtain cash by initiating cash withdrawal transactions through the Card from any financial institution or ATM that accepts the Card. Each time you use the Card, you authorize Robinhood to reduce the Available Funds in your Account by the amount of the purchase or withdrawal and any applicable fees, costs, or holdings. Nevertheless, if you exceed the Available Funds in your Account you shall remain fully liable to Robinhood for the amount of the transactions and any applicable fees and charges.

You may also make ACH withdrawals from your Account, either originated through Robinhood or originated by a third party (a "non-originated" withdrawal), subject to the Available Funds in your Account, the transaction limits described below, and the other terms and conditions of this Agreement. You also may make ACH deposits to your Account, either originated through Robinhood or originated by a third party (a "non-originated" deposit), subject to the transaction limits described below.

There are limits on the dollar amount of transactions you can make with your Card each day and each month, and limits on the amount of ACH withdrawals and deposits you can make each day. The following lists the limits for each type of transaction:

**Originated ACH Withdrawals\*** Daily Limit: \$50,000.00  
Weekly Limit: N/A Monthly Limit: N/A

**Originated ACH Deposits\*** Daily Limit: \$50,000.00  
Weekly Limit: N/A Monthly Limit: N/A

**Non-Originated ACH Withdrawals\*** Daily Limit: \$250,000.00  
Weekly Limit: N/A Monthly Limit: N/A

**Non-Originated ACH Deposits\*** Daily Limit: \$250,000.00  
Weekly Limit: N/A Monthly Limit: N/A

**Point of Sale Purchases with the Card\*** Daily Limit: \$5,000.00 Weekly Limit: N/A Monthly Limit: \$15,000.00

**ATM Withdrawals\*** Daily Limit: \$510.00 Weekly Limit: N/A Monthly Limit: \$5,000.00

**Originated ACH\*** Daily Limit: N/A, subject to the Weekly Limit Weekly Limit: \$2,999 Monthly Limit: N/A

## 5. Fees.

We will not charge you any fees for use of ATMs that are part of the AllPoint or MoneyPass ATM networks, or for point of sale transactions using the Card, or for initiating other EFTs on your behalf. If you withdraw funds from ATMs outside of the AllPoint or MoneyPass ATM networks, you may be separately assessed fees by those ATM owners or operators.

## 6. Confidentiality.

We may disclose information to third parties about you, your Card, or the transactions you make using any of the EFT services we provide:

1. Where it is necessary or helpful for completing or correcting transactions and resolving claims regarding transactions;
2. In order to verify the existence and condition of your Card or your Account for a third party, such as a merchant;
3. In order to comply with a valid request by a government agency, a court order, or other legal or administrative reporting requirements;
4. If you consent by giving us your written permission;
5. To our employees, auditors, affiliates, service providers, or attorneys as needed;
6. In order to prevent, investigate or report possible illegal activity;
7. In order to issue authorizations for transactions on the Card;
8. As permitted by applicable law; or
9. Otherwise as necessary to fulfill our obligations under this Agreement and the terms applicable to the EFT service you are using.

Please see Robinhood's privacy policy, available at [about.robinhood.com/legal](https://www.robinhood.com/legal), and the applicable Bank's privacy policy, available at <https://www.suttonbank.com/kcms-doc/85/49033/WK-Privacy-Disclosure-1218.pdf>, for further details. (The Robinhood privacy policy and the applicable Bank's privacy policy are referred to collectively as the "Privacy Policies"). You hereby agree to Robinhood's and the Bank's collection, use and sharing of information about you and the Card as provided in the Privacy Policies, which are made a part of this Agreement. The Privacy Policies also tell you how you can (i) limit the ways in which Bank and Robinhood share information about you, or (ii) request corrections to the information that Bank or Robinhood maintain about you. You agree that information you provide in connection with your Card or other EFT services you use is being provided directly to both Robinhood as the holder of the Account associated with the service and the Bank as the Card issuer or provider of the EFT service, as applicable.

## 7. Documentation.

*Terminal Transfers.* You can get a receipt at the time you make any transfer to or from your Account using an ATM from the AllPoint or MoneyPass ATM networks or at the point of sale.

*Preauthorized Credits.* If you have arranged to have direct deposits made to your Account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money. You can also check your Account online to see if a deposit has been received.

*Periodic Statements.* You will get a monthly Account statement, unless there are no transfers in a particular month. In any case you will get the statement at least quarterly. You may obtain information about the Available Funds in your Account and a history of your Cash Management transactions on the App.

## **8. Preauthorized Payments/Stop Payment Procedure and Notice of Varying Amounts.**

You do not have the right to request that Robinhood in advance make regular payments out of your Account, although you may ask third parties to initiate regular payments out of your Account.

*Right to stop payment:* If you have automatic recurring payments taken out of your Account, you can stop any of these payments by contacting us at [help@robinhood.com](mailto:help@robinhood.com). You must contact us in time for us to receive your request at least three business days before the payment is scheduled to be made.

*Notice of varying amounts:* If these regular payments vary in amount, the party you are going to pay will tell you, 10 days before each payment, when the payment will be made and how much it will be. (The party you are going to pay may allow you to choose to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

*Liability for failure to stop payment of a preauthorized transfer:* If you order us to stop a payment at least three business days before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.

## **9. Our Liability.**

If we do not complete a transaction to or from your Account on time or in the correct amount according to our Agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If through no fault of Robinhood or the Bank, you do not have enough Available Funds in your Account to complete the transaction;
2. If a merchant refuses to accept your Card;
3. If an electronic terminal where you are making a transaction does not operate properly, and you knew about the problem when you initiated the transaction;
4. If access to your Card has been blocked after you reported your Card lost or stolen;
5. If there is a hold or your funds are subject to legal or administrative process or other encumbrance restricting their use;
6. If Robinhood or the Bank have reason to believe the requested transaction is unauthorized;
7. If circumstances beyond the control of Robinhood or the Bank (such as fire, flood, or computer or communication failure) prevent the completion of the transaction, despite reasonable precautions that Robinhood or the Bank have taken; or
8. For any other exception stated in this Agreement with you or by applicable law.

## 10. Errors or Questions About Electronic Transfers.

In case of errors or questions about your electronic transfers, including your Card transactions, or if you think your statement or receipt is wrong or if you need more information about a transaction listed on the statement or receipt, contact Robinhood by emailing [help@robinhood.com](mailto:help@robinhood.com). Robinhood must hear from you no later than sixty (60) days after you were sent the FIRST statement on which the problem or error appeared.

1. Tell Robinhood your name and account number.
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell Robinhood the dollar amount of the suspected error.

Robinhood will determine whether an error occurred within ten (10) business days after Robinhood hears from you and will correct any error promptly. If Robinhood needs more time, however, it may take up to forty-five (45) days to investigate your complaint or question. If Robinhood decides to do this, Robinhood will credit your Account within ten (10) business days for the amount you think is in error, so that you will have the use of the money during the time it takes Robinhood to complete our investigation.

For errors involving new accounts, point of sale, or foreign initiated transactions, Robinhood may take up to ninety (90) days to investigate your complaint or question. For new accounts, Robinhood may take up to twenty (20) business days to credit your Account for the amount you think is in error.

Robinhood will tell you the results of our investigation within three (3) business days after completing the investigation. If Robinhood decides that there was no error, Robinhood will send you a written explanation. You may ask for copies of the documents that Robinhood used in our investigation.

# EXHIBIT D

Revised December 30, 2020

## Robinhood Financial LLC & Robinhood Securities, LLC Customer Agreement

In consideration of Robinhood Financial LLC, Robinhood Securities, LLC, and their agents and assigns (collectively, "Robinhood") opening one or more accounts on my behalf ("My Account(s)" or the "Account(s)") for the purchase, sale or carrying of securities or contracts relating thereto and/or the borrowing of funds, which transactions are cleared through Robinhood Securities, I represent and agree with respect to all Accounts, whether margin or cash, to the terms set forth below (the "Agreement"). When used in this Agreement, the words "I", "Me", "My", "We", or "Us" mean the owner(s) of the Account. For purposes of this Agreement, Business Days are Monday through Friday, excluding federal holidays. Any references to "days" found in this Agreement are calendar days unless indicated otherwise.

**I UNDERSTAND THAT THE TERMS AND CONDITIONS OF THIS AGREEMENT GOVERN ALL ASPECTS OF MY RELATIONSHIP WITH ROBINHOOD REGARDING MY ACCOUNTS. I WILL CAREFULLY READ, UNDERSTAND AND ACCEPT THE TERMS AND CONDITIONS OF THIS AGREEMENT BEFORE I CLICK "SUBMIT APPLICATION" OR OTHER SIMILARLY WORDED BUTTON. IF I HAVE ANY QUESTIONS ABOUT ANY OF THE PROVISIONS IN THIS AGREEMENT, I WILL EMAIL [HELP@ROBINHOOD.COM](mailto:HELP@ROBINHOOD.COM). I UNDERSTAND THAT CLICKING "SUBMIT APPLICATION" IS THE LEGAL EQUIVALENT OF MY MANUALLY SIGNING THIS AGREEMENT AND I WILL BE LEGALLY BOUND BY ITS TERMS AND CONDITIONS. BY ENTERING INTO THIS AGREEMENT, I ACKNOWLEDGE RECEIPT OF THE ROBINHOOD PRIVACY POLICY AND PRIVACY AND SECURITY STATEMENT. I UNDERSTAND THAT THIS AGREEMENT MAY BE AMENDED FROM TIME TO TIME BY ROBINHOOD, WITH REVISED TERMS POSTED ON THE ROBINHOOD WEBSITE. I AGREE TO CHECK FOR UPDATES TO THIS AGREEMENT. I UNDERSTAND THAT BY CONTINUING TO MAINTAIN MY SECURITIES BROKERAGE ACCOUNT WITHOUT OBJECTING TO ANY REVISED TERMS OF THIS AGREEMENT, I AM ACCEPTING THE TERMS OF THE REVISED AGREEMENT AND I WILL BE LEGALLY BOUND BY ITS TERMS AND CONDITIONS. IF I REQUEST OTHER SERVICES PROVIDED BY ROBINHOOD THAT REQUIRE ME TO AGREE TO SPECIFIC TERMS AND CONDITIONS ELECTRONICALLY (THROUGH CLICKS OR OTHER ACTIONS) OR OTHERWISE, SUCH TERMS AND CONDITIONS WILL BE DEEMED AN AMENDMENT AND WILL BE INCORPORATED INTO AND MADE PART OF THIS AGREEMENT. I ALSO UNDERSTAND THAT BY CLICKING "SUBMIT APPLICATION" I HAVE ACKNOWLEDGED THAT THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE IN SECTION 38 HEREIN.**

### 1. Capacity and Status.

If an individual, I am of legal age under the laws of the state where I reside and authorized to enter into this Agreement. If an entity, I am duly formed, validly existing and in good standing in My state of organization, have full power and authority to enter and perform this Agreement, and the persons signing the account application are fully authorized to act on My behalf. No person, except Myself, has any interest in the Account opened pursuant to this Agreement. I acknowledge that unless Robinhood receives written objection from Me, Robinhood may provide My name, address, and securities positions to requesting companies in which I hold securities. Except as otherwise disclosed to Robinhood in writing, neither I nor any member of My immediate family is an employee of any exchange, any corporation of which any exchange owns a majority of the capital stock, a member of any exchange or self-regulatory organization, a member of any firm or member corporation registered on any exchange, a bank, trust company, insurance company or any corporation, firm or individual engaged in the business of dealing either as a broker-dealer or as principal in securities. I understand and agree that I am obligated to promptly notify Robinhood in writing if I or a member of My immediate family becomes registered or employed in any of the above-described capacities. Except as otherwise disclosed to Robinhood in writing, I am not a Professional (as defined below). I further agree to promptly notify Robinhood in writing if I am now or if I become a Professional or an officer, director or 10% stockholder of any publicly traded company.

### 2. Market Data.

Robinhood may choose to make certain market data available to Me pursuant to the terms and conditions set forth in this Agreement. By executing this Agreement, I agree to comply with those terms and conditions.

## A. Definitions.

1. "Market Data" means (a) last sale information and quotation information relating to securities that are admitted to dealings on the New York Stock Exchange ("NYSE"), (b) such bond and other equity last sale and quotation information, and such index and other market information, as United States-registered national securities exchanges and national securities associations (each, an "Authorizing SRO") may make available and as the NYSE may from time to time designate as "Market Data"; and (c) all information that derives from any such information.
2. "Nonprofessional" means any natural person who receives market data solely for his/her personal, non-business use and who is not a "Professional." A "Professional" includes an individual who, if working in the United States, is: (i) registered or qualified with the Securities and Exchange Commission (the "SEC"), the Commodity Futures Trading Commission (the "CFTC"), any state securities agency, any securities exchange or association, or any commodities or futures contract market or association; (ii) engaged as an "investment advisor" as that term is defined in Section 202 (a) (11) of the Investment Advisers Act of 1940 (whether or not registered or qualified under that Act), or (iii) employed by a bank or other organization exempt from registration under federal and/or state securities laws to perform functions that would require him or her to be so registered or qualified if he or she were to perform such functions for an organization not so exempt. A person who works outside of the United States will be considered a "Professional" if he or she performs the same functions as someone who would be considered a "Professional" in the United States.

## B. Provisions Applicable to All Users.

1. Proprietary Nature of Data. I understand and acknowledge that each Authorizing SRO and Other Data Disseminator (as defined below) has a proprietary interest in the Market Data that originates on or derives from it or its market(s). I agree not to reproduce, distribute, sell or commercially exploit the Market Data in any manner.
2. Enforcement. I understand and acknowledge that (a) the Authorizing SROs are third-party beneficiaries under this Agreement and (b) the Authorizing SROs or their authorized representative(s) may enforce this Agreement, by legal proceedings or otherwise, against Me or any person that obtains Market Data that is made available pursuant to this Agreement other than as this Agreement contemplates.
3. Data Not Guaranteed. I understand that neither Robinhood nor any Authorizing SRO, other entity whose information is made available over the Authorizing SROs' facilities (an "Other Data Disseminator"), or information processor that assists any Authorizing SRO or Other Data Disseminator in making Market Data available (collectively, the "Disseminating Parties") guarantees the timeliness, sequence, accuracy, completeness, reliability, or content of Market Data or of other market information or messages disseminated to or by any Disseminating Party. I understand that neither Robinhood Financial nor any Disseminating Party guarantees the timeliness, sequence, accuracy, completeness, reliability or content of market information, or messages disseminated to or by any party. I understand that neither Robinhood Financial nor any Disseminating Party warrants that the service provided by any such entity will be uninterrupted or error-free. I further understand that Market Data by Xignite provides market data to Robinhood Financial customers. NEITHER ROBINHOOD FINANCIAL, ANY OF ITS AFFILIATES, THEIR RESPECTIVE OFFICERS OR EMPLOYEES, NOR ANY DISSEMINATING PARTY SHALL BE LIABLE IN ANY WAY FOR (A) ANY INACCURACY, ERROR OR DELAY IN, OR OMISSION OF, (I) ANY MARKET DATA, INFORMATION OR MESSAGE, OR (II) THE TRANSMISSION OR DELIVERY OF ANY SUCH DATA, INFORMATION OR MESSAGE; OR (B) ANY LOSS (AS DEFINED IN THIS AGREEMENT) OR DAMAGE ARISING FROM OR OCCASIONED BY (I) ANY SUCH INACCURACY, ERROR, DELAY OR OMISSION, (II) NON-PERFORMANCE OR (III) INTERRUPTION IN ANY SUCH MARKET DATA, INFORMATION, OR MESSAGE, WHETHER DUE TO ANY ACT OR OMISSION BY ROBINHOOD FINANCIAL, ANY OF ITS AFFILIATES, THEIR RESPECTIVE OFFICERS OR EMPLOYEES, OR ANY DISSEMINATING PARTY, OR TO ANY "FORCE MAJEURE" (E.G., FLOOD, EXTRAORDINARY WEATHER CONDITIONS, EARTHQUAKE OR OTHER ACT OF GOD, FIRE, WAR, INSURRECTION, RIOT, LABOR DISPUTE, ACCIDENT, ACTION OF GOVERNMENT, OR COMMUNICATIONS OR POWER FAILURE, EQUIPMENT OR SOFTWARE MALFUNCTION) OR ANY OTHER

CAUSE BEYOND THE REASONABLE CONTROL OF ROBINHOOD FINANCIAL, ITS AFFILIATES, THEIR RESPECTIVE OFFICERS AND EMPLOYEES, OR ANY DISSEMINATING PARTY.

4. Permitted Use. I shall not furnish Market Data to any other person or entity. If I receive Market Data other than as a Nonprofessional, I shall use Market Data only for My individual use.
5. Dissemination, Discontinuance, or Modification. I understand and acknowledge that, at any time, the Authorizing SROs may discontinue disseminating any category of Market Data, may change or eliminate any transmission method and may change transmission speeds or other signal characteristics. The Authorizing SROs shall not be liable for any resulting liability, loss or damages that may arise therefrom.
6. Duration; Survival. This Section 2 of this Agreement remains in effect for so long as I have the ability to receive Market Data as contemplated by this Section 2. In addition, Sections 2(B)(1)-(3) and the first two sentences of Section 2(B)(7), survive any termination of this Agreement.
7. Miscellaneous. The laws of the State of New York shall govern this Section 2 and it shall be interpreted in accordance with those laws. This Subsection is subject to the Securities Exchange Act of 1934, the rules promulgated under that act, and the joint-industry plans entered into pursuant to that act.

### **C. Provisions Applicable to Nonprofessionals.**

1. Permitted Receipt. I understand that I may not receive Market Data from Robinhood as a Nonprofessional, and Robinhood may not provide Market Data to Me as a Nonprofessional, unless Robinhood first properly determines that I qualify as a Nonprofessional as defined above and I in fact qualify as a Nonprofessional. I agree that, as a prerequisite to Robinhood Financial qualifying Me as a Nonprofessional, I will provide to Robinhood truthful and accurate information about Me, such as: my occupation, employer, employment position and functions; my use of Market Data; my registration status with any securities agency, exchange, association, or regulatory body, or any commodities or future contract market, association, or regulatory body, whether in the United States or elsewhere; and any compensation of any kind I may receive from any individual or entity for my trading activities, asset management, or investment advice. Except as otherwise declared to Robinhood in writing, by executing this Agreement, I certify that I meet the definition of Nonprofessional as set forth in this Agreement.
2. Permitted Use. If I am a Nonprofessional, I agree to receive Market Data solely for my personal, non-business use.
3. Notification. I shall notify Robinhood promptly in writing of any change in my circumstances that may cause Me to cease to qualify as a Nonprofessional.

### **3. NASDAQ OMX Information.**

#### **A. Definitions.**

1. "Information" means certain market data and other data disseminated that has been collected, validated, processed, and recorded by any system NASDAQ OMX has developed for the creation or dissemination of Information or other sources made available for transmission to and receipt from either a distributor such as RHF or from NASDAQ OMX relating to: a) eligible securities or other financial instruments, markets, products, vehicles, indicators, or devices; b) activities of a NASDAQ OMX company; c) other information and data from a NASDAQ OMX company. "Information" also includes any element of Information as used or processed in such a way that the Information can be identified, recalculated or re-engineered from the processed Information or that the processed Information can be used as a substitute for Information.
2. "NASDAQ OMX" means The NASDAQ OMX Group, Inc., a Delaware limited liability company and its subsidiaries and Affiliates (collectively, "NASDAQ OMX").

## **B. Use of Data.**

I understand that I may use the Information only for personal use and not for any business purpose. I may not sell, lease, furnish or otherwise permit or provide access to the Information to any other natural person or entity ("Person") or to any other office or place. I will not engage in the operation of any illegal business use or permit anyone else to use the Information, or any part thereof, for any illegal purpose or violate any NASDAQ OMX or SEC Rule or any FSA rule or other applicable law, rule or regulation. I may not present the Information rendered in any unfair, misleading or discriminatory format. I shall take reasonable security precautions to prevent any Person other than Myself from gaining access to the Information.

## **C. Proprietary Data.**

I acknowledge and agree that NASDAQ OMX has proprietary rights to the Information that originates on or derives from markets regulated or operated by NASDAQ OMX, and compilation or other rights to Information gathered from other sources. I further acknowledge and agree that NASDAQ OMX's third-party information providers have exclusive proprietary rights to their respective Information. In the event of any misappropriation or misuse by Me or anyone who accesses the Information through Me, NASDAQ OMX or its third-party information providers shall have the right to obtain injunctive relief for its respective materials.

## **D. System.**

I acknowledge that NASDAQ OMX, in its sole discretion, may from time-to-time make modifications to its system or the Information. Such modifications may require corresponding changes to be made in Robinhood Financial's service. Changes or the failure to make timely changes by Me may sever or affect My access to or use of the Information. I understand that neither NASDAQ OMX nor Robinhood shall be responsible for such effects.

## **E. NASDAQ OMX Limitation of Liability.**

Except as may otherwise be set forth herein, NASDAQ OMX shall not be liable to Me for indirect, special, punitive, consequential or incidental loss or damage (including, but not limited to, trading losses, lost profits, or other indirect loss or damage) of any nature arising from any cause whatsoever, even if NASDAQ OMX has been advised of the possibility of such damages. NASDAQ OMX shall not be liable to Me for any unavailability, interruption, delay, incompleteness or inaccuracy of the Information. This Section shall not relieve NASDAQ OMX or Me from liability for damages that result from their own gross negligence or willful tortious misconduct or from personal injury or wrongful death claims. I agree that the terms of this Section reflect a reasonable allocation of risk and limitation of liability.

## **F. Disclaimers of Warranties.**

NASDAQ OMX and its third-party information providers make no warranties of any kind with respect to the Information---express, implied or statutory (including without limitation, timeliness, truthfulness, sequence, completeness, accuracy, freedom from interruption), any implied warranties arising from trade usage, course of dealing, course of performance or the implied warranties of merchantability or fitness for a particular use or purpose or noninfringement.

## **G. Termination by NASDAQ OMX.**

I acknowledge that NASDAQ OMX, when required to do so in fulfillment of statutory obligations, may by notice to Robinhood unilaterally limit or terminate the right of any or all Persons to receive or use the

Information and that Robinhood will comply with any such notice and will terminate or limit the furnishing of the Information.

#### **4. Authorization.**

I understand that My Account is self-directed. Accordingly, I appoint Robinhood Financial as My agent for the purpose of carrying out My directions to Robinhood Financial in accordance with the terms and conditions of this Agreement and any attendant risks with respect to the purchase or sale of securities. Robinhood Financial is authorized to open or close My Account(s), place and withdraw orders and take such other steps as are reasonable to carry out My directions. All transactions will be effected only on My order or the order of My authorized delegate, except as described in Section 10. I understand Robinhood Financial provides trading and brokerage services through the Robinhood website (the "Website") and the Robinhood mobile application (the "App"). I agree to receive and transmit financial information through such electronic means. My use or My grant of access to My Account to any third party to access information or place transactions in My Account is solely at My risk.

#### **5. Customer Representations and Responsibilities.**

##### **A. Self-directed Account.**

I understand that My Account is self-directed, and so that I am solely responsible for any and all orders placed in My Account and that all orders entered by Me or on My behalf are unsolicited and based on My own investment decisions or the investment decision of My duly authorized representative or agent. Accordingly, I agree that neither Robinhood nor any of its employees, agents, principals, or representatives:

1. provide investment advice in connection with this Account;
2. recommend any security, transaction or order;
3. solicit orders;
4. act as a market maker in any security;
5. make discretionary trades; and
6. produce or provide first-party research providing a specific investment strategies such as buy, sell or hold recommendations, first-party ratings and/or price targets. To the extent research materials or similar information are available through the App or the Website or the websites of any entity controlled by, controlling, or under common control with Robinhood (such entity, an "Affiliate"), I understand that these materials are intended for informational and educational purposes only and they do not constitute a recommendation to enter into any securities transactions or to engage in any investment strategies.

##### **B. Information Accuracy.**

I: (i) certify that the information contained in this Agreement, the account application, and any other document that I furnish to Robinhood Financial in connection with My Account(s) is complete, true and correct, and acknowledge that knowingly giving false information for the purpose of inducing Robinhood Financial to extend credit is a federal crime; (ii) authorize Robinhood Financial to contact any individual or firm noted herein or on the documents referred to in subsection (i) of this Section and any other normal sources of debit or credit information; (iii) authorize anyone so contacted to furnish such information to Robinhood Financial as Robinhood may request; and (iv) agree that this Agreement, the account application and any other document I furnish in connection with My Account is Robinhood's property, as the case may be. I shall promptly advise Robinhood Financial of any changes to the information in such agreements and documents in writing within ten (10) calendar days. I authorize Robinhood Financial to obtain reports and provide information to others concerning My creditworthiness and business conduct. Upon My request, Robinhood agrees to provide Me a copy of any report so obtained. Robinhood may

retain this Agreement, the Account application, and all other such documents and their respective records at Its sole discretion, whether or not credit is extended.

### **C. Risks.**

I understand that all investments involve risk, that losses may exceed the principal invested, and that the past performance of a security, industry, sector, market, or financial product does not guarantee future results or returns.

### **D. Account Defaults.**

I understand that My Account comes with many defaulted service instruction features and preferences. I further understand that I am not required to use these defaulted options or preferences and that once My Account is approved and opened I have the sole discretion to control and adjust such defaulted service preferences that relate to My account.

### **E. Knowledge of Account.**

I understand that I am solely responsible for knowing the rights and terms for all securities purchased, sold and maintained in My Account including mergers, reorganizations, stock splits, name changes or symbol changes, dividends, option symbols, and option deliverables. I further understand that certain securities may grant Me valuable rights that may expire unless I take specific action. These securities include bonds, convertible securities, warrants, stock rights and securities subject to exchange offers or tenders. I am responsible for knowing all expiration dates, redemption dates, and the circumstances under which rights associated with My securities may be called, cancelled, or modified. Robinhood may, but are not obligated to, notify Me of any upcoming expiration or redemption dates, or take any action on My behalf without My specific instructions except as required by law and the rules of regulatory authorities. I acknowledge that Robinhood may adjust My Account to correct any error. If My Account has an option position on the last trading day prior to expiration, which is one cent or more in the money, Robinhood Financial will generally exercise the option, on My behalf. However, Robinhood Financial reserves the right at Its discretion to close any option position prior to expiration date or any position resulting from the exercising/assignment after option expiration. I will be charged a commission for any such transaction. Robinhood Financial is not obligated to take any of these actions and Robinhood Financial is not liable for Losses should it not take them.

### **F. Purchases.**

All orders for the purchase of securities given for My Account will be authorized by Me and executed in reliance on My promise that an actual purchase is intended. It is My obligation to pay for purchases immediately or on Robinhood's demand. I understand Robinhood may at any time, in its sole discretion and without prior notice to Me, prohibit or restrict My ability to trade securities. I further agree not to allow any person to trade for My Account unless a trading authorization for that person has been received and approved by Robinhood. Robinhood reserve the right to require full payment in cleared funds prior to the acceptance of any order. In the event that I fail to provide sufficient funds, Robinhood may, at its option and without notice to Me, i) charge a reasonable rate of interest, ii) liquidate the Property subject of the buy order, or iii) sell other Property owned by Me and held in any of My Accounts. Robinhood may also charge any consequential Loss to My Account. For purposes of this Agreement, "Property" shall mean all monies, contracts, investments and options, whether for present or future delivery, and all related distributions, proceeds, products and accessions.

## **G. Sales/Short Sales.**

I promise to deliver all securities sold in My Account and to provide collateral of a type and amount acceptable to Robinhood Financial for all short sales in My Account. Robinhood Financial requires that a security be held in My Account prior to the acceptance of a sell order with respect to such security unless the order is specifically designated as a "short sale." If a security is not held in My Account and a sell order is processed, I must promptly deliver such security to Robinhood Financial for receipt in good deliverable form on or before the settlement date. Any order accepted without negotiable certificates or positions in My Account will be subject, at Robinhood Financial's sole discretion, to cancellation or buy-in. To ensure this will not occur, I agree to only place sell orders for securities owned by Me and held in My Account at the time My order is placed.

Proceeds of a sale will not be paid to Me or released into My Account until Robinhood Financial has received the security in good deliverable form, whether from a transfer agent or from Me and the settlement of the security is complete. If the security is not received on or before settlement date, or as market conditions warrant, Robinhood Financial may in its sole discretion purchase the security on the open market for My Account and may liquidate and close out any and all securities in My Account in order to pay for such purchase. In the event a security is bought in, I will be responsible for all resulting Losses incurred by Robinhood Financial.

I understand that I may execute short sales only in a margin Account and that such execution must comply with applicable short sales rules.

## **H. Assistance by Robinhood.**

I understand that when I request assistance from Robinhood or its employees in using the investment tools available on the Website or the App, it will be limited to an explanation of the tool's functionality and, if requested by Me, to the entry by Robinhood or its employees of variables provided by Me, and that such assistance does not constitute investment advice, an opinion with respect to the suitability of any transaction, or solicitation of any orders.

## **I. No Tax or Legal Advice.**

I understand that Robinhood does not provide tax or legal advice.

## **J. Discontinuation of Services.**

I understand that Robinhood may discontinue My Account and any services related to My Account immediately by providing written notice to Me

## **K. Electronic Access.**

1. I am solely responsible for keeping My Account numbers and PINs confidential and will not share them with third parties. "PINs" shall mean My username and password.
2. I agree and accept full responsibility for monitoring and safeguarding My Accounts and access to My Accounts.
3. I agree to immediately notify Robinhood in writing, delivered via e-mail and a recognized international delivery service, if I become aware of: (i) any loss, theft, or unauthorized use of My PINs or Account numbers; (ii) any failure by Me to receive any communication from Robinhood indicating that an order was received, executed or cancelled, as applicable; (iii) any failure by Me to receive an accurate written confirmation of an order, execution, or cancellation; (iv) any receipt by Me of confirmation of an order, execution or cancellation, which I did not place; (v) any

inaccurate information in or relating to My orders, trades, margin status, Account balances, deposits, withdrawals, securities positions or transaction history; or (vi) any other unauthorized use or access of My Account.

4. Each of the events described in subsections (K)(3)(i)-(vi) shall be deemed a "Potential Fraudulent Event". The use and storage of any information including My Account numbers, PINs, portfolio information, transaction activity, account balances and any other information or orders available on My wireless, web-enabled cellular telephone or similar wireless communications device (collectively, "Mobile Device") or My personal computer is at My own risk and is My sole responsibility. I represent that I am solely responsible for and have authorized any orders or instructions appearing in, originating from, or associated with My Account, My Account number, My username and password, or PINs. I agree to notify Robinhood immediately after I discover any Potential Fraudulent Event, but in no event more than twenty-four (24) hours following discovery. Upon request by Robinhood, I agree to report any Potential Fraudulent Event promptly to legal authorities and provide Robinhood a copy of any report prepared by such legal authorities. I agree to cooperate fully with the legal authorities and Robinhood in any investigation of any Potential Fraudulent Event and I will complete any required affidavits promptly, accurately and thoroughly. I also agree to allow Robinhood access to My Mobile Device, My computer, and My network in connection with Robinhood's investigation of any Potential Fraudulent Event. I understand that if I fail to do any of these things I may encounter delays in regaining access to the funds in My Account. I agree to indemnify and hold Robinhood, its Affiliates, and Robinhood and its Affiliates' respective officers, directors, and employees harmless from and against any Losses arising out of or relating to any Potential Fraudulent Event. I acknowledge that Robinhood does not know when a person entering orders with My username and password is Me.
5. Trusted Contact Person. I understand that, pursuant to FINRA regulations, Robinhood is authorized to contact the Trusted Contact Person (as defined by FINRA Rule 4512) designated for My Account and to disclose information about My account to address possible financial exploitation, to confirm the specifics of My current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or as otherwise permitted by Rule 2165.

## 6. Clearance of Trades.

I understand that Robinhood Financial has entered into a clearing agreement with Robinhood Securities whereby Robinhood Financial will introduce My Account to Robinhood Securities, and Robinhood Securities will clear all transactions, on a fully-disclosed basis. I understand that Robinhood Securities carries My Account(s) and is responsible for the clearing and bookkeeping of transactions, but is not otherwise responsible for the conduct of Robinhood Financial.

Until receipt from Me of written notice to the contrary, Robinhood Securities may accept from Robinhood Financial, without inquiry or investigation, (i) orders for the purchase or sale of securities and other property on margin, if I have elected to have a margin account, or otherwise, and (ii) any other instructions concerning my Accounts. Robinhood Securities shall look solely to Robinhood Financial unless otherwise directed by Robinhood Financial, and not to Me, with respect to any such orders or instructions; except that I understand that Robinhood Securities will deliver confirmations, statements, and all written or other notices with respect to My Account directly to Me with copies to Robinhood Financial, and that Robinhood Securities will look directly to Me or Robinhood Financial for delivery of margin, payment, or securities. I agree to hold Robinhood Securities harmless from and against any Losses arising in connection with the delivery or receipt of any such communication(s), provided Robinhood Securities has acted in accordance with the above. The foregoing shall be effective as to My Account(s) until written notice to the contrary is received from Me by Robinhood Securities or Robinhood Financial.

## 7. Review of Confirmations and Statements.

I agree that it is My responsibility to review order execution confirmations and statements of My Account(s) promptly upon receipt. I agree to receive all confirmations and account statements, as well as all tax related documents, in electronic format. I understand that account statements will evidence all activity in My Account for the stated period, including securities transactions, cash balances, credits to My Account and all fees paid from My Account. Notwithstanding Section 36.B, confirmations will be considered binding on Me unless I notify Robinhood of any objections within two (2) calendar days from the date confirmations are sent. Account statements will be considered binding on Me unless I notify you

of any objections within ten (10) calendar days after My Account statements are posted online. Such objection may be oral or in writing, but any oral objection must be immediately confirmed in writing. In all cases, Robinhood reserves the right to determine the validity of My objection. If I object to a transaction for any reason, I understand and agree that I am obligated to take action to limit any losses that may result from such transaction or I will bear sole responsibility for any losses relating to the transaction, even if My objection to the transaction is ultimately determined to be valid. Nothing in this Section 7 shall limit My responsibilities as described in Section 5 of this Agreement.

## **8. Important Information Needed to Open a New Account.**

To help the government better detect the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. Therefore, I understand that when I open My Account Robinhood will ask for My name, address, date of birth and other identifying information. Robinhood may also ask copies of My driver's license, passport or other identifying documents. I understand that Robinhood may take steps to verify the accuracy of the information I provide to Robinhood in My Account application or otherwise, and that Robinhood may restrict My access to My Account pending such verification. I will provide prompt notification to Robinhood of any changes in the information including My name, address, e-mail address and telephone number.

I further understand that if I attempt to access My Account from a jurisdiction subject to certain U.S. sanctions or I am ordinarily resident in such a jurisdiction, or if you reasonably believe that I am attempting such access or have become a resident in such a jurisdiction, you may restrict My Account, and any pending orders may be cancelled. If this happens, I understand that I should contact [help@robinhood.com](mailto:help@robinhood.com), and that I may be asked to provide supplemental information as part of this process. I further understand that I must close My Account before establishing residency in any jurisdiction subject to U.S. sanctions.

## **9. Telephone Conversations and Electronic Communications.**

I understand and agree that Robinhood may record and monitor any telephone or electronic communications with Me. Unless otherwise agreed in writing in advance, Robinhood does not consent to the recording of telephone conversations by any third party or Me. I acknowledge and understand that not all telephone or electronic communications are recorded by Robinhood, and Robinhood does not guarantee that recordings of any particular telephone or electronic communications will be retained or capable of being retrieved.

## **10. Oral Authorization.**

I agree that Robinhood shall be entitled to act upon any oral instructions given by Me so long as Robinhood reasonably believes such instruction was actually given by Me or My authorized agent.

## **11. Applicable Laws and Regulations.**

All transactions in My Account will be subject to federal securities laws and regulations, the applicable laws and regulations of any state or jurisdiction in which Robinhood Financial is registered, the rules of any applicable self-regulatory organization of which Robinhood Financial is a member and the rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, where the transactions are executed. In no event will Robinhood Financial be obligated to effect any transaction it believes would violate any federal or state law, rule or regulation or the rules or regulations of any regulatory or self-regulatory organization.

## **12. Erroneous Distributions.**

I agree to promptly return to Robinhood any assets erroneously distributed to Me. In the event that I sell a security prior to its ex-dividend/distribution date, and I receive the related cash/stock dividend or distribution in error, I direct Robinhood on My behalf to pay such dividend/distribution to the entitled purchaser of the securities I sold, and I guarantee to promptly reimburse Robinhood for, or deliver to Robinhood, said dividend or distribution.

### **13. Market Volatility; Market Orders; Limit Orders; and Queued Orders.**

I understand that, whether I place a market or limit order, I will receive the price at which My order is executed in the marketplace, subject to any clarification stated below. Particularly during periods of high volume, illiquidity, fast movement or volatility in the marketplace, the execution price received may differ from the quote provided on entry of an order, and I may receive partial executions of an order at different prices. I understand that Robinhood Financial is not liable for any price fluctuations. I also understand that price quotes generally are for only a small number of shares as specified by the marketplace, and larger orders are relatively more likely to receive executions at prices that vary from the quotes or in multiple lots at different prices.

I understand that Robinhood Financial does not currently support sending traditional market buy orders and that Robinhood Financial collars all market buy orders (other than dollar-based buy orders executed during market hours) by using limit orders priced up to 5% above the last trade price. This is not the case for market sell orders. I further understand that when I send a market buy order through Robinhood Financial's trading system, the trading system generates a limit order up to 5% above the last trade price, and then Robinhood Financial sends the order to an executing broker. I understand that Robinhood Financial's implementation of market buy orders may vary depending on prices of instruments, market conditions, and other factors. I further understand that Robinhood Financial uses the following rounding mechanics with respect to buy orders: the last trade price is (i) multiplied by 1.05; (ii) rounded down to two decimal places if the last trade price is over \$1.00; otherwise, rounded down to four decimal places; and (iii) for securities included in the SEC's Tick Size Pilot Program, rounded down to the nearest \$.05 increment. I understand that securities may open for trading at prices substantially higher or lower than the previous closing price or the anticipated price. If I place a market order (whether during normal market hours or when the market is closed), I agree to pay or receive the prevailing market price at the time My market order is executed, subject to the specific clarification above relating to buy orders. I understand that the price I pay may be significantly higher or lower than anticipated at the time I placed the order. To avoid buying a security at a higher price and possibly exceeding My purchasing power, I understand My option to enter a limit order. I also understand that limit orders may not be executed at any particular time, or at all, if there is not sufficient trading at or better than the limit price I specify, and are only good until the end of the trading day in which they are entered. The Website contains further information regarding order types and limitations, which I agree to read and understand before placing such orders.

As a customer of Robinhood Financial, I understand that after the market has closed for the day, I have the ability to place in a queue order requests to be executed the following day upon the opening of the market ("Queued Order"). I understand that My Queued Order request is prioritized based on the order in which it is received by Robinhood Financial, and that the Queued Order requests are sent out for execution shortly after the market opens on the next day of trading. I further understand that each Queued Order request is sent out per customer and per security as Robinhood Financial market orders (described above), and that they are not aggregated.

A limit order may be "good till cancelled" which means the order remains valid until (A) it is executed; (B) I cancel the order; (C) approximately 90 days from when the order is placed; or (D) the contract to which it relates is closed. I understand that Robinhood will cancel a "good till cancelled" order at the end of every trading day (on the exchange on which the instrument to which the contract relates is traded) and place such order again at the start of the following trading day. This process will be repeated every day for as long as the "good till cancelled" order remains valid. I further agree that any "good till cancelled" orders I place should be treated as "do not reduce" orders.

### **14. Bulletin Board/Pink Sheet Stocks.**

Bulletin board, pink sheet and other thinly-traded securities (collectively "bulletin board stocks") present particular trading risks, in part because they are relatively less liquid and more volatile than actively traded securities listed on a major exchange. I understand that bulletin board stocks may be subject to different trading rules and systems than other securities and that I may encounter significant delays in executions, reports of executions, and updating of quotations in trading bulletin board stocks. Robinhood Financial in its sole discretion may require limit orders on certain bulletin board stock transactions.

### **15. Research and Internet Links.**

News, research, links to outside websites, and other information accessible through the App or Website ("Content") may be prepared by independent external providers not affiliated with Robinhood Financial,

including Morningstar, Inc. (all such providers, the "Providers"). I agree not to distribute, reproduce, sell, or otherwise commercially use the Content in any manner. I understand that Robinhood may terminate My access to the Content. I understand that none of the Content is a recommendation by Robinhood to buy or sell any securities or to engage in any investment strategy.

## **16. Restrictions on Trading.**

I understand that Robinhood may, in its discretion, prohibit or restrict the trading of securities, or the substitution of securities, in any of My Accounts. I understand that Robinhood may execute all orders by Me on any exchange or market, unless I specifically instruct Robinhood to the contrary. In the event of a breach or default by Me under this Agreement, Robinhood shall have all rights and remedies available to a secured creditor under all applicable laws and in addition to the rights and remedies provided herein. I understand that Robinhood may at any time, at its sole discretion and without prior notice to Me: (i) prohibit or restrict My access to the use of the App or the Website or related services and My ability to trade, (ii) refuse to accept any of My transactions, (iii) refuse to execute any of My transactions, or (iv) terminate My Account. The closing of My Account will not affect the rights or obligations of either party incurred prior to the date My Account is closed.

Further, Robinhood will not tolerate any foul or abusive language, physical violence, threatening behavior, or other inappropriate conduct directed toward Robinhood, its Affiliates' officers, employees, contractors or customers. If I engage in any such behavior, as determined by Robinhood in its sole discretion, I agree that Robinhood is authorized to: (i) liquidate any securities, instruments or other property in My Account, (ii) send Me the proceeds, and (iii) close My account. Robinhood will not be responsible for any Losses caused by the liquidation of securities, instruments or other property pursuant to this paragraph, including any tax liabilities.

## **17. Waiver; Limitation of Liability; Indemnification.**

I agree that My use of the App or the Website or any other service provided by Robinhood Financial or its Affiliates is at My sole risk. The Robinhood Financial service (including the App, the Website, the provision of Market Data, Information, Content, or any other information provided by Robinhood Financial, any of its Affiliates, or any third-party content provider or market data provider) is provided on an "as is," "as available" basis without warranties of any kind, either express or implied, statutory (including without limitation, timeliness, truthfulness, sequence, completeness, accuracy, freedom from interruption), implied warranties arising from trade usage, course of dealing, course of performance, or the implied warranties of merchantability or fitness for a particular purpose or application, other than those warranties which are implied by and incapable of exclusion, restriction or modification under the laws applicable to this Agreement.

Although considerable effort is expended to make the Website, App and other operational and communications channels available around the clock, Robinhood does not warrant that these channels will be available and error free every minute of the day. I agree that Robinhood will not be responsible for temporary interruptions in service due to maintenance, Website or App changes, or failures, nor shall Robinhood be liable for extended interruptions due to failures beyond our control, including but not limited to the failure of interconnecting and operating systems, computer viruses, forces of nature, labor disputes and armed conflicts.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, I UNDERSTAND AND AGREE THAT ROBINHOOD, ITS AFFILIATES, THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, AND THE PROVIDERS (COLLECTIVELY THE "ROBINHOOD PARTIES") WILL NOT BE LIABLE TO ME OR TO THIRD PARTIES UNDER ANY CIRCUMSTANCES, OR HAVE ANY RESPONSIBILITY WHATSOEVER, FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING TRADING LOSSES, DAMAGES, LOSS OF PROFITS, REVENUE, OR GOODWILL) THAT I MAY INCUR IN CONNECTION WITH MY USE OF THE SERVICE PROVIDED BY ROBINHOOD OR ANY OF ITS AFFILIATES UNDER THIS AGREEMENT (INCLUDING MY USE OF THE APP, THE WEBSITE, THE MARKET DATA, THE INFORMATION, OR THE CONTENT), BREACH OF THIS AGREEMENT, OR ANY TERMINATION OF THIS AGREEMENT, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, AND WHETHER OR NOT FORESEEABLE, EVEN IF ANY ROBINHOOD PARTY HAS BEEN ADVISED OR WAS AWARE OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. THE ROBINHOOD PARTIES SHALL NOT BE LIABLE BY REASON OF DELAYS OR INTERRUPTIONS OF THE SERVICE OR TRANSMISSIONS, OR FAILURES OF PERFORMANCE OF THEIR RESPECTIVE SYSTEMS,

REGARDLESS OF CAUSE, INCLUDING THOSE CAUSED BY GOVERNMENTAL OR REGULATORY ACTION, THE ACTION OF ANY EXCHANGE OR OTHER SELF REGULATORY ORGANIZATION, OR THOSE CAUSED BY SOFTWARE OR HARDWARE MALFUNCTIONS.

Except as otherwise provided by law, Robinhood or any of its affiliates or respective partners, officers, directors, employees or agents (collectively, "Indemnified Parties") shall not be liable for any expenses, losses, costs, damages, liabilities, demands, debts, obligations, penalties, charges, claims, causes of action, penalties, fines and taxes of any kind or nature (including legal expenses and attorneys' fees) (whether known or unknown, absolute or contingent, liquidated or unliquidated, direct or indirect, due or to become due, accrued or not accrued, asserted or unasserted, related or not related to a third party claim, or otherwise) (collectively, "Losses") by or with respect to any matters pertaining to My Account, except to the extent that such Losses are actual Losses and are determined by a court of competent jurisdiction or an arbitration panel in a final non-appealable judgment or order to have resulted solely from Robinhood's or any of its affiliates' gross negligence or intentional misconduct. In addition, I agree that the Indemnified Parties shall have no liability for, and I agree to indemnify, defend and hold harmless the Indemnified Parties from all Losses that result from: (i) any noncompliance by Me with any of the terms and conditions of this Agreement; (ii) any third-party actions related to My receipt and use of any Information, Market Data, Content, market analysis, other third-party content, or other such information obtained on the App or Website, whether authorized or unauthorized under this Agreement; (iii) any third-party actions related to My use of the App or the Website; (iv) My or My agent's misrepresentation or alleged misrepresentation, or act or omission; (v) Indemnified Parties following My or My agent's directions or instructions, or failing to follow My or My agent's unlawful or unreasonable directions or instructions; (vi) any activities or services of the Indemnified Parties in connection with My Account (including any technology services, reporting, trading, research or capital introduction services); or (vii) the failure by any person not controlled by the Indemnified Parties and their affiliates to perform any obligations to Me. Further, if I authorize or allow third parties to gain access to Robinhood's services, including My Accounts, I will indemnify, defend and hold harmless the Indemnified Parties against any Losses arising out of claims or suits by such third parties based upon or relating to such access and use. Robinhood does not warrant against loss of use or any direct, indirect or consequential damages or Losses to Me caused by My assent, expressed or implied, to a third party accessing My Account or information, including access provided through any other third party systems or sites.

I consent to the use of automated systems or service bureaus by Robinhood and its respective affiliates in conjunction with My Account, including automated order entry and execution, record keeping, reporting and account reconciliation and risk management systems (collectively "Automated Systems"). I understand that the use of Automated Systems entails risks, such as interruption or delays of service, errors or omissions in the information provided, system failure and errors in the design or functioning of such Automated Systems (collectively, a "System Failure") that could cause substantial damage, expense, or liability to Me. I understand and agree that Indemnified Parties will have no liability whatsoever for any of my Losses arising out of or relating to a System Failure.

I also agree that Indemnified Parties will have no responsibility or liability to Me in connection with the performance or non-performance by any exchange, clearing organization, market data provider, or other third party (including other broker-dealers and clearing firms, and banks) or any of their respective agents or affiliates, of its or their obligations relative to any securities. I agree that Indemnified Parties will have no liability, to Me or to third parties, or responsibility whatsoever for: (i) any Losses resulting from a cause over which Indemnified Parties do not have direct control, including the failure of mechanical equipment, unauthorized access, theft, operator errors, government restrictions, force majeure (as defined in this Agreement), market data availability or quality, exchange rulings or suspension of trading; and (ii) any special, indirect, incidental, consequential, punitive or exemplary damages (including lost profits, trading losses and damages) that I may incur in connection with My use of the App, the Website, Robinhood's brokerage, and other services provided by Indemnified Parties under this Agreement.

## **18. Mutual Fund Transactions.**

In the event that I purchase or hold a mutual fund, I agree to read and understand the terms of its prospectus. I understand that certain mutual funds reserve the right to change their purchasing, switching or redemption procedures or suspend or postpone redemptions under certain market conditions. I further understand that any mutual fund order entered with Robinhood is placed by Robinhood on a best efforts basis as prescribed and recognized by the individual fund, and that Robinhood is not responsible for unexecuted orders due to the failure of any communication system. I agree to be fully responsible for the information contained within the mutual fund prospectus and to hold Robinhood, its Affiliates, and Robinhood and its Affiliates' respective officers and employees harmless

for any deficiencies contained therein. I authorize Robinhood to act as My agent in the purchase and redemption of fund shares.

### **19. Exchange Traded Funds.**

I understand that I should consider the investment objectives and unique risk profile of Exchange Traded Funds ("ETFs") carefully before investing, and that ETFs are subject to risks similar to those of other diversified portfolios. I further understand that leveraged and inverse ETFs may not be suitable for all investors and may increase exposure to volatility through the use of leverage, short sales of securities, derivatives, and other complex investment strategies, and that although ETFs are designed to provide investment results that generally correspond to the performance of their respective underlying indices, they may not be able to exactly replicate the performance of the indices because of expenses and other factors. I further understand that ETFs are required to distribute portfolio gains to shareholders at year end, which may be generated by portfolio rebalancing or the need to meet diversification requirements, and that ETF trading will also generate tax consequences. I understand that I can obtain prospectuses from issuers or their third party agents who distribute and make prospectuses available for review. Additional regulatory guidance on ETFs can be found [here](#).

### **20. Effect of Attachment or Sequestration of Accounts.**

Robinhood shall not be liable for refusing to obey any orders given by or for Me with respect to any of My Accounts that has or have been subject to an attachment or sequestration in any legal proceeding against Me, and Robinhood shall be under no obligation to contest the validity of any such attachment or sequestration.

### **21. Event of Death.**

It is agreed that in the event of My death, the representative of My estate or the survivor or survivors shall immediately give Robinhood written notice thereof, and Robinhood may, before or after receiving such notice, take such proceedings, require such papers and inheritance or estate tax waivers, retain such portion of, or restrict transactions in the Account as Robinhood may deem advisable to protect Robinhood against any tax, liability, penalty or loss under any present or future laws or otherwise. Notwithstanding the above, in the event of My death, all open orders shall be canceled, but Robinhood shall not be responsible for any action taken on such orders prior to the actual receipt of notice of death. Further, Robinhood may in its discretion close out any or all of the Accounts without awaiting the appointment of a personal representative for My estate and without demand upon or notice to any such personal representative. The estate of any of the Account holders who have died shall be liable and each survivor shall continue to be liable, jointly and severally, to Robinhood for any net debit balance or loss in said account in any way resulting from the completion of transactions initiated prior to the receipt by Robinhood of the written notice of the death of the decedent or incurred in the liquidation of the Account or the adjustment of the interests of the respective parties, and for all other obligations pursuant to this Agreement. Such notice shall not affect Robinhood's rights under this Agreement to take any action that Robinhood could have taken if I had not died.

### **22. Tax Reporting; Tax Withholding.**

The proceeds of sale transactions and dividends paid will be reported to the Internal Revenue Service ("IRS") in accordance with applicable law.

#### **A. U.S. Persons.**

This subsection is applicable if I am a U.S. person. Under penalties of perjury, I certify that the taxpayer identification number that I have provided or will provide to Robinhood (including any taxpayer identification number on any Form W-9 that I have provided or will provide to Robinhood) is My correct taxpayer identification number. I certify that I am not subject to backup withholding and I am a United States Person (including a U.S. resident alien) as such term is defined in section 7701(a)(30) of the Internal Revenue Code of 1986, as amended ("U.S. Person"). If a correct Taxpayer Identification Number is not provided Robinhood Financial, I understand I may be subject to backup withholding tax at the appropriate rate on all dividends, interest and gross proceeds paid to me. Backup withholding taxes

are sent to the IRS and cannot be refunded by Robinhood Financial. I further understand that if I waive tax withholding and fail to pay sufficient estimated taxes to the IRS, I may be subject to tax penalties.

## **B. Non-U.S. Persons.**

This subsection is applicable if I am not a U.S. Person. I certify that I fully understand all the information on any Form W-8BEN that I have submitted or will submit to Robinhood. Under penalties of perjury, I declare that (i) I have examined all the information (including all the information in the English language) on any Form W-8BEN that I have submitted or will submit to Robinhood and (ii) to the best of My knowledge and belief all such information is true, correct, and complete. I authorize Robinhood to provide any such Form W-8BEN to Robinhood Securities or any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. I agree that I will submit a new Form W-8BEN to Robinhood within 30 calendar days if any certification made on any previously submitted Form W-8BEN becomes incorrect. I understand that the IRS does not require My consent to any provisions of such Form W-8BEN other than the certifications required to establish My status as a non-U.S. Person and, if applicable, obtain a reduced rate of withholding.

## **23. Equity Orders and Payment For Order Flow.**

SEC rules require all registered broker-dealers to disclose their policies regarding any "payment for order flow" arrangement in connection with the routing of customer orders. "Payment for order flow" includes, among other things, any monetary payment, service, property, or other benefit that results in remuneration, compensation, or consideration to a broker-dealer from any broker-dealer in return for directing orders. I understand that Robinhood transmits customer orders for execution to various exchanges or market centers based on a number of factors. These include: size of order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing and reduced execution costs through price concessions from the market centers. I further understand that certain of the exchanges or market centers may execute orders at prices superior to the publicly quoted market in accordance with their rules or practices and that while a customer may specify that an order be directed to a particular market center for execution, the order-routing policies, taking into consideration all of the factors listed above, are designed to result in favorable transaction processing for customers. The nature and source of any payments or credits received by Robinhood in connection with any specific transactions will be furnished upon written request.

## **24. Free Credit Balances and Sweep Service.**

If I enroll in Robinhood Financial Cash Management ("Cash Management"), I understand that I am electing to participate in the Insured Network Deposit ("IND") sweep service (the "Sweep Service"). Under the Sweep Service, free credit balances in My Account will be deposited into interest-bearing accounts at one or more banks ("Participating Depository Institutions"), in accordance with the Insured Network Deposit Sweep Program Disclosures ("IND Disclosures") available on the Website and in the App. By enrolling in Cash Management, I represent and warrant that I have reviewed the IND Disclosures and agree to the terms set forth in the IND Disclosures. If I am not enrolled in Cash Management, free credit balances in My Account will remain in My Account, will not earn interest and will not be eligible for FDIC insurance, but will be eligible for SIPC protection as described in the IND Disclosures.

## **25. Fees and Charges.**

I understand that Robinhood does not charge fees or commissions for executing buy and sell orders. However, I understand that other fees may apply. The current fees are included in the fee schedule available in the App and on the Website. I agree to pay any such fees at the then-prevailing rate. I acknowledge that the prevailing fees may change and that change may occur without notice. I agree to be bound by such changes once they are posted in the fee schedule available in the App and on the Website. I also agree to pay all applicable federal, state, local, and foreign taxes. I authorize Robinhood Financial to automatically debit My Account for any such fees and taxes. I also agree to pay such expenses incurred by Robinhood in connection with collection of any unpaid balance due on My Accounts including attorney's fees allowed by law.

## **26. ACH Transactions.**

### **A. Debit Transactions.**

Robinhood will initiate an ACH debit at My request to debit funds from an account that I own at another financial institution ("External Account") for deposit into My Account. I understand that in order for Robinhood to initiate an ACH debit, the financial institution holding my External Account must participate in the ACH system. I understand that for the ACH transfers to be established, at least one common name must match exactly between My Account and My External Account. I authorize Robinhood to take such steps as it deems appropriate to verify my ownership of External Account, including by telling the bank at which such External Account is held that I have authorized and consented to such bank disclosing to Robinhood any information that Robinhood may request about Me or My External Account. I also agree to cooperate with Robinhood's verification of my ownership of such External Account by promptly providing any identification and/or other documentation that Robinhood may request regarding such External Account. I represent and warrant that there are sufficient funds in My External Account to cover the amount of the deposit to My Account. Robinhood will initiate the ACH debit to My External Account on the Business Day or next Business Day after I request the transfer. A transfer request will be deemed to have been made on a Business Day if it is received by Robinhood by 7:00 p.m. (Eastern Time) on such Business Day; if received after that time, the transfer request will be deemed to have been made on the next Business Day.

Within 60 days of the date of My ACH deposit, My funds may only be withdrawn to the External Account from which such funds were debited.

I understand that an ACH debit transfer may be reversed or rejected if: (A) there are insufficient funds in My External Account; (B) there is a duplicate transaction; (C) the transaction is denied by the bank holding My External Account; or (D) My External Account does not support ACH transfers. I acknowledge that in the event of an ACH reversal, I will incur a fee. Before initiating making an ACH debit transfer, I agree to check Robinhood Financial's most recent [Commissions and Fees Schedule](#). I agree that I am solely liable and responsible for any ACH reversal fees that I incur.

### **B. Credit Transactions.**

Robinhood will initiate an ACH credit at My request to transfer funds from My Account to a recipient that I designate. I agree that I will have sufficient Available Funds in My Account to cover the amount of any ACH credit that I ask Robinhood to initiate. Robinhood will debit the amount of such request from My Account on the Business Day or next Business Day after I request the transfer. A transfer request will be deemed to have been made on a Business Day if it is received by Robinhood on such Business Day; if received after that time, the transfer request will be deemed to have been made on the next Business Day.

I agree that Robinhood may use any means which Robinhood, in its sole discretion, considers suitable to execute my ACH credit transfers.

## **27. Fractional Shares.**

I acknowledge and understand that Robinhood rounds all holdings of fractional shares to the sixth decimal place, the value of fractional shares to the nearest cent, and any dividends paid on fractional shares to the nearest cent. I further understand that Robinhood will not accept dollar-based purchases or sales of less than \$1.00 and that I will receive proceeds from the sale of any whole or fractional shares rounded to the nearest cent.

I understand that if I enter repeated fractional orders with individual notional values of less than \$0.01, my account may be restricted.

I understand that a vendor employed by Robinhood will aggregate any proxy votes for fractional shares of Robinhood's customers with all votes reported to the issuer or issuer's designated vote tabulator and that, while Robinhood's vendor will report such proxy votes on fractional shares, the issuer or tabulator may not fully count such votes.

I understand that Robinhood will execute all orders that include fractional shares ("Fractional Orders") on a principal basis. To the extent that Robinhood must purchase or sell shares in the market to fulfill any part of my Fractional Order, the fractional component of that order will be fulfilled at the execution price Robinhood received for the corresponding whole shares. To the extent that Robinhood fulfills my Fractional Order for national exchange-listed securities ("NMS Securities") entirely out of its inventory and without purchasing or selling shares in the market ("Inventory Fulfillment"), Robinhood will endeavor to price such shares or fractional shares at a price between the National Best Bid and Offer ("NBBO") at the time of the order for orders made during market hours, or, for such orders made during extended hours trading (9:00-9:30 a.m. and 4:00-6:00 p.m. Eastern), Robinhood will endeavor to price such orders between the best bid and offer at the time of the order, as reported by an external vendor ("Vendor BBO"). For Inventory Fulfillment of Fractional Orders for securities not listed on a national exchange ("Non-NMS Securities") made during market hours as well as extended hours trading, Robinhood will endeavor to price such orders between Vendor BBO.

All non-market orders placed outside market hours and extended hours trading are queued and fulfilled either at or near the beginning of extended hours trading (9:00 a.m. Eastern) or at or near market open (9:30 a.m. Eastern), according to my instructions. All market orders placed outside market hours and extended hours trading are queued and fulfilled at or near market open. To the extent that I trade outside of market hours, these trades are subject to Robinhood's [Extended Hours Trading Disclosure](#).

I understand Robinhood only accepts market orders for fractional shares at this time and does not permit limit orders for fractional shares. I understand that fractional shares within My Account (i) are unrecognized, unmarketable, and illiquid outside the Robinhood platform, (ii) are not transferrable in-kind, and (iii) may only be liquidated and the proceeds transferred out via a wire transfer. I acknowledge that, subject to applicable requirements, Robinhood may report holdings and transactions in My Account in terms of either U.S. Dollars, shares, or both.

I agree that my fractional share holdings shall be treated as a "financial asset" under Article 8 of the Uniform Commercial Code.

## 28. Phone Calls.

You agree that, by providing information Robinhood requests, Robinhood and its third party services providers may contact you via mail, phone or email.

Specifically, if you provide us with a phone number: (a) you represent and warrant that the number you provide is your phone number, and you will promptly notify us if that changes, and (b) you consent to receive calls (including text messages) made to that phone number that may be prerecorded and/or completed with an automatic telephone dialing system (automated calls) for purposes including but not limited to providing account-related communications (including security alerts), investigating or preventing fraud, and/or collecting amounts owed to Robinhood. We may share your number with third parties that provide services to us in connection with any of the foregoing purposes, including but not limited to debt collectors. You understand that message, telephone minute and data rates may apply for calls made to a mobile phone number. You may opt out at any time from receiving these types of calls orally or in writing to [limitsharing@robinhood.com](mailto:limitsharing@robinhood.com). Please note, even if you opt out, we may still make other calls as permitted by law.

You consent to our recording of phone calls, including calls we make to you or that we receive from you.

## 29. Dividend Reinvestment Program.

Except as expressly stated otherwise, the provisions of this Section 29 will only apply if I am enrolled in Robinhood's Dividend Reinvestment Program ("DRIP"). My enrollment in the DRIP will be activated within three business days after I notify Robinhood of my intention to enroll an eligible security through the App. "Eligible security" means all shares available for fractional investing through Robinhood. I understand that in order to be eligible for dividend reinvestment, the securities must be held in My Account.

I may specify individual securities or have all Eligible securities in My Account enrolled for dividend reinvestment. If I choose to reinvest dividends from all Eligible securities, I understand that individual securities could subsequently no longer be Eligible securities at Robinhood's discretion or under applicable law. In those cases, only those securities will be discontinued from the DRIP. If I specify individual securities, I may add additional Eligible securities to the DRIP at any time if I hold a position

in those securities. Enrollment with respect to these additional Eligible securities will be effective within three business days after Robinhood receives notification from me through the App. If I maintain open orders for securities I do not already hold, I may not enroll those securities for dividend reinvestment until my open orders are executed. If my entire Account is set up for dividend reinvestment, any eligible securities I purchase in the future will automatically participate in the DRIP.

All eligible cash distributions will be reinvested on all securities I have selected in the DRIP, provided that I owned the securities on the record date for determining shareholders eligible to receive dividends, and continue to hold the securities through payable date. "Eligible cash distributions" means most cash distributions, including regular and optional dividends, cash-in-lieu payments, and capital gains distributions. Special dividends, late ex-date, liquidation, and miscellaneous payments may not be eligible distributions. Optional dividends will be processed in accordance with dividend reinvestment instructions. If I have a margin account, Robinhood is permitted to borrow a dividend paying stock in the normal course of business and, as a result, in such situations instead of a dividend payment I may receive a cash in lieu payment. If I receive a cash in lieu payment, I authorize Robinhood to treat such payment as if it was not "in lieu" and reinvest it accordingly.

Robinhood will credit My Account upon completion of the dividend reinvestment. Robinhood will reinvest dividends on the business day following receipt of funds. In the rare instance in which Robinhood is unable to reinvest all dividends on the business day following receipt, it will reinvest the remaining funds as soon as reasonably possible thereafter, which may take up to five business days. I will not have use of the funds prior to reinvestment.

I understand that my participation in the DRIP is voluntary and that Robinhood has not made any recommendation that I should participate. I further understand that Robinhood is not recommending or offering any advice regarding the purchase of any security included as an Eligible security in the DRIP. I further understand that dividend reinvestment does not assure profits on my investments, nor does it protect against losses in declining markets.

I may terminate my participation in the DRIP, or the enrollment of individual securities in the DRIP, at any time by giving notice through the App. Termination will take effect prior to the next Eligible cash distribution provided my notice to terminate was received at least three business days prior to the record date of that distribution. I understand that my notice to terminate my participation in the DRIP will not affect any obligations that may result from transactions initiated prior to Robinhood's receipt and processing of my notice.

If I participate in the DRIP, I understand Robinhood will reinvest the dividends of a particular stock at or near the opening price on the trading day following receipt of the dividend. Robinhood will combine Eligible cash distributions from My Account with those from other Robinhood clients requesting dividend reinvestment in the same security and use these combined funds to purchase securities on my behalf and on behalf of these other clients. If the combined reinvested funds do not total the purchase price of at least one share, the distribution will be invested in fractional shares. On that same day, Robinhood will credit My Account with that number of shares, including fractional shares, equal to my Eligible cash distribution divided by the purchase price per share. Robinhood does not intend to charge a fee for transactions executed pursuant to the DRIP.

Dividend reinvestment may result in my owning interests in fractional shares of a security. I will be entitled to receive future dividend payments on my fractional shares, although other corporate actions may result in allocation of only whole shares and cash in lieu of fractions as determined by the issuer. In mandatory corporate reorganizations, my partial interest will be handled according to the specific terms of the reorganization. In voluntary corporate reorganizations, Robinhood will act on my instructions with respect only to my whole shares.

Because fractional share positions cannot be transferred, reorganized, or issued in certificate form, my partial interest will be liquidated, without commission charges to me, at prevailing market prices in the event My Account is transferred or closed, the stock is reorganized, or stock certificates are ordered out of My Account. The timing of such liquidations will be at the discretion of Robinhood.

Reinvestment of dividends may result in my owning a fractional share position in securities that are callable in part. In the event of a call, fractional shares to be called will be determined through a random selection process. The probability of my fractional share holdings being called will be proportional to the holdings of all Robinhood clients who own a fractional share position in that security. Prior to the publication date of such a call, I have the right to withdraw from My Account cash in lieu of my uncalled, fully paid partial holdings. Once a call is announced, however, all shares, whether registered or held in

street name, participate in the random selection process. If my fractional shares are selected and I no longer hold the shares that I held on the publication date of the call, I will be responsible for covering those shares.

### **30. Cash Management Services.**

Except as expressly stated otherwise, the provisions of this Section 30 will only apply if I am enrolled in Cash Management.

#### **A. General.**

I understand and agree that by enrolling in Cash Management, I may apply for a Robinhood-branded debit card issued by the bank identified in My Robinhood Debit Card Agreement ("Card"). I further understand and agree that by using My Card, exercising My electronic fund transfer ("EFT") privileges offered in connection with My Account, and/or by successfully completing a request using Pay by Check, I authorize Robinhood to debit My Account immediately whenever an electronic draft or Card transaction is presented for payment on My behalf, when an EFT transaction is effected, when a Pay by Check request is successfully completed on My Account and/or when any fee or charge is due (collectively "Payment" or "Payments"). I further understand and agree that when I request a Payment or withdrawal or instruct Robinhood to make a purchase of securities from My Account, Robinhood is authorized to place a block on the amount of the transaction ("Blocked Amounts") prior to the settlement date of the Payment, withdrawal or trade, and that the Blocked Amounts will not be available for use for additional Payments or the purchase of securities. I agree to maintain Available Funds sufficient to pay for Payments made by Me or any Authorized Card User (as defined below) and to pay for any securities trades and for interest on any margin loans and other transaction fees. For this purpose, "Available Funds" in My Account will fluctuate daily and means the sum of (i) free credit balances, (ii) deposits to Participating Depository Institutions through the Sweep Service, and (iii) available margin loan value if My Account has margin privileges, minus (x) uncleared funds, (y) Blocked Amounts, and (z) deposits subject to a hold. The loan value of eligible securities for the purpose of margin is subject to regulatory requirements and Robinhood credit policies then in effect.

#### **B. Payments and Withdrawals.**

I agree that any Payments that I make from My Account will be lawful. I agree that Payments will be deducted from the Available Funds in My Account in the following order: first, from free credit balances; second, by withdrawal of funds deposited to Participating Depository Institutions as part of the Sweep Service; and third, if My Account has margin privileges, from margin loans on the eligible securities in My margin Account. Robinhood will debit My Account only up to an amount equal to the Available Funds. I understand and agree that (i) if there are insufficient Available Funds in My Account to cover Payments when they become due, Robinhood has no obligation to make such Payments, and (ii) Robinhood has no obligation to make partial Payments. Robinhood will not charge a fee with respect to any declined Payment for which there were insufficient Available Funds. I acknowledge and agree, however, that Robinhood will not be responsible for any costs or losses that I may incur (including fees, costs, charges, attorneys' fees, investment losses, claims, demands, or liability resulting from any litigation or other actions) as a result of Robinhood's decision to decline any Payment or withdrawal or other transaction because My Account has insufficient Available Funds.

I understand that if a Payment is funded by a margin loan, I will incur interest until the margin loan is repaid.

I agree that if my Available Funds at any time falls below zero, Robinhood may suspend my ability to make Payments and terminate My Card. If this occurs, I agree to immediately pay all amounts owed to Robinhood, including any purchases on My Card which will be immediately charged to My Account.

I acknowledge and agree that Robinhood reserves the right to decline any Payments at any time for any reason with or without notice to Me. If Robinhood decides to take such action, I understand and agree that I am responsible for any pending debits, which will be processed and deducted from My Account.

I understand that transactions will post to My Account in any order determined by Robinhood and that Robinhood may change that order without prior notice to Me. Robinhood will comply with requirements of applicable law regarding the order of posting transactions.

### **C. Limitation of Liability.**

I agree that, subject to any limitations imposed by applicable law, and except as otherwise set forth in this Agreement or in the disclosures contained in the Robinhood Debit Card Agreement, which has been provided to Me or made available to me in connection with the opening of My Account, Robinhood, Robinhood's agents, any processing bank, and the Card issuer will not be liable for any loss I incur in connection with My Account and any Payments or other features of My Account unless Robinhood is grossly negligent in fulfilling this Agreement. In no event will Robinhood, Robinhood's agents, any processing bank, and the Card issuer shall not be liable for consequential, special or indirect damages or losses unless applicable law requires otherwise. I also agree that liability regarding online services or use of the App is further limited by the Robinhood Terms and Conditions, available at <https://about.robinhood.com/legal/>. To the extent I utilize online services or the App I acknowledge that I am bound by such Robinhood Terms and Conditions.

### **D. Debit Cards.**

I understand and agree that My use of the Card is subject to the terms, conditions and disclosures set forth in the Robinhood Debit Card Agreement, which has been provided to Me in connection with the opening of My Account and which I may access on the Website.

I understand and agree that I cannot request a Card for another person to use. I agree, however, that if I permit another person to have access to use My Card or Card number (an "Authorized Card User"), I am authorizing all Card transactions by such person and I agree that there are no limits to my authorization. I accept all liability with respect to the Card transactions effected by Me and any Authorized Card Users. I further agree that I may terminate the authority of an Authorized Card User only by contacting [help@robinhood.com](mailto:help@robinhood.com), to cancel my Card. I agree that the cancellation of My Card is effective only after Robinhood has a reasonable period to act on My notice.

If My Card is cancelled, I agree to destroy, or if requested by Robinhood, return the Card to Robinhood. I acknowledge that I will be responsible for any Card transactions that are processed because of My failure to destroy or return the Card following cancellation.

If My Account includes margin privileges, I agree that transactions that exceed My free credit balances and deposits in the Sweep Service may result in margin credit being extended to My Account, for which I will be charged interest. I agree to review the Margin Disclosure Statement, which is available at <https://about.robinhood.com/legal/>.

### **E. Deposits.**

The provisions in this Section 30.E shall apply to My Account whether or not I am enrolled in Cash Management.

*General; Holds.* I acknowledge and agree that funds that I deposit to My Account may be subject to one or more hold periods, which are described in the RHF Funds Availability schedule available at <https://about.robinhood.com/legal/>. I understand and agree that Robinhood reserves the right to modify the RHF Funds Availability schedule at any time by posting an updated schedule at <https://about.robinhood.com/legal/>, or otherwise providing notice to me. During the applicable hold period, My funds will not be available for Payments, withdrawal, or the settling of securities transactions, in each case as described in the RHF Funds Availability schedule. I further understand and agree that Robinhood reserves the right to further delay making deposited funds available for periods longer than the hold periods specified in the RHF Funds Availability schedule to the extent Robinhood determines that additional time is needed to verify information about the item deposited or the sender or if Robinhood otherwise believes there is a risk of fraud or other unlawful activity with respect to My Account.

*Mistaken Deposits.* If funds are deposited or transferred into My Account by mistake or otherwise, I agree that Robinhood may correct the situation and deduct any interest paid by Participating Depository Institutions, if applicable, without prior notice to Me.

*Returned Funds.* I acknowledge and agree that I am responsible for returned transactions. If I have funds transferred into My Account and that transfer is returned for any reason, Robinhood may charge the transfer and interest paid by Participating Depository Institutions, if applicable, against My Account, without prior notice to Me.

## **F. Electronic Fund Transfers.**

The provisions in this Section 30.F relating to EFTs other than Card transactions shall apply to My Account whether or not I am enrolled in Cash Management.

I understand that My Account may be eligible for a variety of EFTs, which may be subject to separate agreements, terms and conditions. These services may include use of the Card, and the "Move Money" functionality of the App. I understand that I may be required to agree to separate terms and conditions governing the particular service I use to initiate EFTs. In addition, I understand and agree that my use of EFT services are subject to the disclosures set forth in Appendix A (Electronic Fund Transfer Disclosures), and acknowledge that I have received and reviewed such disclosures.

## **G. Security.**

I agree to protect My Card, and My PINs, from access by anyone not authorized by Me to use them. I acknowledge that I will be liable for all Card and online transactions conducted by anyone to whom I have given access or who has obtained access even if not authorized by Me, up to applicable legal limits. I understand that I am responsible for reviewing My Account statement promptly to discover and report unauthorized activity, including use of My Card, Card number or PIN. I agree to notify Robinhood as provided in Appendix A (Electronic Fund Transfer Disclosures) if I believe or have reason to believe that there has been unauthorized activity in My Account or that My Card, Card number or PIN has been lost, stolen or may be used by an unauthorized person. Unless limited by law or as otherwise set forth in this Agreement or in the disclosures contained in Robinhood Debit Card Agreement, which is provided to Me as part of the Account opening process and is available on the Website, I agree that I will be responsible for losses that arise from My failure to (i) safeguard My Card and PINs, (ii) review My monthly statement for possible unauthorized activity and (iii) report any unauthorized activity to Robinhood as provided herein or in the Robinhood Debit Card Agreement.

## **H. No Illegal Purpose.**

I agree and understand that I may not use my debit card or any Payments on My Account for any illegal purpose. I agree and understand that Robinhood may, in its discretion, deny any transactions that appear to be made for an illegal purpose.

## **I. Pay by Check.**

I agree and understand that if I try to stop payment on a check after it has been mailed to the payee, Robinhood will attempt to but cannot guarantee that payment on the check will be stopped. I understand that a stop payment order on a check is valid for six months. I understand that if I wish to renew a stop payment on a check after the six month period, I must contact Robinhood to request another stop payment. I agree and understand that I may still be liable to the holder of the check even if I have requested a stop payment for the amount of the check. I agree and understand that Robinhood may deduct My Account for the amount on the check if the stop payment request is unsuccessful.

## **J. Disclosure of Information.**

I agree and understand that all disclosures of My non-public personal information shall be made in accordance with the terms of the this Agreement or the Robinhood Privacy Policy (available on the Website at <https://about.robinhood.com/legal/>, as applicable. I agree that My consent to sharing non-public personal information will remain in effect until I revoke such consent by updating My settings and visibility, which I may do at any time through the App.

In addition, I understand and agree that Robinhood may disclose information about My Account and My related activities to third parties under the following circumstances: - As necessary to complete My Payment transactions; - To investigate any complaint, disputed transaction, transaction inquiry or request I make or as necessary to investigate potential fraud or misuse related to My Account; - To respond to requests from credit bureaus, creditors or other third parties for account-related information, to the extent such inquiries are necessary for processing My transactions or are usual and customary in the course of servicing similar products or accounts; - As necessary to comply with any applicable law, government or court order or subpoena; or - In accordance with My written permission or as otherwise permitted under the Robinhood Privacy Policy.

## **I. Termination.**

I understand that Robinhood may terminate my participation in Cash Management or in specific features of Cash Management for any reason, upon notice to me.

## **31. Consent to Redeem Shares.**

I understand and agree that whenever it is necessary for Robinhood's protection or to satisfy a margin call, deficiency, debit or other obligation owed to Robinhood, Robinhood may (but is not required to) sell, assign and deliver all or any part of the securities in My Account, or close any or all transactions in My Account. I understand that Robinhood may, but is not obligated to, attempt to contact Me before taking any such action. I understand and agree that Robinhood reserves the right to take any such action without prior notice or demand for additional collateral, and free of any right of redemption, and that any prior demand, call or notice will not be considered a waiver of our right to sell or buy without demand, call or notice.

I further understand that Robinhood may choose which securities to buy or sell, which transactions to close, and the sequence and timing of liquidation, and may take such actions on whatever exchange or market and in whatever manner (including public auction or private sale) that Robinhood chooses in the exercise of its business judgment. I agree not to hold Robinhood liable for the choice of which securities to buy or sell or of which transactions to close or for the timing or manner of the liquidation. I also agree not to hold Robinhood liable for taking such action.

I understand and agree that Robinhood is entitled to exercise the rights described in this section in its sole discretion, including, but not limited to, whenever any of the following occurs:

- The equity level in My Account falls below required minimums;
- Sufficient funds or securities are not deposited to pay for transactions in My Account;
- I reverse any ACH debit transfer to My Account;
- A petition of bankruptcy or for the appointment of a receiver is filed by or against Me;
- An attachment is levied against My Account;
- I die or become incapacitated or incompetent; or
- My Account is closed.

## **32. Electronic Delivery of Trade and Account Information; Notice.**

All communications, notices, legal disclosures, and other materials related to My Account or this Agreement, including account statements, trade confirmations, margin calls, notices, disclosures, regulatory communications and other information, documents, data and records regarding My Account (the "Communications"), or an alert that any such Communication has been posted to the secure section of the Website or the App, and is available for viewing, may be sent to Me at the mailing address for My Account or the e-mail address that I have given to Robinhood in My account application or at such other

address as I may hereafter give Robinhood in writing or by e-mail at least ten (10) calendar days prior to delivery, and all communications so sent, whether in writing or otherwise, shall be deemed given to Me personally, whether actually received or not.

### **33. API.**

#### **A. Overview; Definitions.**

Robinhood may, in Robinhood's sole discretion, provide third parties with an application programming interface and other materials in accordance with any accompanying documentation (collectively, the "API Package") (such third parties, "API Licensees"), to make available certain features and functionality of Robinhood's mobile applications, websites, or technology platform via the API Licensees' products (such products, the "Licensee Products"). The API Package and the Licensee Products are collectively referred to as the "API Products". "Personal Information" means My personally identifiable information (including username, logon password, financial information, trade data, and other financial information) and all data exchanged between Robinhood and the API Products.

#### **B. Access to My Personal Information.**

Through My use of any API Products, I may be providing API Licensees with access to My Account and Personal Information. By using any API Products, I acknowledge that such API Products may employ security, policies, procedures and systems of API Licensees which may or may not be less stringent and secure than Robinhood's policies, procedures and systems. I agree that My use of any API Products shall be subject to the terms and conditions of this Agreement, in addition to any other agreements which I executed with respect to any such API Products. I understand and agree that any end user agreement that I executed with any API Licensee is concluded between Me and such API Licensee only, and not with Robinhood; and such API Licensee, not Robinhood, is solely responsible for such Licensee Product and the content thereof. I understand and agree that the API Products may deliver Personal Information to Robinhood, and that Robinhood is authorized to receive and store such Personal Information consistent with Robinhood's then-in-effect policies and procedures. Further, I agree that the API Products may request Personal Information stored by Robinhood, and I consent to Robinhood's disclosure of such Personal Information to the API Products.

#### **C. No Recommendations.**

To the extent the Licensee Products or API Licensees express opinions or make recommendations, I understand that such opinions and recommendations are expressed solely by API Licensees and are not the opinions or recommendations of Robinhood. The existence of the API Products and Robinhood's consent to any connectivity between any Licensee Products and Robinhood's technology, the App, the Website, or trading platform(s) does not constitute (i) any recommendation by Robinhood to invest in any security or utilize any investment strategy; or (ii) any representation, warranty, or other guarantee by Robinhood as to the present or future value or suitability of any sale, trade, or other transaction involving any particular security or any other investments. The existence of any and all information, tools and services provided by API Licensees or by the Licensee Products shall not constitute Robinhood's endorsement of API Licensees or the Licensee Products.

#### **D. Data Provided by Robinhood to API.**

From time to time, and subject to then-in-effect agreements between Robinhood and API Licensees, Robinhood may, in its own discretion, make market data feeds received from third parties available via the API Products. Robinhood does not make any guarantees in regard to such market data feeds. Furthermore, API Licensees or Licensee Products may make available to Me market data feeds independent of Robinhood. I am aware that from time to time that there may be discrepancy between the market data presented on the App or Website and information provided by any API Products due to a variety of reasons, including the time to update and transmit such data to a mobile application or website

and latency caused by such API Product's or My local environment (such as computer set up, connection speed, etc.). Robinhood is not responsible for the accuracy of any market data displayed on any API Products or otherwise made available by API Licensees.

### **E. Risks; No Liability.**

I acknowledge that there may be latency between the time an order (or other Personal Information) is submitted from the API Products and the time such order or Personal Information is received by Robinhood. Latency may also affect order modification and order cancellation requests. The time an order or a request is actually received by Robinhood (including for execution) will be the official time, including for the purposes of routing the order to the market for execution. In addition, all orders submitted to Robinhood are subject to order vetting by Robinhood. Orders created and submitted through any API Products are not vetted until they are received by Robinhood. It is possible that Robinhood may reject an order placed through any API Products. Robinhood cannot guarantee that any order will be accepted when such order is routed to the market for execution, and Robinhood cannot guarantee that notifications and Personal Information provided to Me by Robinhood will be successfully delivered to or displayed by any API Products.

Without limiting the generality of any other terms in this Agreement, I agree that:

1. Robinhood or its Affiliates shall not be liable for any Losses as a result of any issues addressed in this Section 33 of this Agreement, nor shall Robinhood or its Affiliates be liable for any Losses realized for technical issues involving any API Products or API Licensee technology or product offerings (including system outages or downtime).
2. Robinhood or its Affiliates shall not be responsible for any investment research provided by any API Licensee or any Licensee Products.
3. Robinhood or its Affiliates makes no representations, warranties or other guarantees as to the accuracy, timeliness or efficacy of any market data, information, or other functionality made available by any API Licensee or any API Products.

### **F. Intellectual Property.**

My use of any API Products will not confer to Me any title, ownership interest or intellectual property rights that otherwise belongs to Robinhood or any of its affiliates. The API Package, including content, is protected under U.S. patent, copyright laws, international treaties or conventions, and other laws and will remain Robinhood's exclusive property, as applicable. Names, logos, and all related product and service names, design marks, and slogans displayed by or relating to Robinhood or any of its Affiliates or API Licensees in the context of the API Products shall remain the property of the respective owner, and use of such property by Robinhood or any API Licensee in marketing or provision of any API Products does not grant ownership of or entitle Me to use any such name or mark in any manner.

### **G. User's Representations and Warranties.**

I represent and warrant that:

1. By virtue of utilizing any API Products, I consent to and accept any risk associated with Robinhood's sharing of Personal Information with any API Licensee and shall not hold Robinhood, its Affiliates, or their respective officers, directors, or employees responsible for any Losses resulting from the sharing of such Personal Information.
2. I agree that My use of any API Products or API Licensee's content, information, technology, or functionality is at My own risk.
3. I agree that Robinhood may revoke any API Licensee or API Products' authorization at any time, for any reason, with or without cause and without prior notice to Me.

### **34. Electronic Signatures; Modifications to the Agreement.**

I agree to transact business with Robinhood electronically. By electronically signing an application for an Account, I acknowledge and agree that such electronic signature is valid evidence of My consent to be legally bound by this Agreement and such subsequent terms as may govern the use of Robinhood's services. The use of an electronic version of any document fully satisfies any requirement that the document be provided to Me in writing. I accept notice by electronic means as reasonable and proper notice, for the purpose of any and all laws, rules and regulations. I acknowledge and agree that Robinhood Financial may modify this Agreement from time to time and I agree to consult the Website from time to time for the most up-to-date Agreement. The electronically stored copy of this Agreement is considered to be the true, complete, valid, authentic and enforceable record of the Agreement, admissible in judicial or administrative proceedings to the same extent as if the documents and records were originally generated and maintained in printed form. I agree to not contest the admissibility or enforceability of Robinhood Financial's electronically stored copy of the Agreement.

### **35. Margin Accounts.**

#### **A. Election.**

This numbered section applies to my account to the extent I elect and am approved for a Robinhood Gold margin account.

#### **B. Margin Trading.**

I understand that margin trading involves interest charges and risks, including the potential to lose more than deposited or the need to deposit additional collateral in a falling market. Before using margin, customers must determine whether this type of trading strategy is right for them given their specific investment objectives, experience, risk tolerance, and financial situation. If I have elected to have a margin Account, I represent that I have read the [Margin Disclosure Statement](#), [Day Trading Risk Disclosure](#), and [FINRA Investor Information](#). These disclosures contain information on Robinhood's lending policies, interest charges, and the risks associated with margin accounts.

#### **C. Hypothecation.**

Within the limitations imposed by applicable laws, rules and regulations, all securities now or hereafter held by Robinhood, or carried by Robinhood in any account for Me (either individually or jointly with others), or deposited to secure same, may from time to time, without any notice, be carried in your general loans and may be pledged, repledged, hypothecated or re-hypothecated, separately or in common with other securities for the sum due to you thereon or for a greater sum and without retaining in your possession or control for delivery a like amount of similar securities. The IRS requires Broker Dealers to treat dividend payments on loaned securities positions as payments received in lieu of dividends for 1099 tax reporting purposes. Taxation of substitute dividend payments may be greater than ordinary on qualified dividends. It is understood, however, that you agree to deliver to Me upon My demand and upon payment of the full amount due thereon, all securities in such accounts, but without obligation to deliver the same certificates or securities deposited by Me originally. Any securities in My margin or short account may be borrowed by you, or lent to others.

#### **D. Interest.**

Debit balances in My Accounts shall be charged with interest in accordance with your established custom, as disclosed to Me in the Customer Information Brochure pursuant to the provisions of the Securities Exchange Act.

## E. Margin.

I agree to maintain in all accounts with Robinhood such positions and margins as required by all applicable statutes, rules, regulations, procedures and custom, or as you deem necessary or advisable. I agree to promptly satisfy all margin and maintenance calls.

## F. Sales.

I agree to specifically designate any order to sell a security, which I do not own as a short sale, and understands that Robinhood will mark such order as a short sale. I agree that any order which is not specifically designated as a short sale is a sale of securities owned by me, and that I will deliver the securities on or before settlement date, if not already in the account. If I should fail to make such delivery in the time required, Robinhood is authorized to borrow such securities as necessary to make delivery for the sale, and I agree to be responsible for any loss you may thereby sustain, or which you may sustain as a result of your inability to borrow such securities.

## 36. Consent to Electronic Delivery of Documents.

### A. Consent.

**By agreeing to electronic delivery, I am giving My informed consent to electronic delivery of all Account Documents, as defined below, other than those I have specifically requested to be delivered in paper form.** "Account Documents" include notices, disclosures, current and future account statements, regulatory communications (such as prospectuses, proxy solicitations, and privacy notices), trade confirmations, tax-related documents, and any other information, documents, data, and records regarding My Account, this Agreement (including amendments to this Agreement), and the agreements and disclosures governing the services delivered or provided to Me by Robinhood Financial, the issuers of the securities or other property in which I invest, and any other parties. I agree that I can access, view, download, save, and print any Account Documents I receive via electronic delivery for My records.

### B. Electronic Delivery System.

I acknowledge that Robinhood's primary methods of communication with Me include (A) posting information on the Website, (B) providing information via the App, (C) sending email(s) to My email address of record, and, to the extent required by law, (D) providing Me with notice(s) that will direct Me to the App or the Website where I can read and print such information. Unless otherwise required by law, Robinhood reserves the right to post Account Documents on the Website without providing notice to Me. Further, Robinhood reserves the right to send Account Documents to My postal or email address of record, or via the App or Website. I agree that all Account Documents provided to Me in any of the foregoing manner is considered delivered to Me personally when sent or posted by Robinhood, whether I receive it or not.

All e-mail notifications regarding Account Documents will be sent to My e-mail address of record. I agree to maintain the e-mail address that I have provided Robinhood until I provide Robinhood with a new one. I understand that e-mail messages may fail to transmit promptly or properly, including being delivered to SPAM folders. I further understand that it is My sole responsibility to ensure that any emails from Robinhood or its Affiliates are not marked as SPAM. Regardless of whether or not I receive an e-mail notification, I agree to check the Website regularly to avoid missing any information, including time-sensitive or otherwise important communication. If I authorize someone else to access the e-mail account I have provided Robinhood, I agree to tell them to share the Account Documents with Me promptly, and I accept the risk that they will see My sensitive information. I understand that if I use a work e-mail address or computing or communications device, My employer or other employees may have access to the Account Documents.

Additionally, I acknowledge that the Internet is not a secure network and agree that I will not send any confidential information, including Account numbers or passwords, in any unencrypted e-mails. I also

understand that communications transmitted over the Internet may be accessed by unauthorized or unintended third parties and agree to hold Robinhood, its Affiliates, and Robinhood and its Affiliates' respective officers and employees harmless for any such access regardless of the cause.

I agree to promptly and carefully review all Account Documents when they are delivered and notify Robinhood Financial in writing within five (5) calendar days of delivery if I object to the information provided (or other such time specified herein). If I fail to object in writing within such time, Robinhood Financial is entitled to treat such information as accurate and conclusive. I will contact Robinhood to report any problems with accessing the Account Documents.

### **C. Costs.**

Potential costs associated with electronic delivery of Account Documents may include charges from Internet access providers and telephone companies, and I agree to bear these costs. Robinhood Financial will not charge Me additional online access fees for receiving electronic delivery of Account Documents.

### **D. Archival.**

Upon My request, I may obtain copies of up to six (6) prior years of account statements, and three (3) prior years of trade confirmations.

### **E. Revocation of Consent.**

Subject to the terms of this Agreement, I may revoke or restrict My consent to electronic delivery of Account Documents at any time by notifying Robinhood Financial in writing of My intention to do so. I also understand that I have the right to request paper delivery of any Account Document that the law requires Robinhood Financial to provide Me in paper form. Robinhood Financial will not treat My request for paper copies as a withdrawal of My consent to electronic delivery of Account Documents. I understand that if I revoke or restrict My consent to electronic delivery of Account Documents or request paper delivery of same, Robinhood Financial, in its sole discretion, may charge Me a reasonable service fee for the delivery of any Account Document that would otherwise be delivered to Me electronically, restrict or close My account, or terminate My access to Robinhood Financial's services. I understand that neither My revocation or restriction of consent, My request for paper delivery, nor Robinhood Financial's delivery of paper copies of Account Documents will affect the legal effectiveness or validity of any electronic communication provided while My consent was in effect.

### **F. Duration of Consent.**

My consent to receive electronic delivery of Account Documents will be effective immediately and will remain in effect unless and until either I or Robinhood Financial revokes it. I understand that it may take up to three (3) Business Days to process a revocation of consent to electronic delivery, and that I may receive electronic notifications until such consent is processed.

### **G. Hardware and Software Requirements.**

I understand that in order to receive electronic deliveries, I must have access to a computer or Mobile Device with Internet access, a valid e-mail address, and the ability to download such applications as Robinhood Financial may specify and to which I have access. I also understand that if I wish to download, print, or save any information I wish to retain, I must have access to a printer or other device in order to do so.

## **H. Consent and Representations.**

I hereby agree that I have carefully read the above information regarding informed consent to electronic delivery and fully understand the implications thereof. Additionally, I hereby agree to all conditions outlined above with respect to electronic delivery of any Account Document. I will maintain a valid e-mail address and continue to have access to the Internet. If My e-mail address changes, I agree to immediately notify Robinhood Financial of My new e-mail address in writing.

## **37. Miscellaneous Provisions.**

The following provisions shall also govern this Agreement:

### **A. Contact Information.**

Robinhood Customer Service may be contacted by visiting [support.robinhood.com](https://support.robinhood.com) or by email at [help@robinhood.com](mailto:help@robinhood.com).

### **B. Interpretation.**

The heading of each provision hereof is for descriptive purposes only and shall not be (1) deemed to modify or qualify any of the rights or obligations set forth herein or (2) used to construe or interpret any of the provisions hereunder. When a reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The word "or," when used in this Agreement, has the inclusive meaning represented by the phrase "and/or." Unless the context of this Agreement otherwise requires: (i) words using the singular or plural number also include the plural or singular number, respectively; and (ii) the terms "hereof," "herein," "hereunder" and derivative or similar words refer to this entire Agreement. References to any law shall be deemed to refer to such law as amended from time to time and to any rules or regulations promulgated thereunder.

### **C. Binding Effect; Assignment.**

This Agreement shall bind My heirs, assigns, executors, successors, conservators and administrators. I may not assign this Agreement or any rights or obligations under this Agreement without first obtaining Robinhood's prior written consent. Robinhood may assign, sell, or transfer My Account and this Agreement, or any portion thereof, at any time, without My prior consent.

### **D. Severability.**

If any provisions or conditions of this Agreement are or become inconsistent with any present or future law, rule, or regulation of any applicable government, regulatory or self-regulatory agency or body, or are deemed invalid or unenforceable by any court of competent jurisdiction, such provisions shall be deemed rescinded or modified, to the extent permitted by applicable law, to make this Agreement in compliance with such law, rule or regulation, or to be valid and enforceable, but in all other respects, this Agreement shall continue in full force and effect.

### **E. Website Postings.**

I agree and understand that Robinhood Financial may post other specific agreements, disclosures, policies, procedures, terms, and conditions that apply to My use of the App, the Website, or My Account

on the Website ("Website Postings"). I understand that it is My continuing obligation to understand the terms of the Website Postings, and I agree to be bound by the Web Postings as are in effect at the time of My use.

## **F. Entirety of Agreement.**

This Agreement, any attachments hereto, other agreements and policies referred to in this Agreement (including the Website Postings), and the terms and conditions contained in My Account statements and confirmations, contain the entire agreement between Robinhood and Me and supersede all prior or contemporaneous communications and proposals, whether electronic, oral, or written, between Robinhood and Me, provided, however, that any and all other agreements between Robinhood and Me, not inconsistent with this Agreement, will remain in full force and effect.

## **G. Amendment.**

Robinhood may at any time amend this Agreement without prior notice to Me. The current version of the Agreement will be posted on the Website and My continued Account activity after such amendment constitutes My agreement to be bound by all then-in-effect amendments to the Agreement, regardless of whether I have actually reviewed them. Continued use of the App, the Website or any other Robinhood Financial services after such posting will constitute My acknowledgment and acceptance of such amendment. I agree to regularly consult the Website for up-to-date information about Robinhood Financial services and any modifications to this Agreement. Robinhood is not bound by any verbal statements that seek to amend the Agreement.

## **H. Termination.**

Robinhood may terminate this Agreement, or close, deactivate, or block access to My Account at any time in its sole discretion. I will remain liable to Robinhood for all obligations incurred in My Account, pursuant to this Agreement, or otherwise, whether arising before or after termination. I may terminate this Agreement after paying any obligations owed upon written notice. This Agreement survives termination of My Account.

## **I. No Waiver; Cumulative Nature of Rights and Remedies.**

I understand that Robinhood's failure to insist at any time upon strict compliance with any term contained in this Agreement, or any delay or failure on Robinhood's part to exercise any power or right given to Robinhood in this Agreement, or a continued course of such conduct on Robinhood's part, shall at no time operate as a waiver of such power or right, nor shall any single or partial exercise preclude any other further exercise. All rights and remedies given to Robinhood in this Agreement are cumulative and not exclusive of any other rights or remedies to which Robinhood is entitled.

## **J. International Customers.**

The products and services described on the Website are offered only in jurisdictions where they may be legally offered. Neither the Website nor the App shall be considered a solicitation for or offering of any investment product or service to any person in any jurisdiction where such solicitation or offering would be illegal. I understand that Robinhood, in its sole discretion, may accept unsolicited accounts from non-U.S. residents, depending on the country of residence and other factors. I understand that Robinhood is based in the United States and that Robinhood accepts only U.S. currency in Robinhood's customer accounts.

## K. Governing Law.

This Agreement and all transactions made in My Account shall be governed by the laws of the State of California (regardless of the choice of law rules thereof), except to the extent governed by the federal securities laws, FINRA Rules, and the regulations, customs and usage of the exchanges or market (and its clearing house) on which transactions are executed.

## 38. Arbitration.

**A. This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement, the parties agree as follows: (1) All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed. (2) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited. (3) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings. (4) The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date. (5) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry. (6) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court. (7) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement. B. Any controversy or claim arising out of or relating to this Agreement, any other agreement between Me and Robinhood, any Account(s) established hereunder, any transaction therein, shall be settled by arbitration in accordance with the rules of FINRA Dispute Resolution, Inc. ("FINRA DR"). I agree to arbitrate any controversy or claim before FINRA DR in the State of California. C. This agreement to arbitrate constitutes a waiver of the right to seek a judicial forum unless such a waiver would be void under the federal securities laws. If I am a foreign national, non-resident alien, or if I do not reside in the United States, I agree to waive My right to file an action against Robinhood in any foreign venue. D. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (1) the class certification is denied; or (2) the class is decertified; or (3) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.**

ACCEPTED AND AGREED: I acknowledge that I have read the preceding terms and conditions of this Agreement, that I understand them and that I hereby manifest my assent to, and my agreement to comply with, those terms and conditions by accepting this agreement. **I ALSO UNDERSTAND THAT BY ACCEPTING THIS AGREEMENT I HAVE ACKNOWLEDGED THAT THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE IN SECTION 38 HEREIN. I ALSO AGREE (1) THAT ANY OF MY MARGIN ACCOUNT SECURITIES MAY BE BORROWED BY ROBINHOOD OR LOANED TO OTHERS; (2) I HAVE RECEIVED OF A COPY OF THIS AGREEMENT AND (3) I HAVE REVIEWED A COPY OF THE MARGIN DISCLOSURE STATEMENT.**

## Appendix A

### Electronic Fund Transfer Services Disclosures

The following disclosures apply to the use of any EFT services offered by Robinhood, including the Card, ACH transactions and the Move Money functionality of the App.

Solely for purposes of these disclosures: (i) references to the Bank shall include any financial institution that issues the Card or provides services in connection with ACH, Move Money or other EFT transactions; (ii) "you" and "your" mean the owner of the Account; and (iii) "we" and "us" means Robinhood and the Bank collectively.

## 1. Your Liability.

Contact Robinhood Customer Service AT ONCE if you believe your Card or PIN has been lost or stolen or if you believe that an electronic fund transfer has been made without your permission. Telephoning is the best way of keeping your losses down. You could lose all the Available Funds in your Account (plus your maximum overdraft line of credit). If you tell Robinhood within 2 business days after you learn of the loss or theft of your Card or PIN, you can lose no more than \$50 if someone used your Card or PIN without your permission.

If you do NOT tell Robinhood within 2 business days after you learn of the loss or theft of your Card or PIN, and Robinhood can prove that it could have stopped someone from using your Card or PIN without your permission if you had told Robinhood, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by Card or using your PIN, tell Robinhood at once. If you do not tell Robinhood within sixty (60) days after the statement was mailed to you, or otherwise made available to you, you may not get back any money you lost after the sixty (60) days if Robinhood can prove that Robinhood could have stopped someone from taking the money if you had told Robinhood in time. If a good reason (such as a long trip or a hospital stay) kept you from telling Robinhood, Robinhood will extend the time periods.

## 2. Contact in event of unauthorized transfer.

If you believe your Card or PIN has been lost or stolen, contact Robinhood by emailing [help@robinhood.com](mailto:help@robinhood.com).

## 3. Business Days.

Business Days are Monday through Friday, excluding federal holidays.

## 4. Transfer Types and Limitations.

You may use your Card to make purchases at any merchant that accepts Mastercard debit cards or debit cards of other networks in which the Bank participates, and to make ATM withdrawals, in each case subject to the Available Funds in your Account, the transaction limits described below, and the other terms and conditions of this Agreement. You acknowledge and agree that the value available to you for use with the Card is limited to the Available Funds in your Account. So long as you do not exceed the Available Funds in your Account, you may use the Card to purchase goods or services wherever the Card is honored, and to obtain cash by initiating cash withdrawal transactions through the Card from any financial institution or ATM that accepts the Card. Each time you use the Card, you authorize Robinhood to reduce the Available Funds in your Account by the amount of the purchase or withdrawal and any applicable fees, costs, or holdings. Nevertheless, if you exceed the Available Funds in your Account you shall remain fully liable to Robinhood for the amount of the transactions and any applicable fees and charges.

You may also make ACH withdrawals from your Account, either originated through Robinhood or originated by a third party (a "non-originated" withdrawal), subject to the Available Funds in your Account, the transaction limits described below, and the other terms and conditions of this Agreement. You also may make ACH deposits to your Account, either originated through Robinhood or originated by a third party (a "non-originated" deposit), subject to the transaction limits described below.

There are limits on the dollar amount of transactions you can make with your Card each day and each month, and limits on the amount of ACH withdrawals and deposits you can make each day. The following lists the limits for each type of transaction:

**Originated ACH Withdrawals\*** Daily Limit: \$50,000.00  
Weekly Limit: N/A Monthly Limit: N/A

**Originated ACH Deposits\*** Daily Limit: \$50,000.00  
Weekly Limit: N/A Monthly Limit: N/A

**Non-Originated ACH Withdrawals\*** Daily Limit: \$250,000.00  
Weekly Limit: N/A Monthly Limit: N/A

**Non-Originated ACH Deposits\*** Daily Limit: \$250,000.00  
Weekly Limit: N/A Monthly Limit: N/A

**Point of Sale Purchases with the Card\*** Daily Limit: \$5,000.00 Weekly Limit: N/A Monthly Limit: \$15,000.00

**ATM Withdrawals\*** Daily Limit: \$510.00 Weekly Limit: N/A Monthly Limit: \$5,000.00

**Originated ACH\*** Daily Limit: N/A, subject to the Weekly Limit Weekly Limit: \$2,999 Monthly Limit: N/A

## 5. Fees.

We will not charge you any fees for use of ATMs that are part of the AllPoint or MoneyPass ATM networks, or for point of sale transactions using the Card, or for initiating other EFTs on your behalf. If you withdraw funds from ATMs outside of the AllPoint or MoneyPass ATM networks, you may be separately assessed fees by those ATM owners or operators.

## 6. Confidentiality.

We may disclose information to third parties about you, your Card, or the transactions you make using any of the EFT services we provide:

1. Where it is necessary or helpful for completing or correcting transactions and resolving claims regarding transactions;
2. In order to verify the existence and condition of your Card or your Account for a third party, such as a merchant;
3. In order to comply with a valid request by a government agency, a court order, or other legal or administrative reporting requirements;
4. If you consent by giving us your written permission;
5. To our employees, auditors, affiliates, service providers, or attorneys as needed;
6. In order to prevent, investigate or report possible illegal activity;
7. In order to issue authorizations for transactions on the Card;
8. As permitted by applicable law; or
9. Otherwise as necessary to fulfill our obligations under this Agreement and the terms applicable to the EFT service you are using.

Please see Robinhood's privacy policy, available at [about.robinhood.com/legal](https://www.robinhood.com/legal), and the applicable Bank's privacy policy, available at <https://www.suttonbank.com/kcms-doc/85/49033/WK-Privacy-Disclosure-1218.pdf>, for further details. (The Robinhood privacy policy and the applicable Bank's privacy policy are referred to collectively as the "Privacy Policies"). You hereby agree to Robinhood's and the Bank's collection, use and sharing of information about you and the Card as provided in the Privacy Policies, which are made a part of this Agreement. The Privacy Policies also tell you how you can (i) limit the ways in which Bank and Robinhood share information about you, or (ii) request corrections to the information that Bank or Robinhood maintain about you. You agree that information you provide in connection with your Card or other EFT services you use is being provided directly to both Robinhood as the holder of the Account associated with the service and the Bank as the Card issuer or provider of the EFT service, as applicable.

## 7. Documentation.

*Terminal Transfers.* You can get a receipt at the time you make any transfer to or from your Account using an ATM from the AllPoint or MoneyPass ATM networks or at the point of sale.

*Preauthorized Credits.* If you have arranged to have direct deposits made to your Account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money. You can also check your Account online to see if a deposit has been received.

*Periodic Statements.* You will get a monthly Account statement, unless there are no transfers in a particular month. In any case you will get the statement at least quarterly. You may obtain information about the Available Funds in your Account and a history of your Cash Management transactions on the App.

## **8. Preauthorized Payments/Stop Payment Procedure and Notice of Varying Amounts.**

You do not have the right to request that Robinhood in advance make regular payments out of your Account, although you may ask third parties to initiate regular payments out of your Account.

*Right to stop payment:* If you have automatic recurring payments taken out of your Account, you can stop any of these payments by contacting us at [help@robinhood.com](mailto:help@robinhood.com). You must contact us in time for us to receive your request at least three business days before the payment is scheduled to be made.

*Notice of varying amounts:* If these regular payments vary in amount, the party you are going to pay will tell you, 10 days before each payment, when the payment will be made and how much it will be. (The party you are going to pay may allow you to choose to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

*Liability for failure to stop payment of a preauthorized transfer:* If you order us to stop a payment at least three business days before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.

## **9. Our Liability.**

If we do not complete a transaction to or from your Account on time or in the correct amount according to our Agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If through no fault of Robinhood or the Bank, you do not have enough Available Funds in your Account to complete the transaction;
2. If a merchant refuses to accept your Card;
3. If an electronic terminal where you are making a transaction does not operate properly, and you knew about the problem when you initiated the transaction;
4. If access to your Card has been blocked after you reported your Card lost or stolen;
5. If there is a hold or your funds are subject to legal or administrative process or other encumbrance restricting their use;
6. If Robinhood or the Bank have reason to believe the requested transaction is unauthorized;
7. If circumstances beyond the control of Robinhood or the Bank (such as fire, flood, or computer or communication failure) prevent the completion of the transaction, despite reasonable precautions that Robinhood or the Bank have taken; or
8. For any other exception stated in this Agreement with you or by applicable law.

## 10. Errors or Questions About Electronic Transfers.

In case of errors or questions about your electronic transfers, including your Card transactions, or if you think your statement or receipt is wrong or if you need more information about a transaction listed on the statement or receipt, contact Robinhood by emailing [help@robinhood.com](mailto:help@robinhood.com). Robinhood must hear from you no later than sixty (60) days after you were sent the FIRST statement on which the problem or error appeared.

1. Tell Robinhood your name and account number.
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell Robinhood the dollar amount of the suspected error.

Robinhood will determine whether an error occurred within ten (10) business days after Robinhood hears from you and will correct any error promptly. If Robinhood needs more time, however, it may take up to forty-five (45) days to investigate your complaint or question. If Robinhood decides to do this, Robinhood will credit your Account within ten (10) business days for the amount you think is in error, so that you will have the use of the money during the time it takes Robinhood to complete our investigation.

For errors involving new accounts, point of sale, or foreign initiated transactions, Robinhood may take up to ninety (90) days to investigate your complaint or question. For new accounts, Robinhood may take up to twenty (20) business days to credit your Account for the amount you think is in error.

Robinhood will tell you the results of our investigation within three (3) business days after completing the investigation. If Robinhood decides that there was no error, Robinhood will send you a written explanation. You may ask for copies of the documents that Robinhood used in our investigation.

# EXHIBIT E

## Robinhood Terms & Conditions

Robinhood Financial LLC (“Robinhood Financial”), a wholly-owned subsidiary of Robinhood Markets, Inc. (“Robinhood Markets”), is a registered broker-dealer and member of FINRA and SIPC that provides online and mobile application-based discount stock brokerage services to self-directed investors.

These Terms and Conditions are in addition to any other agreements between you and Robinhood Financial and Robinhood Markets (collectively, “Robinhood”), including any customer or account agreements and any other agreements that govern your use of software, products, goods, services, content, tools, and information provided by Robinhood.

### General

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# EXHIBIT F

# Disclosure Library

**RHF-RHS Customer Agreement**

**Robinhood Debit Card Agreement**

**RHF and RHS Insured Network Deposit (IND) Sweep Program Disclosures**

**FINRA - Customer Identification Program Notice**

**RHF and RHS Business Continuity Plan Summary**

**RHF ETF Disclosure**

**RHF Funds Availability**

**RHF Jurisdictions**

**RHF Low-Priced Securities Disclosure**

**RHF and RHS Margin Disclosure Statement**

**RHS Customer Margin and Short Account Agreement**

**RHS SEC Rule 606 and 607 Disclosure**

**RHF SEC Rule 606 and 607 Disclosure**

**RHF Privacy**

**Financial Privacy Notice**

**RHF Fee Schedule**

**RHF SIPC and Account Protection**

**RHF Use and Risk Disclosures**

**RHF Product Features Disclosures**

**Robinhood Terms & Conditions**

**RHF Day Trading Risk Disclosure**

**Robinhood Instant Agreement**

**Extended Hours Trading Disclosure**

**Robinhood Gold Agreement**

**Robinhood Gold Pricing**

**Options Agreement**

**Characteristics and Risks of Standardized Options**

**Options and Instant Agreement**

**Robinhood Crypto User Agreement**

**Robinhood Crypto Risk Disclosures**

**Robinhood Crypto Licenses**

**Robinhood Crypto Customer Code of Conduct**

**RHF Customer Relationship Summary**

**Fractional Shares Account Agreement Addendum**

**RHF Form CRS Responses to Conversation Starters**

**RHS Unaudited Statement of Financial Condition (June 30, 2020)**

**RHS Audited Statement of Financial Condition (December 31, 2019)**

**FINRA Rule 4340 Allocation Procedures**



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**Check the background of the firm on FINRA's BrokerCheck**

**Brokerage Customer Relationship Summary**

**Robinhood Terms & Conditions**

**Disclosure Library**

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**View Important Disclosures**

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11  
 12 *Attorneys for Defendants Robinhood Financial LLC;*  
 13 *Robinhood Securities, LLC; and Robinhood Markets, Inc.*

14  
 15 **UNITED STATES DISTRICT COURT**  
 16 **CENTRAL DISTRICT OF CALIFORNIA**

17 LEVI COBOS, an individual on behalf  
 18 of those similarly situated,

19 Plaintiff,

20 v.

21 ROBINHOOD FINANCIAL LLC, a  
 22 Delaware Corporation; ROBINHOOD  
 23 SECURITIES, LLC, a Delaware  
 24 Corporation; and ROBINHOOD  
 25 MARKETS, INC., a Delaware  
 26 corporation; and DOES 1 through 1000,  
 inclusive,

27 Defendants.

Case No. 21-cv-00843-VAP-MRW

[Related Cases 2:21-cv-00835-VAP  
 (MRWx); 2:21-cv-00837-VAP  
 (MRWx)]

**DECLARATION OF SHIV VERMA**

Judge: Hon. Virginia A. Phillips  
 Courtroom: 8A  
 Hearing Date: February 10, 2021  
 Hearing Time: 10:00 A.M.

1 I, Shiv Verma, declare as follows:

2 1. I am the Head of Treasury, Finance & Strategy and Investor Relations  
3 at Robinhood Markets, Inc. (“RHM”). I have been at Robinhood since 2018. In  
4 my position, I am responsible for treasury, finance and strategy, as well as investor  
5 relations. I report directly to Jason Warnick, the Chief Financial Officer of RHM.  
6 I have personal knowledge of the facts stated in this declaration, except for those  
7 matters stated on information and belief, and if called upon to do so, I could and  
8 would so testify.

9 2. I respectfully submit this Declaration in support of Robinhood’s  
10 Opposition to Plaintiff’s Motion for a Temporary Restraining Order.

11 **I. Background on Robinhood.**

12 3. RHM is a financial services company headquartered in Menlo Park,  
13 California. RHM wholly owns Robinhood Financial LLC (“RHF”), which acts as  
14 an introducing broker for its customers by taking their trade orders. RHF is  
15 headquartered in Menlo Park, California. RHM also wholly owns Robinhood  
16 Securities, LLC (“RHS”), which, as a member of SEC-registered clearinghouses,  
17 serves as a clearing broker for RHF. In that capacity, RHS executes customer  
18 orders received from RHF by routing them to market-makers and also clears and  
19 settles trades for RHF. RHS’s headquarters is registered with FINRA and the SEC  
20 in Lake Mary, Florida. Throughout this Declaration, I refer to these three entities  
21 collectively as “Robinhood.”

22 **II. Role As Head of Treasury.**

23 4. As Head of Treasury, my role is to manage RHM’s liquidity. I also  
24 monitor RHF’s and RHS’s liquidity to ensure compliance with all regulatory and  
25 clearinghouse deposit requirements. My team and I monitor whether there is  
26 sufficient capital for Robinhood to serve its customers while also monitoring  
27 obligations to our counterparties and under the law. Accordingly, we are required  
28

1 to monitor and engage with a number of market participants that, collectively, form  
2 the infrastructure that enables Robinhood customers to trade in financial markets.

3 **III. Monitoring Capital Requirements.**

4 5. Broker-dealers are required to pay deposits to clearinghouses, such as  
5 the National Securities Clearing Corporation (“NSCC”). The deposit supports  
6 trades during the two-day settlement period (known as “T+2”) in which the  
7 clearinghouse delivers the stock to the buyer and the funds to the seller. To  
8 calculate the deposit requirements, clearinghouses look at, among other things, a  
9 firm’s customer holdings, including unsettled trades. They use a volatility  
10 multiplier, including looking at specific securities, to quantify their risk. The  
11 clearinghouse may assign additional charges to the broker-dealer’s deposit  
12 requirement depending on value-at-risk (“VaR”) calculations and the broker-  
13 dealer’s available net capital.

14 6. Broker-dealers must also comply with certain net capital requirements  
15 under an SEC rule known as the Uniform Net Capital Rule.

16 7. Between the clearinghouse deposit requirements and the requirements  
17 of the Uniform Net Capital Rule, RHF and RHS are required to monitor available  
18 liquidity to ensure that they are balancing customer demands and their obligations  
19 to the clearinghouses and federal regulators.

20 **IV. Unprecedented Volatility and Volume in the Market.**

21 8. During the week of January 25 to January 29, 2021, Robinhood saw a  
22 tremendous surge in demand for its services. Between January 28 and February 1,  
23 2021, hundreds of thousands of users opened new Robinhood accounts.

24 9. During this period, there was also a significant surge in market  
25 volatility and volume, which triggered a large increase in clearinghouse-mandated  
26 deposit requirements. During the week of January 25, 2021, Robinhood’s  
27 clearinghouse-mandated deposit requirements related to equities increased tenfold,  
28

1 or 1,000 percent. Individual volatile stocks accounted for hundreds of millions of  
2 dollars in deposit requirements.

3 10. Robinhood monitored the stocks that were undergoing particularly  
4 volatile price swings and began to take proactive measures to ensure that it could  
5 support the trades in those particular stocks. For example, beginning on January  
6 25, RHF began increasing its margin maintenance ratio for a number of these  
7 volatile stocks to 100 percent. RHF also began limiting the number of options  
8 contracts that customers could purchase on a security-by-security basis.

9 11. From January 25 to January 27, 2021, the NSCC increased RHS's  
10 deposit requirements by several hundred million dollars as a result of the increased  
11 volatility in the market and trading volume by Robinhood customers. RHS met  
12 those increased deposit requirements.

13 12. Early on January 28, 2021, RHS's operations team received its daily  
14 margin notice from the NSCC requesting an increase in RHS's deposit requirement  
15 for that day to more than \$3 billion. This increase put RHS's deposit requirements  
16 an order of magnitude above typical levels. I understand that RHS's operations  
17 team promptly reached out to the NSCC to discuss the request. My role as Head of  
18 Treasury at RHM was to support RHS in financial calculations and planning.

19 13. In discussions with the NSCC, RHS learned that a substantial portion  
20 of the increased deposit requirement resulted from the NSCC's VaR calculation for  
21 specific stocks, such as AMC Entertainment Holdings, Inc. ("AMC") and  
22 GameStop Corp. ("GameStop" or "GME"). In addition, because RHS's VaR  
23 charge exceeded its net capital, the NSCC imposed an additional special charge.  
24 The NSCC notified RHS that the NSCC's Risk Committee was reviewing the  
25 system generated margin calls. As a way to mitigate the sudden increase in the  
26 NSCC deposit requirements, RHS proposed to the NSCC that, as a temporary  
27 measure, it would limit customer purchases for certain volatile stocks that had  
28 driven the increased deposit requirements. Based on the issues it was facing and

1 the discussions with the NSCC, RHS believed that these temporary restrictions  
2 would help mitigate the increase in its clearinghouse deposit requirements by  
3 eliminating or significantly reducing the special charge. Within several hours of  
4 the discussion with NSCC concerning the temporary restrictions, the NSCC issued  
5 an amended margin call that removed the special requirement, leaving only the  
6 VaR charge of \$1.4 billion. By 10:00 a.m. Eastern Time on January 28, RHS  
7 deposited approximately \$700 million in incremental deposit charges with the  
8 NSCC to meet the revised deposit requirement for that day.

9 14. On January 28, 2021, RHS informed RHF that it would not accept  
10 purchase orders for certain volatile stocks that had driven the increased deposit  
11 requirements. As noted, RHS imposed these measures in order to reduce the  
12 collateral deposits demanded by the NSCC to a manageable level, and RHS  
13 expected that these actions would lead to such a result. To provide flexibility to  
14 customers with existing positions, RHF permitted customers to sell their  
15 positions—*i.e.*, a “position closing only” (“PCO”) restriction. As a result, RHF  
16 maintained trading continuity for Robinhood customers at market opening and  
17 enabled millions of customers to transact in thousands of other securities.

18 15. The PCO limitations were a necessary step for RHS to take to protect  
19 the Firm, Robinhood customers, and the markets. The temporary restrictions on  
20 specified securities helped RHS to comply with its clearinghouse deposit  
21 requirements in the face of unprecedented volatility and volume, thereby allowing  
22 the Firm to continue to serve Robinhood customers and comply with all trading  
23 requirements and regulations. Nonetheless, broker-dealers like RHS may face  
24 increased deposit requirements from clearinghouses at any time, necessitating the  
25 continued need to monitor trading activity of volatile stocks.

26 16. While the PCO limitations temporarily prevented customers from  
27 buying certain stocks, after market close on January 28, 2021, RHS informed RHF  
28 that it could take steps to ease the restrictions. Rather than restrict certain stocks to

1 PCO trades, RHF permitted some additional purchases but set a maximum number  
2 of shares or options contracts on a security-by-security basis that a customer could  
3 purchase.

4 **V. Robinhood Draws On A Line of Credit and Raises Money From**  
5 **Investors.**

6 17. To deal with the ongoing market volatility, Robinhood took actions to  
7 ensure it has sufficient funds to comply with deposit requirements and to serve its  
8 growing customer base. Such actions have ensured that customers continue to be  
9 able to trade freely in thousands of securities, and have allowed RHF to reduce the  
10 temporary restrictions on a small number of volatile securities that, as explained  
11 above, were necessary to protect the firm and its customers.

12 18. One way in which Robinhood increased capital was to draw on  
13 existing lines of credit, as is common in the normal course of operating its  
14 business. On January 27 to January 28, 2021, Robinhood drew on existing lines of  
15 credit.

16 19. Robinhood also raised capital from investors. Over the next several  
17 days, Robinhood raised approximately \$3.4 billion, \$1 billion of which it  
18 contributed to RHS. This fundraising was a strong sign of confidence from  
19 investors that will help Robinhood continue to build for the future and further serve  
20 its customers through the strong growth the company has seen this year.

21 20. RHS has applied the capital to support Robinhood customers' trades.

22 21. These additional funds, combined with the temporary restrictions,  
23 enabled RHS to continue to execute trades for its customers and to continue its  
24 mission to democratize finance for all by providing access to the financial markets  
25 to everyone.

1           **VI. No Citadel Entity or Other Third Party Was Involved In**  
2           **Robinhood’s Decision-Making.**

3           22. I am familiar with the recent rumors on social media and in the press  
4 suggesting that Citadel LLC (“Citadel”), a hedge fund, or Citadel Securities LLC  
5 (“Citadel Securities”), a market maker, has an ownership interest in Robinhood,  
6 and that Citadel or Citadel Securities played a role in Robinhood’s decision to  
7 restrict trades of certain volatile stocks during the weeks of January 25 and  
8 February 1, 2021. These rumors and speculation are false.

9           23. Neither Citadel nor Citadel Securities has an ownership stake in  
10 Robinhood. I am unaware of any indirect ownership stake by Citadel or Citadel  
11 Securities in Robinhood.

12           24. To the best of my knowledge based on my involvement in the  
13 discussions concerning RHS’s decision to apply these limited restrictions, no third  
14 party, including Citadel and Citadel Securities, requested that Robinhood apply  
15 restrictions on stock or options trading or played any role in RHS’s decision to  
16 apply limited restrictions on stock and options purchases in certain securities.

17           25. As of January 27, 2021 and through the present, RHM did not hold,  
18 and has not held, short positions in GameStop, AMC or Blackberry, Ltd. I  
19 understand that no Robinhood customers held short positions in any of those  
20 securities through Robinhood, as the Robinhood app and website do not permit  
21 short selling.

22           **VII. The Need for Broker-Dealer Discretion Over Trading Restrictions.**

23           26. I understand that the plaintiff in this action seeks a court order to  
24 require Robinhood to remove any trading restrictions or limitations on specific  
25 securities. Such an order would be dangerous for the financial system. If  
26 Robinhood were to lose the ability to temporarily restrict or limit trading in  
27 response to rapidly changing market conditions, it would be unable to protect  
28

1 itself, its customers, and the markets during periods of significant volatility and  
2 enhanced risk.

3 27. As recent events make clear, in times of extreme volatility and high  
4 trading volume, collateral deposit requirements, which exist to protect investors,  
5 can increase significantly—including by hundreds of millions or even several  
6 billion dollars overnight.

7 28. The steps Robinhood has taken in recent days to draw on its line of  
8 credit and raise money from investors, as set forth above, have substantially  
9 increased RHS’s net capital and liquid assets and thereby enable it to support  
10 customer trading in more extreme market conditions. Raising capital cannot be the  
11 only tool through which a broker-dealer can address stressed market conditions.  
12 Indeed, no amount of raised capital could support limitless T+2 settlement. Like  
13 any broker-dealer, Robinhood must have the ability to impose risk management  
14 measures like trading restrictions or limitations, if necessary, to address conditions  
15 of extreme market volatility.

16 I declare under penalty of perjury that the foregoing is true and correct.

17 Executed February 8, 2021, at Menlo Park, California.

18 *Shiv Verma*

19 \_\_\_\_\_  
20 Shiv Verma

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12 *Robinhood Securities, LLC; and Robinhood Markets, Inc.*

13  
14 **UNITED STATES DISTRICT COURT**  
15 **CENTRAL DISTRICT OF CALIFORNIA**

16  
17 LEVI COBOS, an individual on behalf  
of those similarly situated,

18  
19 Plaintiff,

20 v.

21 ROBINHOOD FINANCIAL LLC, a  
22 Delaware Corporation; ROBINHOOD  
SECURITIES, LLC, a Delaware  
23 Corporation; and ROBINHOOD  
24 MARKETS, INC., a Delaware  
corporation; and DOES 1 through 1000,  
25 inclusive,

26 Defendants.  
27  
28

Case No. 21-cv-00843-VAP-MRW

[Related Cases 2:21-cv-00835-VAP  
(MRWx); 2:21-cv-00837-VAP  
(MRWx)]

**DECLARATION OF JAMES  
SWARTWOUT**

Judge: Hon. Virginia A. Phillips  
Courtroom: 8A  
Hearing Date: February 10, 2021  
Hearing Time: 10:00 A.M.

1 I, James Swartwout, declare as follows:

2 1. I am the President and Chief Operating Officer of Robinhood  
3 Securities, LLC (“RHS”). I have been employed at Robinhood since 2019. In my  
4 position, I am responsible for sales operations and customer engagement issues. I  
5 also manage RHS’s operations team. I have personal knowledge of the facts stated  
6 in this declaration, except for those matters stated on information and belief, and if  
7 called upon to do so, I could and would so testify.

8 2. I respectfully submit this Declaration in support of Robinhood’s  
9 Opposition to Plaintiff’s Motion for a Temporary Restraining Order.

10 3. Robinhood Markets, Inc. (“RHM”) is a financial services company  
11 headquartered in Menlo Park, California. RHM wholly owns Robinhood Financial  
12 LLC (“RHF”), which acts as an introducing broker for its customers by taking their  
13 trade orders. RHF is headquartered in Menlo Park, California. RHM also wholly  
14 owns RHS, which, as a member of SEC-registered clearinghouses, serves as a  
15 clearing broker for RHF. In that capacity, RHS executes customer orders received  
16 from RHF by routing them to market-makers and also clears and settles trades for  
17 RHF. RHS’s headquarters is registered with FINRA and the SEC in Lake Mary,  
18 Florida. Throughout this Declaration, I refer to these three entities collectively as  
19 “Robinhood.”

20 4. In my capacity as President and Chief Operating Office at RHS, I lead  
21 teams responsible for the margin lending, risk assessment of introduced customer  
22 accounts as well as order routing and best execution. In the ordinary course of  
23 business, RHS monitors and adjusts requirements for customer margin restrictions  
24 and trading restrictions. This includes removing symbols no longer eligible for  
25 trading at RHS. In addition, RHS monitors market fluctuations and makes risk-  
26 based assessments for increases in initial margin and margin maintenance  
27 requirements as deemed appropriate by the business. As a matter of course, RHS  
28

1 does not permit trading in certain security equities, does not allow naked options,  
2 short selling of stock, trading in mutual funds, bonds and other securities.

3 **I. Clearinghouse Deposits.**

4 5. As broker-dealers, both RHF and RHS are registered with the U.S.  
5 Securities and Exchange Commission (“SEC”), and are members of the Financial  
6 Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection  
7 Corporation (“SIPC”). RHS is also a member of several clearinghouses and as  
8 such is bound by membership rules for the clearinghouses with which Robinhood  
9 transacts to fulfill customer orders.

10 6. Specifically, our introducing broker, RHF, interfaces with customers  
11 to take their trade orders. RHS then takes those orders from RHF and executes or  
12 routes them to other broker-dealers called market makers for execution. Once the  
13 trades have been executed, RHS then submits them to clearinghouses for post-trade  
14 processing, including clearance and settlement. Clearinghouses typically  
15 intermediate transactions between market participants through a process of  
16 continuous net settlement, becoming the guarantor of each transaction. They also  
17 process payments and securities deliveries and maintain records of securities  
18 ownership. Among their required functions in connection with clearance and  
19 settlement is to protect investors and the markets by making sure that participants  
20 like brokerage firms have sufficient funds available to settle the trades they have  
21 made for their customers and, in the event of a member failure, to mutualize risk.  
22 For stocks and exchange traded funds (“ETFs”) in the United States, the main  
23 clearinghouse is the National Securities Clearing Corporation (“NSCC”), which is  
24 part of a larger clearing organization called the Depository Trust & Clearing  
25 Corporation (“DTCC”). For options in the United States, the main clearinghouse  
26 is the Options Clearing Corporation (“OCC”).

27 7. Securities clearinghouses are self-regulatory organizations overseen  
28 by the SEC. The clearinghouses are required to have member rules, which are

1 approved by the SEC, to ensure, among other things, that members appropriately  
2 cover the potential credit risk to counterparties from customers' trades, which  
3 includes requiring members to deposit cash or securities at the clearinghouse to  
4 cover related settlement obligations. A clearinghouse may ask its members to  
5 increase their deposits at times when the clearinghouse determines that they are  
6 submitting trades of a type or volume that the clearinghouse views as increasing  
7 overall risk. The aim is to reduce the likelihood that the clearinghouse will be  
8 exposed to unsecured liabilities in the event of a member's failure and to mutualize  
9 risk among other members by permitting the clearinghouse to access their deposits  
10 to pay or replace contracts if a member fails. As a clearing broker that is a member  
11 of the NSCC and OCC, RHS is subject to the NSCC's and OCC's cash deposit and  
12 collateral requirements, which may fluctuate based on the nature and volume of  
13 Robinhood's customers' trading activity and market volatility.

14 8. After signing up and receiving approval to use Robinhood's app or  
15 website, customers may invest in listed stocks and ETFs without paying  
16 Robinhood any commission, across over 5,000 available securities. In addition to  
17 stocks and ETFs, Robinhood customers may also get approved to trade options  
18 contracts using the Robinhood app or website.

19 9. When a Robinhood customer buys or sells a security on the  
20 Robinhood app or website, the trade may appear to be executed nearly  
21 instantaneously. But behind the scenes, the trade takes two days after the trade  
22 date to settle and involves clearinghouses.

23 10. When a Robinhood customer buys or sells a security, RHF, as the  
24 introducing broker, sends the order to RHS, the clearing broker, which executes or  
25 routes the order for execution to a market maker and submits the resulting trade to  
26 a clearinghouse for clearance and settlement. For equities, it takes two days for the  
27 clearinghouse to process the transaction and effect the related transfers of cash and  
28 securities between buyers and sellers. This is known as "T+2" settlement,

1 denoting the trade date plus a two-day “settlement period.” To cover the open  
2 settlement risk during the settlement period, RHS is required to place a deposit at  
3 the clearinghouse to cover the risk until the trade “settles.”

4 11. The two-day period between execution and settlement creates a  
5 potential risk for the clearinghouse that either the buyer or the seller defaults on its  
6 obligation to complete the trade. As the clearinghouse determines that the risk is  
7 increasing, a clearinghouse may increase the broker-dealer’s required deposits. To  
8 calculate the deposit requirements, clearinghouses look at a firm’s customer  
9 holdings, including unsettled trades. They use a volatility multiplier, including  
10 looking at specific stocks, to quantify their risk. The clearinghouse may assign  
11 additional charges to the broker-dealer’s deposit requirement depending on value-  
12 at-risk (“VaR”) calculations and the broker-dealer’s available net capital. For  
13 example, if a broker-dealer’s customers have submitted more orders to purchase  
14 than to sell a particular security and the price of the security that the broker-  
15 dealer’s customers are buying is more volatile, then the resulting deposit  
16 requirement will generally be higher.

17 12. In order to clear and settle customer transactions, each trading day by  
18 10:00 a.m. Eastern Time, clearing brokers like RHS must satisfy the NSCC’s  
19 deposit requirements, often referred to as margin, to support their customer trades  
20 during the settlement period. Depending on a particular day’s deposit requirement  
21 at the clearinghouse, RHS may be required to deposit additional money with the  
22 clearinghouse that day. Clearinghouses can also require RHS to deposit additional  
23 money throughout the day.

24 13. Ultimately, this system of clearinghouses and collateral requirements  
25 is designed to minimize risk in the financial system in the event a market  
26 participant becomes unable to pay for securities it has purchased or deliver  
27 securities it has sold between the time of purchase or sale and settlement. The  
28 deposit requirements serve as a protection against the risk of these failures.

1       **II. Net Capital Requirements.**

2           14. In addition to clearinghouse requirements, as broker-dealers, RHF and  
3 RHS are subject to SEC regulations that require broker-dealers to maintain certain  
4 levels of regulatory capital to ensure the ability to promptly satisfy their liabilities  
5 at all times. The SEC’s primary rule is generally referred to as the “Uniform Net  
6 Capital” rule, which sets forth a methodology for computing a broker-dealer’s net  
7 capital, sets forth minimum net capital levels which must be maintained at all  
8 times, establishes notification requirements in the event that a broker-dealer’s level  
9 of net capital falls below certain minimum thresholds, and sets restrictions on  
10 broker-dealer activities when capital falls below certain levels. The Uniform Net  
11 Capital Rule functions as a net liquid assets requirement insofar as the rule  
12 recognizes only liquid assets as contributing to regulatory capital.

13           15. The purpose of the Uniform Net Capital Rule is to protect customers,  
14 creditors and counterparties by preventing broker-dealer failures and ensuring that  
15 broker-dealers that do fail have enough liquid assets to satisfy claims promptly.  
16 The rule thereby serves to protect the financial system and ordinary investors.

17           16. The Uniform Net Capital Rule imposes a “moment to moment”  
18 requirement, meaning that broker-dealers must ensure compliance with the rule at  
19 all times. SEC and FINRA rules require notification when net capital falls below  
20 certain defined “early warning” levels. The purpose of these notifications is to  
21 provide warning to regulators that the broker-dealer may be approaching a state  
22 where it would have insufficient liquid assets to support its customer trades, so that  
23 the regulators can consider intervening prior to bankruptcy.

24           17. To ensure compliance with the Uniform Net Capital Rule, broker-  
25 dealers perform repeated net capital computations. The calculation begins with the  
26 broker-dealer’s ownership equity under Generally Accepted Accounting Principles  
27 (“GAAP”). The broker-dealer is then required to perform adjustments by  
28 deducting illiquid assets, and applying variable “haircuts” or charges to risky assets

1 such as securities to compensate for market and credit risks. The resulting figure is  
2 the broker-dealer's regulatory capital. This amount is then compared to various  
3 minimums based on the broker-dealer's types and volume of activity.

4 18. If a broker-dealer were to fail to maintain specified levels of  
5 regulatory capital, that entity could be subject to immediate suspension or  
6 revocation of registration, which could lead to the liquidation of that broker-  
7 dealer's holdings on behalf of customers and eliminate the broker-dealer's ability  
8 to serve its customers.

### 9 **III. RHS Enacts Limitations on the Exercise of OTM Options.**

10 19. As part of its ordinary operations, Robinhood tracks data concerning,  
11 among other things, customers' exercise of options contracts, a type of security  
12 available to Robinhood's customers.

13 20. One type of options contract is a call option, which gives its owner the  
14 right, but not the obligation, to buy a specified amount of stock at a specified price  
15 (the "strike price") by a specific date (the "expiration date"). When a customer  
16 buys a call option, he or she is generally hoping that the stock price will rise above  
17 the strike price before the expiration date. If the stock rises above the strike price,  
18 a call option is said to be in the money ("ITM"). The customer has the right to buy  
19 the stock at the strike price even though the stock is trading at a higher price in the  
20 open market. By contrast, if the stock price is below the strike price at a particular  
21 time prior to expiration of the option, the option is out of the money ("OTM") at  
22 that time. If the stock does not rise above the strike price by the time the option  
23 expires, there generally is no reason for the customer to exercise the call option,  
24 and the contract will simply expire by its own terms.

25 21. Customers can also buy and sell put options. A put option gives its  
26 owner the right, but not the obligation, to sell a specific amount of stock at a strike  
27 price. If the price of the stock declines below the strike price, the put option is  
28 ITM, and it is profitable for the owner to exercise that option.

1           22. In January 2021, Robinhood became aware that some customers were  
2 occasionally exercising OTM options, causing them to suffer losses immediately  
3 upon exercise. This issue continued despite Robinhood’s warnings and education  
4 available in-app and on its website.

5           23. To prevent these unnecessary customer losses, RHS requested, and  
6 RHF implemented, a procedure requiring customers to speak to a live broker  
7 before exercising OTM options. This requirement was intended to provide an  
8 opportunity for the broker to explain to the customer the downsides of exercising  
9 an OTM option. This procedure remained in effect through Thursday, January 28,  
10 2021. Beginning on Friday, January 29, 2021, RHF stopped permitting customers  
11 to exercise OTM options altogether.

12           24. At no time on or since January 27, 2021, did Robinhood restrict a  
13 customer’s ability to exercise ITM options.

#### 14           **IV. The NSCC Demands Over \$3 Billion In Additional Deposits.**

15           25. Early on Thursday, January 28, 2021, RHS’s operations team received  
16 its daily margin notice from the NSCC requesting a more than \$3 billion increase  
17 in RHS’s deposit requirement for that day. This increase put RHS’s deposit  
18 requirements an order of magnitude above typical levels. RHS’s operations team  
19 promptly reached out to the NSCC to discuss the request.

20           26. In discussions with the NSCC, RHS learned that a substantial portion  
21 of the increased deposit requirement resulted from the NSCC’s VaR calculation for  
22 specific stocks, such as AMC Entertainment Holdings, Inc. (“AMC”) and  
23 GameStop Corp. (“GameStop” or “GME”). In addition, because RHS’s VaR  
24 charge exceeded its net capital, the NSCC imposed an additional special charge.  
25 The NSCC notified RHS that the NSCC’s Risk Committee was reviewing the  
26 system generated margin calls. As a way to mitigate the sudden increase in the  
27 NSCC deposit requirements, RHS proposed to the NSCC that, as a temporary  
28 measure, it would limit customer purchases for certain volatile stocks that had

1 driven the increased deposit requirements. Based on the issues it was facing and  
2 the discussions with the NSCC, RHS believed that these temporary restrictions  
3 would help mitigate the increase in its clearinghouse deposit requirements by  
4 eliminating or significantly reducing the special charge. Within several hours of  
5 the discussion with NSCC concerning the temporary restrictions, the NSCC issued  
6 an amended margin call that removed the special requirement, leaving only the  
7 VaR charge of \$1.4 billion. By 10:00 a.m. Eastern Time on January 28, RHS  
8 deposited approximately \$700 million in incremental deposit charges with the  
9 NSCC to meet the revised deposit requirement for that day.

10 27. On January 28, 2021, RHS informed RHF that it would not accept  
11 purchase orders for certain volatile stocks that had driven the increased deposit  
12 requirements. As noted, RHS imposed these measures in order to reduce the  
13 collateral deposits demanded by the NSCC to a manageable level., and RHS  
14 expected that these actions would lead to such a result. To provide flexibility to  
15 customers with existing positions, RHF permitted customers to sell their  
16 positions—*i.e.*, a “position closing only” (“PCO”) restriction. As a result, RHF  
17 maintained trading continuity for Robinhood customers at market opening and  
18 enabled millions of customers to transact in thousands of other securities.

19 28. The PCO limitations were a necessary step for RHS to take to protect  
20 the Firm, Robinhood customers, and the markets. The temporary restrictions on  
21 specified securities helped RHS to comply with its clearinghouse deposit  
22 requirements in the face of unprecedented volatility and volume, thereby allowing  
23 the Firm to continue to serve Robinhood customers and comply with all trading  
24 requirements and regulations. Nonetheless, broker-dealers like RHS may face  
25 increased deposit requirements from clearinghouses at any time, necessitating the  
26 continued need to monitor trading activity of volatile stocks.

27 29. I understand that taking steps to place PCOs on selected volatile  
28 securities was not unique to RHS. Certain other broker-dealers also placed

1 restrictions on certain volatile securities due to these unprecedented market  
2 conditions.

3 **V. Subsequent Revisions to the Trading Restrictions.**

4 30. In the following days, RHS revised the limitations on customer  
5 purchases of certain securities as market conditions permitted. For example, as of  
6 February 3, 2021, RHS informed RHF that it would accept purchase orders for all  
7 securities except for AMC and GME—both of which customers could still  
8 purchase up to certain share and options contract limits.

9 31. As of February 4, 2021, restrictions remained in place for only AMC  
10 (up to 5,500 shares; up to 5,000 options contracts) and GME (up to 500 shares; up  
11 to 500 options contracts).

12 32. As of February 5, 2021, the temporary restrictions have been  
13 eliminated entirely.

14 **VI. No Citadel Entity or Other Third Party Was Involved In**  
15 **Robinhood’s Decision-Making.**

16 33. I am familiar with speculation on social media and in the press  
17 suggesting that Citadel LLC (“Citadel”), a hedge fund, or Citadel Securities LLC  
18 (“Citadel Securities”), a market maker, played a role in RHS’s decision to instruct  
19 RHF to restrict trades of certain volatile stocks during the weeks of January 25 and  
20 February 1, 2021. This speculation is completely false.

21 34. To the best of my knowledge, no third party, including either Citadel  
22 or Citadel Securities, requested that Robinhood apply restrictions on stock or  
23 options trading or played any role in connection with RHS’s decision on January  
24 28, 2021 to apply limited restrictions on stock and options trading in certain  
25 securities. This was a decision I made on behalf of RHS and in consultation with  
26 my operations team at RHS and others at Robinhood.

27 35. As of January 27, 2021 and through the present, RHS did not hold,  
28 and has not held, short positions in GameStop, AMC or BlackBerry, Ltd. Nor did

1 Robinhood customers hold short positions in any of those securities through  
2 Robinhood, as the Robinhood app and website do not permit short selling.

3 I declare under penalty of perjury that the foregoing is true and correct.  
4 Executed February 8, 2021, at Lake Mary, Florida.

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*James Swartwout*

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James Swartwout