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**Disclosure Statement**

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PLEASE READ THIS DOCUMENT CAREFULLY AND RETAIN IT FOR FUTURE USE.



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## 1. SELF-DIRECTED INVESTING

YOU ACKNOWLEDGE THAT YOU ARE THE ACCOUNT HOLDER AND THAT YOU ALONE ARE RESPONSIBLE FOR DETERMINING THE SUITABILITY OF YOUR INVESTMENT CHOICES IN LIGHT OF YOUR PARTICULAR CIRCUMSTANCES. YOU UNDERSTAND THAT ROBINHOOD FINANCIAL, LLC (“ROBINHOOD FINANCIAL”) AND ROBINHOOD SECURITIES, LLC (“ROBINHOOD SECURITIES” AND, TOGETHER WITH ROBINHOOD FINANCIAL, “ROBINHOOD”) ASSUME NO RESPONSIBILITY FOR SUCH DETERMINATION. As a self-directed investor, you (the “Account Holder”) assume full responsibility for each and every transaction in or for your account(s) at Robinhood (the “Account(s)”) and for your own investment strategies and decisions. The Account Holder understands and agrees that Robinhood Financial and Robinhood Securities have no liability whatsoever for the results of the Account Holder’s investment strategies, transactions, and decisions or those of any agent of the Account Holder.

In a brokerage relationship, even if Robinhood makes a recommendation to the Account Holder, the Account Holder is ultimately responsible for making investment decisions for the Account(s). Robinhood does not make investment decisions for the Account Holder and does not exercise investment discretion over the Account(s). Robinhood will only buy or sell securities for the Account(s) at the Account Holder’s direction.

## 2. DISCLOSURES REQUIRED BY FINRA RULE 4311 (Carrying Agreements)

Robinhood Financial, the firm with which you have opened your securities Account(s), utilizes Robinhood Securities to provide certain operational services. These services—such as the execution and settlement of securities transactions, custody of securities and cash balances, and extension of credit on margin transactions—are provided pursuant to a written clearing agreement between Robinhood Financial and Robinhood Securities. As a member of the Financial Industry Regulatory Authority (FINRA), Robinhood Securities is required (under



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FINRA Rule 4311) to disclose to you the responsibilities allocated to Robinhood Financial and Robinhood Securities under the clearing agreement.

## Responsibilities of Introducing Broker–Dealer – Robinhood Financial

Robinhood Financial has the responsibility to:

- ❖ Approve the opening of your Account(s);
- ❖ Obtain necessary documentation to help fight the funding of terrorism and money laundering activities (Note: U.S. law and international best practices require firms to obtain, verify, and record information that identifies each person who opens an Account; this information may be used to perform a credit check and verify your identity through internal sources or third–party vendors);
- ❖ Service and supervise your Account(s) in accordance with Robinhood Financial policies and procedures and applicable laws, regulations, and rules;
- ❖ Know you and your stated investment objectives;
- ❖ Assess, to the extent required by law, whether particular kinds of transactions—such as margin, options, and IPO transactions—are appropriate for you;
- ❖ Accept securities orders from you;
- ❖ Know the transaction details regarding any orders for the purchase or sale of securities in your Account(s);
- ❖ Correctly identify and promptly forward to Robinhood Securities cash or securities intended for your Account(s);
- ❖ Supervise the activities of any Robinhood Financial personnel who service your Account(s);
- ❖ Investigate any complaints regarding the handling of your Account(s); and
- ❖ Manage its ongoing relationship with you.

Robinhood Securities assumes no responsibility for the above matters to the extent Robinhood Financial exercises its responsibility for them.



## Responsibilities of Clearing Agent – Robinhood Securities

Robinhood Securities has the responsibility to:

- ❖ Process orders for the purchase, sale, or transfer of securities (Robinhood Securities is not obligated to accept orders directly from you and will do so only in exceptional circumstances);
- ❖ Provide margin to the extent that you choose to trade on margin and are deemed eligible to do so;
- ❖ Receive and deliver cash and securities;
- ❖ Record such receipts and deliveries according to information provided either by Robinhood Financial or directly, in writing, by you;
- ❖ Hold securities and cash in custody (after they come into Robinhood Securities' physical possession or control);
- ❖ Collect and disburse proceeds from sales, dividends, interest, and other income earned from the securities in your Account(s);
- ❖ Process reorganization and voting instructions with respect to securities held in custody;
- ❖ Prepare confirmations of trades for you;
- ❖ Prepare periodic account statements;
- ❖ Provide Robinhood Financial with written reports of all transactions processed for your Account(s) to enable Robinhood Financial to carry out its responsibilities under the clearing agreement;
- ❖ Assist you and Robinhood Financial with any discrepancies or errors that may occur in the processing of transactions.

Robinhood Financial assumes no responsibility for the above matters to the extent Robinhood Securities exercises its responsibility for them.

The Account Holder acknowledges and agrees that Robinhood is not acting as an investment adviser with respect to the Account(s) or Account Holder and that the services provided by



Robinhood are brokerage and not advisory services. Any collection of financial data by Robinhood Securities from the Account Holder, and any evaluation or analysis of such data by Robinhood Securities, is to assist Robinhood Securities' compliance and risk management efforts and is not for the purpose of Robinhood Securities rendering advice regarding the suitability, profitability, or appropriateness for the Account Holder of any security, investment, financial product, investment strategy, or other matter. The Account Holder acknowledges and agrees that the Account Holder and the Account Holder's investment adviser, if any, are solely responsible for all investment decisions regarding the Account(s) and will not rely on any general information provided by Robinhood as the sole basis for any investment decision.

The Account Holder understands that the research, analysis, news, tools, and other information made available by Robinhood (except for account information that relates specifically to the Account Holder's Account(s)) is not in any way tailored to reflect the Account Holder's personal financial circumstances or investment objectives, and any references to account types, securities, or investment strategies therein may not be suitable for the Account Holder and do not in any way constitute a recommendation of an account type, particular security, or investment strategy by Robinhood.

If the Account Holder opens a margin account, Robinhood Securities may:

- ❖ Loan money for the purpose of purchasing or holding securities (subject to the terms of the Robinhood Customer Margin Account Agreement, margin policies, and applicable margin regulations);
- ❖ Calculate the amount of maintenance margin required and advise the Account Holder of those requirements (through Robinhood Financial or otherwise); and
- ❖ Calculate the interest charged for any Account Holder debit balance.

In connection with all of the functions that Robinhood Securities performs, Robinhood Securities maintains the books and records required by law and business practice.



The clearing agreement between Robinhood Financial and Robinhood Securities does not encompass transactions in commodities futures contracts or investments other than tradable securities, which Robinhood Securities normally processes on recognized exchanges and over-the-counter (OTC) markets. In furnishing services under the clearing agreement, Robinhood Securities may use and rely upon the services of clearing agencies, automatic data processing vendors, proxy processing vendors, transfer agents, securities pricing services, and other similar organizations.

This document addresses the basic allocation of functions regarding the handling of your Accounts. It is not meant as a definitive enumeration of every possible task for which Robinhood Financial or Robinhood Securities would be responsible under the clearing agreement.

Robinhood Securities does not control, audit, or otherwise supervise the activities of Robinhood Financial or its associated persons (except to the extent those individuals are also associated persons of Robinhood Securities).

Robinhood Securities does not verify information provided by Robinhood Financial regarding your Account(s) or transactions processed for your Account(s). Robinhood Financial has a duty to report to Robinhood Securities any erroneous transaction details it identifies in reports provided by Robinhood Securities.

Robinhood Securities does not undertake responsibility for reviewing the appropriateness of transactions entered by you through Robinhood Financial or on your behalf.

### 3. CREDIT AND MARGIN DISCLOSURES

**Cash Accounts.** At Robinhood Securities discretion, cash accounts may be subject to interest on any debit balances (in any currency) resulting from, e.g.,:



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- ❖ Securities purchased and not paid for by the settlement date;
  - ❖ Untimely delivery of securities sold;
  - ❖ Proceeds of sales paid prior to the settlement date;
  - ❖ Other charges that may be made to the account;

**Margin Accounts.** Purchases of securities on credit, commonly known as “margin purchases,” enable you to increase the buying power of your equity and thus increase the potential for profit or loss.

A portion of the purchase price is deposited when buying securities on margin, and Robinhood Securities extends credit for the remainder. This loan will appear as a debit balance on your monthly account statement.

Robinhood Securities will charge interest on the debit balance and requires you to maintain securities or cash to repay the loan and its interest.

Interest will be charged in the underlying currency for any credit extended to you, which may include:

- ❖ Buying, trading or carrying securities
- ❖ Cash withdrawals made against the collateral of securities
- ❖ Payments made in advance of settlement on the sale of securities (from date of payment until settlement date)

Further information can be found by accessing the following documents through the [Robinhood Disclosure Library](#):

- ❖ RHF and RHS Margin Disclosure Statement (includes margin-related disclosures required under FINRA Rule 2264);
- ❖ Robinhood Customer Margin Account Agreement;
- ❖ RHF Fee Schedule;





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❖ RHF–RHS Customer Agreement.

## 4. STATEMENT OF FINANCIAL CONDITION

As a registered broker–dealer, Robinhood Securities is subject to the SEC’s net capital rule (Rule 15c3–1 under the Exchange Act of 1934). Advances to affiliates, dividend payments, and other equity withdrawals are subject to certain notification and other provisions of the net capital rule of the SEC and other regulatory bodies. Robinhood Securities has elected to use the alternative method permitted by the rule, which requires Robinhood Securities to maintain net capital equal to the greater of 2% of aggregate customer–related debit items in the customer reserve computation under Rule 15c3–3 under the Exchange Act of 1934 or \$0.25 million. The most recent versions of Robinhood Securities’ Audited Statement of Financial Condition and Unaudited Statement of Financial Condition are available in the Disclosure Library [here](#).

## 5. COMPLAINTS

Complaints concerning services provided by Robinhood Securities may be directed to:

Complaints

Robinhood Securities, Compliance Department

500 Colonial Center Parkway

Suite 100

Lake Mary, FL 32746

## 6. ROUTING AND PAYMENT FOR ORDER FLOW PRACTICES

Rule 607 under the Exchange Act of 1934 requires registered broker–dealers to disclose their policies regarding the receipt of “payment for order flow” in connection with the routing of certain 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 or exchange in return for routing orders. Robinhood Financial routes customer orders in equity and option securities to Robinhood Securities, which routes orders to market centers, including other broker–dealers and, in the case of certain equity orders, one or more national securities exchanges. Robinhood Securities receives payment for order flow from those market centers and shares revenue with Robinhood Financial. The broker–dealers pay for order flow at the same rate and generally pay Robinhood Securities (i) for orders in equities, a fixed percentage of the spread between the National Best Bid and the National Best Offer for the security at the time of order execution, and (ii) for orders in options, a flat rate based on the underlying symbol.

Under applicable exchange fee schedules, Robinhood Securities generally pays an exchange when taking liquidity on it and is paid by an exchange when providing liquidity to it. Robinhood Securities transmits customer orders for execution to market centers based on several factors depending in part on the type of security, including: size of order, trading characteristics of the security, favorable execution price (including the expected opportunity for price improvement based on historical performance), and the likelihood of a fill. The market centers to which Robinhood Securities routes customer orders may execute orders at prices superior to the publicly quoted market. While a customer may not specify that an order be directed to a particular market center for execution, Robinhood’s order–routing policies, taking into consideration the factors referenced above, are designed to seek favorable transaction processing for customers. The nature and source of any payments or credits received by Robinhood Securities in connection with any specific transactions will be furnished upon written request.

Additional information regarding securities order routing can be found [here](#).



## 7. SERVICES AND TRADING AUTHORIZATION FOR ACCOUNTS

Your Account(s) are self-directed, and you are solely responsible for any and all orders placed in your Account(s), for your investment decisions, and for determining the suitability of any particular transaction, security, or investment strategy. You agree that all orders entered by you (or on your behalf) are based on your own investment decisions. The Account Holder understands that Robinhood Financial is an agent of the Account Holder and not of Robinhood Securities and that the terms of this disclosure statement and the RHF-RHS Customer Agreement govern the terms of the services provided by Robinhood Securities to the Account Holder. Without limiting any other provision of this disclosure statement, the Account Holder understands and agrees that, between the Account Holder and Robinhood Securities:

1. The Account Holder agrees not to allow any person to place orders or provide instructions with respect to the Account(s) unless a trading authorization for that person has been received and approved by Robinhood Financial.
2. The Account Holder has selected Robinhood Financial based on criteria that the Account Holder deems appropriate for the Account Holder's investment needs and will not hold Robinhood Securities responsible for the Account Holder's decision to hire and use Robinhood Financial.
3. All decisions relating to the Account Holder's investment or trading activity shall be made solely by the Account Holder.
4. Robinhood Securities is authorized to accept and act on the instructions of Robinhood Financial until Robinhood Securities receives notice revoking such authority from Robinhood Financial and has had a reasonable amount of time to act on such notice.
5. Robinhood Securities is further authorized to act on Robinhood Financial's instructions to aggregate orders for the Account(s) with orders for one or more other accounts over which Robinhood Financial has trading authorization or to accept or deliver assets in transactions executed by third parties where Robinhood Financial has provided instructions to aggregate.



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6. In no event will Robinhood Securities be responsible for or assume the obligations of Robinhood Financial.
  7. No agent of the Account Holder, whether or not affiliated with Robinhood Securities, is authorized to make representations or act on behalf of Robinhood Securities.
  8. Robinhood Securities has no responsibility for and will not participate in or review the Account Holders trading decisions or in any way review, monitor, or supervise the suitability or frequency of the investment or trading activity in the Account Holder's account. Robinhood Securities will be responsible for maintaining and monitoring its own books and records according to applicable policies.
  9. Robinhood Securities will not have any duty to inquire into the authority of Robinhood Financial or into the suitability or trading activity of the Account Holder.

## Cash Accounts

If sufficient funds are not already in the Account Holder's cash account to cover a purchase transaction, it is agreed that the Account Holder will (1) make full payment for the securities described on the confirmation of the transaction no later than the settlement date for the transaction and (2) not sell such securities prior to making payment. If Robinhood Securities does not receive full payment for securities purchased by the Account Holder, Robinhood Securities may, at its option, cancel the transaction without notice to the Account Holder. The Account Holder will be liable to Robinhood Securities for any loss without limitation, including all expenses, attorney's fees, and other costs incurred by Robinhood Securities, and interest thereon, as a result of a canceled or liquidated transaction.

## 8. SIPC CONTACT INFORMATION

Robinhood Financial and Robinhood Securities are members of the Securities Investor Protection Corporation (SIPC), which protects securities customers of its members up to \$500,000, including a maximum of \$250,000 for cash claims. For additional information regarding SIPC coverage, including a brochure, please contact SIPC at (202) 371-8300 or visit



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[www.sipc.org](http://www.sipc.org). SIPC protection does not protect against a loss in the market value of securities.

## 9. FINRA BROKERCHECK PROGRAM (<https://brokercheck.finra.org/>).

An investor brochure that includes information describing FINRA BrokerCheck may be obtained from FINRA. The FINRA BrokerCheck Hotline Number is (800) 289-9999. The FINRA website address is [finra.org](http://finra.org).

## 10. BUSINESS CONTINUITY

Robinhood maintains Business Continuity Plans to guide our response to events that may significantly disrupt our business. Since the timing, nature, and impact of disasters and disruptions is unpredictable, it's important for us to be flexible in responding to actual events as they occur. Robinhood's Business Continuity Plan Summary is available in the Disclosure Library [here](#).

## 11. REGULATION E

Regulation E of the Consumer Financial Protection Bureau establishes disclosures regarding electronic transfers. Robinhood Securities does not perform any electronic transfers for end investors. This function is performed and managed by Robinhood Financial. Please note that this disclosure section is not applicable to international remittance transfers.

## 12. LOST SECURITIES

If your periodic client statement indicates that securities were forwarded to you and you have not received them, you should immediately notify Robinhood. If notification is received within 120 days after the mailing date, as reflected on your periodic statement, replacement will be made free of charge. Thereafter, a fee for replacement may apply.



## 13. TRANSACTIONS IN LISTED OPTIONS

If you purchase options listed on the U.S. national options exchanges, you should review the Characteristics and Risks of Standardized Options disclosure published by The Options Clearing Corporation (OCC). A copy of the options disclosure document is available on the OCC website at [www.optionsclearing.com/about/publications/character-risks.jsp](http://www.optionsclearing.com/about/publications/character-risks.jsp).

## 14. LIENS AND LEVIES

If, for any reason, your Account(s) are subject to a lien or levy directed to Robinhood Securities, Robinhood Securities will advise the requesting entity that the request should be made to Robinhood Financial where the Account(s) are held.

## 15. CONFIRMATIONS OF EXECUTIONS AND/OR CANCELLATIONS

Confirmations of executions or cancellations may be delayed, erroneous (e.g., due to computer system issues) or canceled or adjusted by an exchange or other market center. Robinhood will endeavor to correct errors in such confirmations, including errors regarding execution prices or cancellations, to reflect what actually occurred in the marketplace; you will be bound by such terms. The cancellation of an order is not guaranteed. An order may only be canceled if the request to cancel is received by the market center to which the order was routed and matched with the order to be canceled before it is executed. During market hours, it is rarely possible to cancel a market order or a marketable limit order, as such orders may be executed immediately. You should not assume that any order has been executed or canceled until you have received a transaction or cancellation confirmation from Robinhood Securities.