ELIGIBLE INVESTOR NOTICE

June 18, 2021

NAME NUMBER: DB6Z3LKNSA
MAZHAR JAKHRO
[redacted]

***In the Matter of Robinhood Financial, LLC,* Admin. Proceeding No. 3-20171**

Dear MAZHAR JAKHRO,

We are writing to inform you that the U.S. Securities and Exchange Commission ("SEC" or the "Commission") will be making a distribution in the above-referenced matter to those investors who suffered harm as a result of the conduct described in the Commission's Order issued against Robinhood Financial, LLC ("Robinhood") on December 17, 2020.

Background

On December 17, 2020, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the "Order")[1] against Robinhood. The Commission found material misrepresentations and omissions by Robinhood relating to its revenue sources, specifically its receipt of payments from certain principal trading firms, for routing Robinhood customer orders to them, generally referred to as "payment for order flow."

In the Order the Commission found that Robinhood omitted to disclose its receipt of payment for order flow in certain of its communications with its retail customers. As a broker-dealer that routed its customer orders for execution, Robinhood had a duty to seek to obtain the best reasonably available terms for its customers' orders, including price. This duty is referred to as the duty of "best execution." From July 2016 through June 2019, while Robinhood was on notice that its high payment for order flow rates from principal trading firms could result in inferior execution prices for its customers, Robinhood violated its duty of best execution by failing to conduct adequate, regular, and rigorous reviews of the execution quality it provided on customer orders. Robinhood did not begin comparing its execution quality to that of its competitors until October 2018, and did not take appropriate steps during the entire period to assess whether its high payment for order flow rates adversely affected customer execution prices.

As a result of the conduct described in the Order, the Commission ordered Robinhood to pay a civil penalty of $65,000,000.00. In the Order, the Commission established a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the civil penalty can be distributed to harmed investors (the "Fair Fund"). The Fair Fund is a "Qualified Settlement Fund" ("QSF"), as defined in U.S. Treas. Reg. Sec. 1.468B-1 *et seq.* and has a balance of $65 million paid by Robinhood.

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[1] Securities Act Rel. No. 10906 (Dec. 17, 2020).